Project Administration Manual

Project Number: 50264-002
Loans and Grant Numbers:

October 2020

Kingdom of Cambodia: Agricultural Value Chain Competitiveness and Safety Enhancement Project

CURRENCY EQUIVALENTS
(as of 27 October 2020)

Currency unit	–	riel (KR)
KR1.00	=	$0.000245
$1.00	=	KR4,075

ABBREVIATIONS

AC	–	agricultural cooperatives
ACSEP	–	Agricultural Value Chain Competitiveness and Safety Enhancement Project
ADB	–	Asian Development Bank
AE	–	agro-enterprises
AIF	–	ASEAN Infrastructure Fund
AFD	–	Agence Française de Développement
APFS	–	audited project financial statements
ASEAN	–	Association of Southeast Asia Nations
AVC	–	agricultural value chains
AVCL-CL	–	agricultural value chain loan credit line
CAP	–	competitive agricultural products
CARDI	–	Cambodian Agricultural Research and Development Institute of MAFF
CGF	–	credit guarantee fund
CPF	–	community participation framework
CSC	–	construction supervision consultants
DAI	–	Department of Agro-Industry of MAFF
DMC	–	Department of Multilateral Cooperation of MEF
DMF	–	design and monitoring framework
EA	–	executing agency
EMP	–	environmental management plan
ESMS	–	environmental and social management system
ECL-CL	–	equity capital loan credit line
FBS	–	financing and banking specialists
FMA	–	financial management assessment
FMM	–	financial management manual
FMR	–	farm-to-market road
GAP	–	gender action plan
GDA	–	General Directorate of Agriculture
GDAHP	–	General Directorate of Animal Health and Production
GDFI	–	General Department of Financial Industry
GDICDM	–	General Department of International Cooperation and Debt Management
GDTA	–	General Directorate of Technical Affairs
GMP	–	good manufacturing practice
GRM	–	grievance redress mechanism
IA	–	implementing agency
IEE	–	initial environmental examination
IP	–	indigenous people
IR	–	involuntary resettlement
JFPR	–	Japan Fund for Poverty Reduction
km	–	kilometer
MAFF	–	Ministry of Agriculture, Forestry and Fisheries

MEF	–	Ministry of Economy and Finance
MISTI	–	Ministry of Industry, Science, Technology and Innovation
MOC	–	Ministry of Commerce
MOE	–	Ministry of Environment
MRD	–	Ministry of Rural Development
OCB	–	open competitive bidding
PAC	–	participating agricultural cooperatives
PAE	–	participating agro-enterprises
PAM	–	project administration manual
PDAFF	–	Provincial Department of Agriculture, Forestry and Fisheries
PDE	–	Provincial Department of Environment
PDRD	–	Provincial Department of Rural Development
PFI	–	participating financial institution
PFMRDP	–	Public Financial Management for Rural Development Program
PIC	–	project implementation consultants
PIU	–	project implementation unit
PMU	–	project management unit
PPSPSD	–	Plant Protection, Sanitary and Phyto-Sanitary Department
PSC	–	project steering committee
PVH	–	Preah Vihear Province
RRP	–	report and recommendation of the President
SEO	–	Social and Environmental Office
SOE	–	statement of expenditure
VDC	–	Village Development Committee
WA	–	withdrawal application

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Project Administration Manual Purpose and Process

The project administration manual (PAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with the policies and procedures of the government and Asian Development Bank (ADB). The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The Ministry of Agriculture, Forestry and Fisheries (MAFF), the Ministry of Economy and Finance (MEF), and the Ministry of Rural Development (MRD) are wholly responsible for the implementation of ADB-financed projects, as agreed jointly between the borrower and ADB, and in accordance with the policies and procedures of the government and ADB. ADB staff is responsible for supporting implementation including compliance by MAFF, MEF, and MRD of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At loans and grant negotiations, the borrower and ADB shall agree to the PAM and ensure consistency with the loans and grant agreements. Such agreement shall be reflected in the minutes of the loans and grant negotiations. In the event of any discrepancy or contradiction between the PAM and the loans and grant agreements, the provisions of the loans and grant agreements shall prevail.

After ADB Board approval of the project's report and recommendations of the President (RRP), changes in implementation arrangements are subject to agreement and approval pursuant to relevant government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval, they will be subsequently incorporated in the PAM.

I. PROJECT DESCRIPTION

1. The Cambodia Agricultural Value Chain Competitiveness and Safety Enhancement Project (ACSEP or the project) will strengthen value chains of competitive agricultural products (CAPs)— cassava, mangoes, cashew nuts, vegetables, and native chicken—in the provinces of Kampong Cham, Kampong Thom, Oddar Meanchey, Preah Vihear, Siem Reap, and Tboung Khmum.[1] The project will (i) facilitate access to credit for agro-enterprises and agricultural cooperatives; (ii) promote viable market links among agro-enterprises and agricultural cooperatives, and enhance food safety and quality; and (iii) improve farm-to-market connectivity. The project will benefit about 230 agricultural cooperatives (about 27,000 households) and about 50 agribusinesses in the project areas.

A. Impact and Outcome

2. The project is aligned with the following impacts: (i) inclusive and sustainable development in agriculture sector achieved; and (ii) private sector developed by promoting SMEs and entrepreneurship.[2] The project will have the following outcome: value addition of five competitive AVCs in the project areas increased.[3]

B. Outputs

1.

3. **Output 1: Agricultural value chain financing enhanced.** This output will promote investments by agro-enterprises and agricultural cooperatives to be engaged in CAP value chains (para. 2) through financial intermediation.[4] Participating financial institutions (PFIs)[5] will provide the agro-enterprises and agricultural cooperatives (borrowers) with four types of subloans from the AVC loan credit line depending on needs of borrowers.[6] To facilitate PFIs' provision of subloans, the project will introduce two other financing schemes: an equity capital loan credit line and a credit guarantee fund. The equity capital loan credit line will provide borrowers with supplemental equity on a subordinated basis in cases where the borrower lacks equity to qualify for the primary loan (i.e., AVC loans). The credit guarantee fund will provide guarantees to PFIs' provision of AVC loans and equity capital loans to reduce their risk exposure. In addition, the project, in cooperation with PFIs, will help the agro-enterprises and agricultural cooperatives

[1] These five value chains are selected considering export orientation, import substitution, value addition, and impact on income enhancement. Cashew, cassava, and mangoes are important crops for processing and export; vegetables will strengthen import substitution; and poultry (native chicken) has high income-generation impact.

[2] At $10–$13 per 100 kilometers (km) per ton in 2015, Cambodia's domestic transport costs remain higher than its regional competitors. Domestic transport costs about $5 per 100 km per ton in Thailand and about $7 per 100 km per ton in Viet Nam.

[3] The design and monitoring framework is in Appendix 1 of the RRP.

[4] Beneficiary agro-enterprises have operations in, or source agro-products from, the six project provinces. However, given the growing need for access to finance after COVID-19, the geographic coverage and target AVCs may be expanded, while support for agricultural cooperatives will be limited to the six project provinces. A majority of the beneficiary agro-enterprises and agricultural cooperatives of output 1 are expected to be from project participating agro-enterprises and participating agricultural cooperatives.

[5] Sathapana Bank and the Agricultural and Rural Development Bank have been selected as PFIs for their substantial portfolio in agriculture and SME lending, and their interest and willingness to participate in the project.

[6] Four types of AVC loans comprise: (i) farm production loans for contract growers, (ii) short- to medium-term business loans, (iii) inventory procurement loans/seasonal revolving line of credit, and (iv) long-term business loans. Details are in Project Administration Manual (accessible from the list of linked documents in Appendix 2).

strengthen their business planning and loan applications. The project will also pilot a green financing scheme to be financed by the ASEAN Infrastructure Fund.[7]

4. **Output 2: Agricultural value chain linkage and safety strengthened.** This output will address key bottlenecks in the value chains by (i) engaging and supporting about 230 participating agricultural cooperatives (PACs)[8] to improve their production capacity through demonstration farms and small agricultural infrastructure support and to establish inclusive business partnerships (IBPs) with participating agro-enterprises (PAEs) to be engaged for sustainable value chain linkages;[9] (ii) building the capacity of PACs and PAEs on food safety control and supporting them to obtain agro-product safety assurance certificates;[10] (iii) supporting research and development on crop seed varieties and poultry breeds, and multiplying and disseminating high-yield, drought-resilient, and disease-resistant crop seeds and planting materials; (iv) upgrading agro-product safety testing laboratories for International Organization for Standardization 17025 accreditation;[11] and (v) enhancing digitalization of government's services through an integrated agricultural data platform, multichannel extension services, and piloting of a traceability system. The project will also support developing a strategic plan for agro-food safety testing laboratory system upgrading and operation plans as a condition for item (iv); and developing a strategic plan for digitalization of MAFF services as a condition for item (v).

5. **Output 3: Agricultural value chain connectivity enhanced.** This output will improve about 110 kilometers of farm-to-market roads in the project areas.[12] Laterite roads will be upgraded with double bituminous surface treatment. Climate change adaptation measures have been incorporated into the design of farm-to-market roads (FMRs).[13] Improved FMRs will enhance connectivity among value chain actors of the CAPs by reducing transport time and cost, increasing the volume of transportation, and reducing road maintenance costs. The project communities will be trained in road safety. The project will ensure that there is sufficient budget to operate and maintain the improved FMRs.[14]

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[7] ADB will provide technical assistance to design the green financing mechanism. (ADB. 2018. *Green and Innovative Finance Initiative for Scaling Up Southeast Asian Infrastructure.* Manila [TA 9621-REG]). The ASEAN Infrastructure Fund will provide financing to pilot the scheme under the proposed project.

[8] There are currently 240 registered agricultural cooperatives and several unregistered farmers groups in the six project provinces. Of these, 230 will be selected and new ones to be added if needed as the PACs based on criteria including minimum years of operation and minimum proportion of female members. Details are provided in the Project Administration Manual (accessible from the list of linked documents in Appendix 2). Of the 230 target PACs, 60 will specialize in cashew, 100 in cassava, 10 in mangoes, and 60 in vegetable production. Poultry farmers are individuals.

[9] The IBP is a mutually beneficial business partnership between PACs (or farmers groups) and PAEs that source raw materials from the PACs. The roles and responsibilities of PAEs and PACs under an IBP are provided in the Project Administration Manual. The IBPs are expected to improve PACs' access to finance by providing the PFIs assurance of the PACs' business viability, together with sales agreements and contract farming.

[10] Certificates include Cambodian Good Agricultural Practices (CamGAP), CamOrganic and Good Animal Husbandry Practices (GAHP) for PACs, and Good Manufacturing Practice (GMP) and Hazard Analysis Critical Control Points (HACCP) for PAEs.

[11] The laboratories the project will support include the National Agriculture Laboratory for pesticide residue analysis (for mangoes and vegetables), the Cambodia Laboratory of Agricultural Products and Foods for mycotoxin analysis (for cashew nuts), and the National Animal Health and Production Research Institute for antibiotics analysis (for meat).

[12] While the Cambodian Road Law classifies such roads as rural roads, the term "farm-to-market road" is used in this document to emphasize the nature of rural roads supported by the project.

[13] Funded by the Nordic Development Fund to incorporate climate change proofing to the road design and improve project readiness, the detailed engineering designs have been completed for five of the six envisaged FMR subprojects. The detailed engineering design for the remaining subproject will be complemented in October 2020.

[14] The project will follow the practices of ADB's rural roads improvement projects in Cambodia. Under the Second Rural Roads Improvement Project, a rural roads asset management system and asset management tools are being developed and will be completed by the end of 2020. (ADB. 2014. *Report and Recommendation of the President to the Board of Directors: Proposed Loan and Administration of Grants to the Kingdom of Cambodia for the Second Rural Roads Improvement Project.* Manila.)

II. IMPLEMENTATION PLANS

A. Project Readiness Activities

Table 1: Project Readiness Activities

Indicative Activities	2020			2021					Responsible Agency
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	
Establishment of project implementation arrangements	×								MAFF/MRD/ MEF
Advertisements for the recruitment of CSC, PIC, and FSC		×							MAFF/MRD/ MEF
Shortlisting of CSC, PIC, and FSC			×						MAFF/MRD/ MEF
Submission of proposals by CSC, PIC, and FSC				×					MAFF/MRD/ MEF
Evaluation of proposals for CSC, PIC, and FSC					×				MAFF/MRD/ MEF
Approval of CSC, PIC, and FSC submissions						×			ADB/ MAFF/MRD/ MEF
Mobilization of CSC, PIC, and FSC							×		MAFF/MRD/ MEF
Invitation to bid for road contractors		×							MRD
Submission of bids by road contractors					×				MRD
Evaluation of bids for road contractors						×			MRD
Approval of bid evaluation reports							×		ADB/MRD
Contract award to winning road contractors								×	MRD
Invitation to bid for vehicle suppliers		×							?
Submission of bids by vehicle suppliers				×					MAFF/PMU
Evaluation of bids for vehicle suppliers					×				MAFF/PMU
Approval of bid evaluation reports						×			ADB/MAFF/PMU
Contract award to winning vehicle suppliers							×		MAFF/PMU
Loans and grant negotiations	×								ADB/MEF
ADB Board approval		×							ADB
Signing of cofinancing agreement			×						ADB/AFD
Loans and grant signing				×					ADB/MEF
Government legal opinion provided					×				MEF
Government budget inclusion						×			MEF
Loans and grant effectiveness						×			ADB

ADB = Asian Development Bank; AFD = Agence Française de Développement; CSC = construction supervision consultants; FSC = financing specialist consultants; MAFF = Ministry of Agriculture, Forestry and Fisheries; MEF = Ministry of Economy and Finance; MRD = Ministry of Rural Development; PIC = project implementation consultants; PMU = project management unit.
Source: Asian Development Bank estimates.

B. Overall Project Implementation Plan

6. Key activities of the project implementation are presented in Table 2. This will be updated annually and submitted to ADB with contract and disbursement projections for the following year.

Table 2: Overall Project Implementation Plan

ACTIVITIES	2021				2022				2023				2024				2025				2026				2027		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Output 1: Agricultural value chain financing enhanced																											
1.1 Prepare and sign on-lending agreement between MEF and PFIs																											
	×																										
1.2 Prepare and sign agreement on credit guarantee fund between MEF and PFIs																											
	×																										
1.3 Assist PFIs in establishing and implementing ESMS																											
	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×		
1.4 Conduct training for staff of PFIs and the government on financial (AVC financing and credit guarantee), environmental and social safeguards, and gender and labor issues																											
		×	×																								
1.5 Set up a credit guarantee fund mechanism																											
	×																										
Output 2: Agricultural value chain linkage and safety strengthened																											
2.1 IBP facilitated																											
2.1.1 Identify PAEs and PACs, assess their needs, and create PAE and PAC database																											
		×	×																								
2.1.2 Facilitate establishment of IBP agreements between PAEs and PACs																											
		×	×	×	×	×	×	×	×	×	×	×	×	×													
2.1.3(i) Prepare training program for PACs on cooperative management, business planning and marketing, agro-product safety control and GAP and for PAEs on food safety control and GMP																											
			×																								
2.1.3(ii) Conduct training for PACs on cooperative management, business planning and marketing, agro-product safety control and GAP and for PAEs on food safety control and GMP																											
				×	×	×	×	×	×	×	×	×															
2.1.4(i) Plan and design demonstration farming																											
			×																								
2.1.4(ii) Support PACs on demonstration farming																											

ACTIVITIES	2021				2022				2023				2024				2025				2026				2027		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
				×	×	×	×	×	×	×	×	×															
2.1.5(i) Plan and design small infrastructure investment																											
			×																								
2.1.5(ii) Procure works for small infrastructure investment																											
				×	×	×	×	×	×	×																	
2.1.5(iii) Monitor the work contract execution for small infrastructure investment																											
						×	×	×	×	×	×	×	×	×	×	×	×											
2.2 Food safety and quality of CAP enhanced																											
2.2.1(i) Assist MAFF in preparing a ministerial strategic plan for laboratory upgrading and financial viability analyses of the project-financed laboratories																											
		×	×	×																							
2.2.1(ii) Procure goods, works and services for laboratory upgrading																											
					×	×	×																				
2.2.1(iii) Conduct training for concerned government staff on laboratory operation, good safety inspection, and ISO certification requirements																											
					×	×	×	×	×	×	×	×	×	×	×	×	×											
2.2.2(i) Design pilot traceability system for selected CAP																											
					×	×																					
2.2.2(ii) Procure services for pilot traceability system																											
							×	×																			
2.2.3 Implement the pilot traceability system																											
									×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×		
2.3 Genetics and quality of planting materials and poultry breeds for CAP improved																											
2.3.1 Plan and implement research and development on genetic improvement																											
		×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×		
2.3.2 Identify nursery producers																											
			×																								
2.3.3 Conduct training for nursery producers and support them to produce improved planting materials																											
				×	×	×	×	×	×	×	×	×	×	×	×	×												
2.4 ICT data platform established																											
2.4.1 Assist MAFF in preparing a ministerial ICT strategic plan																											
		×	×	×																							

ACTIVITIES	2021				2022				2023				2024				2025				2026				2027		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
2.4.2 Prepare detailed design and procure goods and services for ICT data platform																											
					×	×	×	×																			
2.4.3 Provide training to concerned government staff for laboratories and ICT and assist in operationalizing upgraded laboratories and ICT system																											
					×	×	×	×	×	×																	
Output 3: Agriculture Value Chain connectivity enhanced																											
3.1 Procure works for FMR																											
	×																										
3.2 Conduct training for communities on road safety																											
	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×											
3.3 Monitor the work contract execution																											
		×	×	×	×	×	×	×	×	×	×	×	×	×													
Project Management Activities																											
Recruit project implementation consultants (PMU and PIUs for all outputs)																											
	×																										
Establish PPMS, and conduct needs assessment for specific project management skills																											
		×	×																								
Conduct training for project staff in project management, procurement, financial management, gender, social and environment safeguards																											
		×	×																								
Completion date of JFPR grant																	×										
Closing date of JFPR grant																			×								
Completion dates of ADB, AIF, and AFD loans																									×		
Closing dates of ADB, AIF, and AFD loans																											×

ADB = Asian Development Bank, AIF = ASEAN Infrastructure Fund, AFD = Agence Française de Développement; AVC = agricultural value chain, CAP = competitive agricultural products, ESMS = environmental and social management system, FMR = farm-to-market road, GAP = good agricultural practice, GMP = good manufacturing practice, IBP = inclusive business partnership, ICT = information and communication technology, ISO = International Organization for Standardization, JFPR = Japan Fund for Poverty Reduction, MAFF = Ministry of Agriculture, Forestry and Fisheries, MEF = Ministry of Economy and Finance, PAC = participating agricultural cooperatives, PAE = participating agro-enterprises, PFI = participating financial institution, PIU = project implementation unit, PMU = project management unit, PPMS = project performance monitoring system.
Source: Asian Development Bank.

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations: Roles and Responsibilities

7. A Project Steering Committee (PSC) will provide project oversight. The PSC will be chaired by the Secretary of the Ministry of Agriculture Forestry and Fisheries (MAFF) and co-chaired by the Ministry of Economy and Finance (MEF) with representatives from the Ministry of Rural Development (MRD), Ministry of Commerce (MOC), Ministry of Industry, Science, Technology and Innovation (MISTI), Ministry of Environment (MOE), and the National Bank of Cambodia.

8. MAFF is the executing agency (EA) in close coordination with MRD and MEF and will report to PSC. Moreover, MAFF will be responsible for overall reporting on all project activities and ensuring that the project is implemented in accordance with the loans and grant agreements. The General Department of Financial Industry (GDFI) of MEF will serve as the implementing agency (IA) for Output 1. Seven MAFF and its affiliated agencies [i.e., The General Directorate of Agriculture (GDA), [15] General Directorate of Animal Health and Production (GDAHP), [16] Department of Extension for Agriculture, Forestry and Fisheries (DEAFF), Department of Agro-Industry (DAI), Department of Planning and Statistics (DPS), the Agriculture Information and Documentation Center (AIDOC), and Cambodian Agricultural Research and Development Institute (CARDI)] will serve as the IAs for Output 2. The General Directorate of Technical Affairs (GDTA) of MRD will serve as IA for Output 3.

9. MAFF will establish a project management unit (PMU) and a project implementation unit (PIU) for Output 2. MEF will establish a PIU for Output 1 under GDFI. MRD will establish a PIU for Output 3 under GDTA.

10. PMU will be responsible for overall project planning, coordination, and project monitoring and reporting (e.g., safeguards compliance). The PMU will comprise a project director (the head of PMU), a project manager, and additional staff all from MAFF (i.e., an administration officer, a financial officer, a procurement officer, safeguards officers for social and environment, a gender officer, a monitoring and evaluation [M&E] officer, and a support staff). The PIU for Output 2 will comprise technical officers from MAFF's GDA, DAI, GDAHP, DEAFF, DPS, AIDOC, and CARDI. The PMU will be responsible for administrative matters of the PIU for Output 2. The PIU for Output 1 will comprise a project director, a credit line manager, a credit guarantee fund manager, a credit analyst, an administration officer, a safeguards officer for social and environment, an accounting officer, and a support staff. The PIU for Output 3 will comprise a project director, a project manager, two civil engineers, a financial officer, an administration and accounting officer, safeguards officers for social and environment, a procurement officer, and a support staff.

11. Project implementation consultants (PIC) will be recruited to support the PMU and PIUs in the implementation of the project. Financing specialist consultants (FBS) will also be recruited to support PIU for Output 1. Agricultural value chain consultants will be engaged to support the

[15] Project participating departments of General Directorate of Agriculture (GDA) comprise: (i) National Agricultural Laboratory (NAL), (ii) Department of Agricultural Cooperative Promotion (DACP), (iii) Department of Agricultural Engineering (DAEng), (iv) Department of Industrial Crops (DoIC), (v) Department of Horticulture and Subsidiary Crops (DHSC), (vi) Plant Protection, Sanitary and Phyto-Sanitary Department (PPSPSD), and (vii) Department of Agricultural Land Resources Management (DALRM).

[16] Project participating departments of General Directorate of Animal Health and Production (GDAHP) comprise: (i) National Animal Health and Production Research Institute (NAHPRI), (ii) Department of Animal Production, and (iii) Department of Animal Health and Veterinary Public Health.

implementation of output 2, while construction supervision consultants (CSC) will be recruited to support PIU for Output 3.

12. At the provincial level, the Provincial Department of Agriculture, Forestry and Fisheries (PDAFF) and Provincial Department of Rural Development (PDRD) will coordinate and support agencies with the guidance and technical support from relevant national departments. PDAFF and PDRD are not envisioned to play a direct role in project management, procurement and/or financial disbursements, or other financial transactions, under the project.

13. For the purposes of project coordination and support, a provincial project implementation unit (PPIU) will be established in each of the six target provinces. The PPIU will be chaired by the director of PDAFF and comprising representatives of PDRD and three PDAFF staff related to Cooperatives, Agronomy and Land Improvement, Agricultural Extension, Animal Health and Production and/or other concerned offices. PDRDs will be responsible for coordination and support related to all/any rural roads and connectivity to agricultural cooperatives and agro-enterprises.

14. Executing and implementing agencies follow three key documents: (i) the government's May 2012 Standard Operating Procedures (SOP); (ii) the Financial Management Manual (FMM); and (iii) the Procurement Manual with two volumes for the externally financed projects/programs (July 2019), as updated from time to time).[17]

Table 3: Project Implementation Organizations: Roles and Responsibilities

Project Implementation Organizations	Management Roles and Responsibilities
Ministry of Economy and Finance (MEF) The Borrower and IA (General Department of International Cooperation and Debt Management – GDICDM) (General Department of Financial Industry-GDFI) for Output 1 (General Department of Resettlement – GDR)	(on behalf of the Borrower) (i) Sign the loans and grant agreements for the project; (ii) Process and submit to ADB amendments of the loans and grant agreements including reallocation of loans and grant proceeds as needed during implementation; (iii) Ensure timely review and approval of the project's annual budget, and allocation and release of counterpart funds; (iv) Open four pass-through accounts for each funding source (one for ADB loan, one for AFD loan, one for AIF loan, and one for JFPR grant) and facilitate opening of two advance accounts as IA for Output 1 (one for ADB loan and one for AIF loan) and transfer funds to the three IAs' advance accounts from the pass-through accounts; (v) Promptly review statement of expenditures (SOEs), endorse withdrawal applications to ADB,[18] and release funds to designated advance accounts of each implementing agency; (vi) Ensure the timely release of funds to the advance accounts in MEF, MAFF, and MRD from the passthrough accounts; (vii) Recruit the auditing firm acceptable to ADB to audit the project financial statements prepared by MEF, MAFF and MRD; (viii) Ensure overall safeguards policy compliance of outputs 1, 2, and 3, including allocation of budget for community participation framework (CPF) implementation, government counterpart

[17] Ministry of Economy and Finance (MEF): SOP, FMM and PM of Volume I and II- July 2019 for the Externally Financial Projects/Program issued the Sub-Decree no. 74ANK.BK of Cambodia in July 2019.

[18] Partial administration for AFD loan includes ADB's administration of procurement and disbursement activities for the AFD loan following ADB's Procurement Policy (2017, as amended from time to time), Procurement Regulations for ADB Borrowers (2017, as amended from time to time), and disbursement guidelines (ADB's *Loan Disbursement Handbook* [2017, as amended from time to time]).

Project Implementation Organizations	Management Roles and Responsibilities
	safeguards staff at IAs level, timely submission of semiannual safeguards monitoring report to ADB for review and disclosure; (ix) Co-chair the PSC. (as the Implementing Agency for Output 1) (x) Sign on-lending agreements with PFIs and, during the implementation, process amendments in coordination with ADB; (xi) Establish PIU for output 1 including provision of sufficient office space; (xii) Ensure timely establishment of environmental and social monitoring system (ESMS) at each PFI and its implementation compliance; (xiii) Collect, consolidate and submit the safeguards monitoring reports on ESMS implementation compliance from PFIs to PMU; (xiv) Ensure that the project outputs and outcome relevant to output 1 are delivered and achieved on time and within budget; (xv) Ensure timely allocation and release of counterpart funds, staff time and other resources to give an oversight and guidance to output 1 PIU (i.e., the Administer of project financing for output 1); (xvi) Ensure proper management of advance account for output 1, submission of withdrawal applications to ADB through MEF, and retention of supporting documents; (xvii) Ensure timely auditing of financial statements for output 1 and compile audited financial statements from IAs and submit to ADB; (xviii) Prepare and update annual work plans, procurement plans, and annual forecasts of contract awards and disbursement for output 1 based on inputs from PFIs; (xix) Ensure timely procurement of goods and consulting and other services for output 1 following the procurement plan and manage those contracts; (xx) Conduct monitoring of implementation of output 1 and compliance of environmental and social safeguards, including gender action plan; (xxi) Ensure timely submission of progress reports, annual audited project financial statements, gender action plan and project completion report to PMU for consolidation; (xxii) Establish and manage project GRM for output 1 activities; (xxiii) Implement project performance monitoring system (PPMS) by measuring, monitoring and evaluating the performance in delivering development impacts against established performance targets and goals of output 1 and the project.
Ministry of Agriculture, Forestry and Fisheries (MAFF): Executing Agency (EA) and IA for Output 2	(i) Facilitate opening of four advance accounts as IA for Output 2 (one for ADB loan, one for AFD loan, one for AIF, and one for the JFPR grant); (ii) Establish PMU responsible for overall project planning, coordination, and project monitoring and reporting (e.g., safeguards compliance); (iii) Establish PIU for output 2 including provision of sufficient office space and assignment of counterpart staff ;[19] (iv) Establish and chair PSC and convene PSC meetings; (v) Ensure implementation of the project in accordance with the loan and grant agreements;

[19] PMU and PIU will be at a single premise; however, PMU staff is responsible for all outputs while PIU staff is responsible mainly for output 2.

Project Implementation Organizations	Management Roles and Responsibilities
	(vi) Ensure that the project outputs and outcome are delivered and achieved on time and within budget; (vii) Coordinate with all the implementing agencies to ensure compliance with good governance (financial management and procurement), social and environmental safeguards, and anti-corruption measures; (viii) Ensure timely allocation and release of counterpart funds, staff time and other resources to give an oversight and guidance to PMU and output 2 PIU; (ix) Ensure proper management of advance account for output 2, submission of withdrawal applications to ADB through MEF, and retention of supporting documents; (x) Ensure timely auditing of financial statements for output 2 and compile audited financial statements from IAs and submit to ADB; (xi) Prepare and update annual work plans, procurement plans, and annual forecasts of contract awards and disbursement with inputs from IAs; (xii) Ensure timely procurement of works, goods and consulting and non-consulting services for output 2 following the procurement plan and manage those contracts; (xiii) Oversee, provide guidance, and cooperate with IAs monitoring of implementation of overall project's design and monitoring framework and compliance with project covenants, environmental and social safeguards, including gender action plan; (xiv) Collect, consolidate the safeguards monitoring reports from PIUs and submit to ADB for clearance and disclosure; (xv) Ensure timely submission of progress reports, annual audited project financial statements, safeguards monitoring reports (including semi-annual), gender action plan and project completion report; (xvi) Ensure preparation and submission of semi-annual social safeguards monitoring reports on implementation of IR and IP screening criteria and ADB SPS compliance; (xvii) Establish and implement PPMS in cooperation with IAs by measuring, monitoring and evaluating the performance in delivering development impacts against established performance targets and goals of the project; (xviii) Establish and manage the project GRM for output 2 activities; (xix) Ensure overall safeguards policy compliance of output 1, 2, and 3.
Ministry of Rural Development (MRD) General Directorate of Technical Affairs IA for output 3	(i) Facilitate opening of one advance account as IA for Output 3 (for the AFD loan); (ii) Establish PIU for output 3 including provision of sufficient office space and allocation of counterpart staff; (iii) Ensure implementation of output 3 in accordance with the loan and grant agreements and in compliance with the agreed environment and social safeguard requirements; (iv) Ensure that the project outputs and outcome relevant to output 3 are delivered and achieved on time and within budget; (v) Ensure timely allocation and release of counterpart funds, staff time and other resources to give an oversight and guidance to output 3 PIU;

Project Implementation Organizations	Management Roles and Responsibilities
	(vi) Ensure proper management of advance account for output 3, submission of withdrawal applications to ADB through MEF, and retention of supporting documents; (vii) Ensure timely auditing of financial statements for output 3 and submit to PMU for consolidation; (viii) Prepare and update annual work plans, procurement plans, and annual forecasts of contract awards and disbursement for output 3 to submit to PMU for consolidation; (ix) Ensure timely procurement of goods and consulting and other services for output 3 following the procurement plan and manage those contracts; (x) Conduct monitoring of implementation of output 3 following the project design and monitoring framework and compliance of environmental and social safeguards, including gender action plan; (xi) Ensure timely submission of semi-annual integrated environment and social safeguard monitoring reports for output 3 to PMU; (xii) Ensure timely submission of progress reports, annual audited project financial statements, gender action plan and project completion report to PMU for consolidation; (xiii) Implement PPMS by measuring, monitoring and evaluating the performance in delivering development impacts against established performance targets and goals of output 3 and the project; (xiv) Establish and manage the project GRM for output 3 activities.
Participating Financial Institutions (PFIs)	(i) Enter into and execute project agreements with ADB; (ii) Enter into and execute onlending agreements with MEF; (iii) Appoint a project manager, safeguard focal, gender focal for the project implementation and allocate sufficient staff time; (iv) Establish and implement PFI-wise ESMS based on the ESMS template; (v) Submit to PIU (output 1) quarterly payment requests for credit line and guarantee based on projected financial needs and remaining balance in the fund for credit line received earlier; (vi) Identify and assess potential subloan borrowers based on eligibility criteria and through respective PFI's assessment method; (vii) Enter into and execute subloan agreements with subloan borrowers; (viii) Propose subloans for guarantee issuance to PIU (output 1); (ix) Recycle principals of the onlent ADB loan proceeds that are repaid by subloan borrowers to finance additional subloans; (x) Submit to ADB annual audited entity financial statements and annual audited statement of utilization of funds and in addition, an audit management letter and audit opinions on the (i) use of loan proceeds, and (ii) compliance with financial covenants stated in the agreements; (xi) Cooperate with PMU under MAFF to implement the grievance redress mechanism; (xii) Submit to PIU (output 1) quarterly progress reports including progress on relevant project (including gender) target indicators and ESMS implementation; (xiii) Submit safeguard documents to ADB through the PIU (output 1) for those that need ADB prior review and approval;

Project Implementation Organizations	Management Roles and Responsibilities
	(xiv) Establish and manage the PFI GRM to be reported in the semiannual safeguard monitoring report.
Project Steering Committee (PSC) shall:	(i) Chaired by the Secretary of State of MAFF and co-chaired by MEF, with representatives from Ministry of Rural Development (MRD), Ministry of Commerce (MOC), Ministry of Industry, Science, Technology and Innovation (MISTI), Ministry of Environment (MOE), and National Bank of Cambodia; (ii) Work throughout the duration of the project and meet at least quarterly during year 1 and semi-annually thereafter. (iii) Ensure interagency cooperation at national level; (iv) Review and advise on policy issues and implementation constraints; (v) Ensure integration with other donors and government related development activities; (vi) Monitor implementation progress; (vii) Approve annual work-plans and budgets; and (viii) Provide overall guidance on project implementation.
Project Management Unit (PMU) under MAFF and Project Implementation Unit (PIU)	(PMU will manage all administrative matters for output 2 and coordination with IAs/PIUs for outputs 1 and 3. PIU for output 2 will manage technical aspect of output 2 implementation in close coordination with PMU.) (i) Be responsible for the day-to-day project implementation, planning and budgeting, disbursement, monitoring and reporting; (ii) Coordinate activities and report progress to PSC and ADB; (iii) Liaise with the national and provincial implementing agencies, initiate and coordinate effective communication between all project stakeholders, and provide guidance and coordination to the implementing agencies; (iv) Prepare annual work-plans, procurement plans, and annual forecast of contract awards and disbursements for output 2 and consolidate with inputs from PIUs (outputs 1 and 3) for submission to ADB; (v) Implement the concerned output under the guidance of the IA (vi) Conduct monitoring following the project's design and monitoring framework and ensuring compliance with project covenants and environmental and social safeguards, including gender action plan, in cooperation with all PIUs; (vii) Ensure timely recruitment and mobilization of consultant supports on safeguards for all PIUs; (viii) Ensure the establishment and management of project GRM in all PIUs and develop GRM data base system in the PMU; (ix) Assist the EA to establish and implement PPMS; (x) Assist the EA/IA (output 2) to manage the advance account opened for Output 2 and ensure that all disbursements are for the purpose of the project; (xi) Submit withdrawal applications to ADB through MEF, retention of supporting documents, and overseeing advance accounts; (xii) Submit audited project financial statements of Output 2 following ADB's requirements; (xiii) Assist the EA/IA (output 2) in timely procurement of goods and consulting and other services for output 2 following the procurement plan and management of those contracts in compliance with ADB's procedures;

Project Implementation Organizations	Management Roles and Responsibilities
	(xiv) Prepare quarterly progress reports, annual audited financial reports, safeguard monitoring reports (including semi-annual), gender action plan monitoring reports on output 2 and consolidate inputs from PIUs (including reports for outputs 1 and 3) to submit to ADB; (xv) Assist each PFI to establish and manage ESMS in coordination with PIU (output 1); (xvi) Prepare and submit audited project annual financial statements of output 2 and consolidated audited project annual financial statements for all outputs to submit to ADB; (xvii) Conduct in cooperation with PIUs seminars and training for EA and IAs on effective project management, financial management, procurement, etc.; (xviii) Organize in cooperation with all PIUs ADB's annual, midterm and project completion reviews and prepare reports for submission to ADB.
Project implementation unit for output 2 under MAFF	(i) Implement the concerned output under the guidance of the IA; (ii) Monitor the implementation of the concerned output, including physical progress, financial progress, procurement, safeguards compliance and gender actions.
Project implementation unit for output 1 under MEF	(i) Implement the concerned output as the Administrator of project financial schemes [credit line (debt financing and equity financing) and credit guarantee fund] under the guidance of the IA; (ii) Prepare and update an annual work plan, procurement plan and annual financial projection for the concerned output for PMU to consolidate; (iii) Assist the IA (output 1) to manage the advance account opened for Output 1 and ensure that all disbursements are for the purpose of the project; (iv) Prepare and submit withdrawal applications to MEF, ensuring retention of supporting documents, and overseeing advance accounts; (v) Review and approve quarterly payment requests from PFIs and disbursement fund from advance accounts for output 1; (vi) Procure goods and consulting and other services for output 1 following the procurement plan and manage those contracts in compliance with ADB's procedures; (vii) Monitor the implementation of the concerned output and take necessary measures to solve any implementation issues; (viii) Prepare and submit quarterly progress reports, safeguard monitoring reports (including semi-annual), gender action plan monitoring reports and project completion report to PMU for consolidation; (ix) Prepare and submit audited project annual financial statements of the concerned output following ADB's requirements to PMU for consolidation.
Project implementation unit for output 3 under MRD	(i) Implement the concerned output under the guidance of the IA; (ii) Prepare and update an annual work plan, procurement plan and annual financial projection for the concerned output for PMU to consolidate; (iii) Assist the IA (output 1) to manage the advance account opened for Output 3 and ensure that all disbursements are for the purpose of the project;

Project Implementation Organizations	Management Roles and Responsibilities
	(iv) Prepare and submit withdrawal applications to MEF (GDICDM), retention of supporting documents, and overseeing advance accounts; (v) Procure goods and consulting and other services for output 1 following the procurement plan and manage those contracts in compliance with ADB's procedures; (vi) Confirm/ update the DDRs prepared for 6 roads based on the final detail engineering designed and ensure its compliance with the approved CPF; (vii) Monitor the implementation of the concerned output, including physical progress, financial progress, procurement, safeguards compliance and gender actions; (viii) Prepare and submit quarterly progress reports, safeguard monitoring reports (including semi-annual), gender action plan monitoring reports and project completion report to PMU for consolidation; (ix) Prepare and submit audited project annual financial statements of the concerned output following ADB's requirements to PMU for consolidation; (x) Establish and manage output 3 GRM and report its implementation in the semi annual safeguard monitoring report;
General Directorate Agriculture (GDA) I. National Agricultural Laboratory (NAL) II. Department of Agricultural Cooperative Promotion (DACP) III. Department of Agricultural Engineering (DAEng) IV. Department of Industrial Crops (DoIC) and Chamcar Leu Upland Seed Development Farm (CLUSDF) V. Department of Horticulture and Subsidiary Crops (DHSC) VI. Plant Protection, Sanitary and Phyto-Sanitary Department (PPSPSD) VII. Department of Agricultural Land Resources Management (DALRM)	(i) NAL shall: (a) provide laboratory equipment specifications; (b) implement pesticide residue, GMO, LMO, plant toxin, organic fertilizer, and soil and water testing; (c) achieve ISO17025 accreditation; and (d) adapt procedures for cost recovery of services and decentralizing services to regional and/or provincial level; (ii) DACP shall: (a) identify existing cassava, cashew, mango, and vegetable ACs for their capacity and governance structure building, development and strengthening; (b) facilitate, support and help establish new and sustainable cassava, cashew, mango and vegetable ACs, if and when needed; (c) conduct training/technical support in bookkeeping, agribusiness acumen, and business plan development for/to cassava, cashew, mango and vegetable ACs; (d) provide support to the establishment, management and operation of AC-based cashew drying yards and mango sheds; and (e) Collaborate with DoIC and DHSC to identify the appropriate ACs or seedling dealers to work on cassava, cashew and mango certified nursery; (iii) DAEng shall cooperate with DoIC, DHSC, GDAPH, DEAFF and DAI to develop and disseminate information materials on and to provide capacity building and training to ACs, farmers and agro-enterprises in design and construction specifications and O&M (of greenhouses; on-farm waste water and energy treatment/management equipment and facilities; renewable energy equipment and facilities; poultry sheds; mango sheds; cashew drying yards; wet markets, storage facilities; etc.); (iv) DoIC/CLUSDF shall, in collaboration with CARDI, DEAFF and DALRM/GDA and PPSPSD/GDA, develop norms, standards, guidelines, manuals, training and extension materials on good agriculture practices (GAP) and PGS in cassava, mango, and cashew value chains; provide needed/relevant training to ACs and farmers; support and facilitate certification of GAP for AC; and establish certified nurseries at CLUSDF and at six target provinces,

Project Implementation Organizations	Management Roles and Responsibilities
	multiply clean planting materials, distribution and dissemination to the farmers/ACs, conduct training on the related field of work (establishment of certified nursery, management and maintenance, and how to multiply clean seed and dissemination etc.), commercialization, and other supports to CAP's growers/ACs; (v) DHSC shall, in collaboration with DEAFF and DALRM/GDA and PPSPSD/GDA, develop norms, standards, guidelines, manuals, training and extension materials on good agriculture practices (GAP) and PGS in mango and vegetable value chains; conduct demos; provide needed/relevant training to ACs and farmers; support and facilitate certification of GAP for ACs; (vi) DoIC/CLUSDF and DHSC shall, with their respective responsibilities under GDA, shall (a) provide specifications for, support and monitor AC-/farmer-managed demonstrations/trials in collaboration with CARDI, DEAFF, DALRM/GDA, PPSPSD/GDA and/or DAEng; (b) provide specifications of, help set up, support and monitor certified nurseries for cassava, cashew and mango in collaboration with CARDI and/or DAEng; and (c) certify and/or support certification of nurseries for ACs and agro-enterprises; (vii) GDA (DACP, DoIC, DHSC) shall work closely with DAI in linking ACs with agro-enterprises, and facilitating and supporting contract farming arrangements; (viii) PPSPSD, under GDA, will take leadership in developing and disseminating norms, standards, and guidelines on SPS and CAMGAP; and provide needed/relevant training to ACs and agro-enterprises, provide input to demo farms, in cooperation with DHSC, DAI and DEAFF, to support and promote mango export.
General Directorate of Animal Health and Production (GDAHP) (i) National Animal Health and Production Research Institute (NAHPRI) (ii) Department of Animal Production (DAP) (iii) Department of Animal Health and Veterinary Public Health (DAHVPH)	(i) General Directorate of Animal Health and Production (GDAHP) shall identify, build and strengthen capacity of (a) animal health workers (AHWs) in poultry production; (b) about 50 three-week chick producers; and (c) about 200 medium-sized chicken farmers; (ii) GDAHP shall develop and disseminate standards and guidelines in poultry good production and handling practices; (iii) GDAHP and Offices of Animal Health and Production (OAHP) shall facilitate linkage between the 50 three-week chick producers and the 200 chicken farmers, and between the 200 chicken farmers and buyers through contract farming arrangements; (iv) GDAHP and OAHP shall facilitate and support good animal husbandry practices (GAHP) for producers and good processing/manufacturing practices (in collaboration with DAI); (v) GDAHP shall (a) be responsible for a feasibility study on investment in wet market/s with slaughterhouse/s and cold storage for poultry; (b) design specifications of the said wet market/s, if feasible; (c) provide laboratory equipment specifications; (d) conduct bio-safety analysis of chick production and poultry farms; (e) certify chick production and poultry farms; (f) promote recycling and safe use of poultry manure, bio-waste and bio-slurry; (g) address emergencies; (h) achieve ISO 17025 accreditation; and (i) adapt procedures for cost recovery of services; (vi) GDAHP shall provide specifications for establishing cattle AI laboratory and equipment (NAHPRI).

Project Implementation Organizations	Management Roles and Responsibilities
Department of Extension for Agriculture, Forestry and Fisheries (DEAFF)	(i) Collaborate with GDA (DoIC, DHSC) and GDAPH, to develop and disseminate training and extension materials on good production practices (incl. GAP, GI, PGS) to ACs and farmers and to provide them with needed/relevant training and capacity building; (ii) Collaborate with GDA (DAEng) and GDAPH to disseminate information materials on and to train ACs and farmers in design and construction specifications and O&M (of greenhouses; on-farm waste water and energy management/treatment equipment and facilities; poultry sheds; mango sheds; cashew drying yards; etc.); (iii) Collaborate with GDA and GDAPH in farmer-/AC-managed demonstrations/trials; (iv) Work with DAI to disseminate contract farming guidelines and manuals to ACs and farmers, and to conduct training in contract farming for them.
Department of Agro-Industries (DAI)	(i) Develop and disseminate, in consultation with GDA, GDAPH, DEAFF and CARDI as well as MIH, norms, standards, guidelines and manuals on GMP and HACCP; (ii) Raise awareness of GMP and HACCP and build capacity of ACs and agro-enterprises in GMP and HACCP; (iii) Support GDA (DAEng) and GDAPH to disseminate information materials on and to train ACs and agro-enterprises in design and construction specifications and O&M (of on-site waste water and energy management/treatment equipment and facilities; wet markets; storage facilities; poultry sheds; mango sheds; cashew drying yards; etc.); (iv) Disseminate contract farming guidelines and manuals to ACs and farmers (in collaboration with DEAFF, GDA and GDAPH), and agro-enterprises; (v) Provide capacity building and training in contract farming to ACs and farmers (in collaboration with DEAFF), and agro-enterprises; (vi) In collaboration with GDA and GDAPH, facilitate and support contract farming and linkage between ACs and agro-enterprises; (vii) Provide laboratory equipment specifications (CAMLAPF); (b) conduct food safety and quality testing; (c) achieve ISO17025 accreditation; and (d) adapt procedures for cost recovery of services and decentralizing services to regional and/or provincial level.
Department of Planning and Statistics (DPS)	(i) Work with GDA, GDAPH, DAI and DEAFF to provide specifications for (a) data platform, (b) needed agri-Apps, and (c) linkage of agri-Apps to data platform; (ii) Work with concerned stakeholders (incl. ACs, agro-enterprises, commune councils) to develop protocols, processes and methods for data and information collection, analysis, dissemination and sharing; (iii) Develop and implement a framework to (a) recover cost for and (b) ensure sustainability of the data platform and the agri-Apps.
Agriculture Information and Documentation Center (AIDOC)	(i) Work with GDA, GDAPH, DAI, DEAFF, and DPS to provide specifications for (a) data platform, (b) needed agri-Apps, and (c) linkage of agri-Apps to data platform; (ii) Work with concerned stakeholders (incl. ACs, agro-enterprises, commune councils) to develop protocols, processes and methods for data and information collection, analysis, dissemination and sharing;

Project Implementation Organizations	Management Roles and Responsibilities
	(iii) Work together with the BAU in the establishment and regular meetings of Value Chain Platforms.
Cambodia Agricultural Research and Development Institute (CARDI)	(i) Responsible for (a) disease-resistant and climate-resilient cassava varietal development, trials and demonstrations in collaboration with CLUSDF/DoIC/GDA; (b) coordination with GDA on cassava foundation seed production, multiplication and distribution, and (c) coordination with GDA commercialization of cassava foundation seed business via technical support to and certification of ACs and private cassava seed producer nurseries; (ii) Responsible for (a) disease-resistant and climate-resilient cashew and mango varietal development, trials and demonstrations in collaboration with GDA; coordinate with GDA on(b) cashew and mango foundation stock production, multiplication and distribution, and (c)commercialization of cashew and mango foundation stock businesses via technical support to and certification of AC and private cashew and mango sapling producer nurseries. (For cashew, CARDI will collaborate with DoIC/GDA, and for mango, CARDI will collaborate with DHSC/GDA); (iii) Work with GDA to develop specifications for certified nurseries of planting materials (i.e., cassava seeds, cashew saplings, mango saplings); and to support the establishment of and monitor certified nurseries (of ACs and/or agro-enterprises).
General Directorate of Technical Affairs of MRD (IA) and MRD Social and Environment Office (SEO)	(i) Be responsible for day-to-day rural road project implementation, planning and budgeting, disbursement, monitoring and reporting; (ii) Establish and manage sub-accounts, submission of withdrawal applications to ADB through MEF, retention of supporting documents, and overseeing subaccounts; (iii) Coordinate activities and submit progress reports to the EA including financial data for consolidation; (iv) Elaborate annual work plans, financial management and procurement plans and administration including preparation of annual forecasts of contract awards and disbursements; (v) Contract administration for rural roads (farm-to-market roads); (vi) Conduct monitoring and compliance of environmental and social safeguards, including gender action plan; (vii) Confirm/ update the DDRs prepared for 6 roads based on the final detail engineering designed and ensure its compliance with the approved CPF. Prepare DDR and implement CPF for any new road proposed for financing in compliance with the safeguard requirements agreed for the project; (viii) Prepare and submit semi-annual integrated environment and social safeguards monitoring reports, including on implementation of CPF and ensuring the responsibility of contractors to manage/pay the compensation for temporary impacts during construction to PMU for consolidation and ADB clearance and disclosure; (ix) Implement PPMS by measuring, monitoring and evaluating the performance in delivering development impacts against established performance targets and goals of the project; (x) Establish and manage output 3 GRM and report its implementation in the semi-annual safeguard monitoring report; (xi) Carry out administrative, technical and financial management and reporting at national level;

Project Implementation Organizations	Management Roles and Responsibilities
	(xii) Prepare bidding documents for civil works, goods and services, following ADB procedures; (xiii) Submit progress reports, and financial statements for consolidation by PMU.
Asian Development Bank (ADB)	(i) Monitor the progress of project implementation on a regular basis; (ii) Ensure that the donor fund flows to the project are achieved in a timely and efficient manner; (iii) Conduct review missions to examine progress and provide advice; and (iv) Provide oversight on the activities defined in the project in compliance with ADB procedures and financing agreements.
Agence Française de Développement (AFD)	Join ADB team in: (i) conducting periodic reviews, including annual, mid-term and completion reviews to assess the project implementation progress and coordinate with ADB in resolving any issue that have arisen, especially the AFD-financed procurement packages and activities; and (ii) ensuring AFD's fund flows to the project activities are achieved in a timely and efficient manner and in compliance with the financing agreement between ADB and AFD.

B. Key Persons Involved in Implementation

Table 4: Key Persons Involved in Implementation

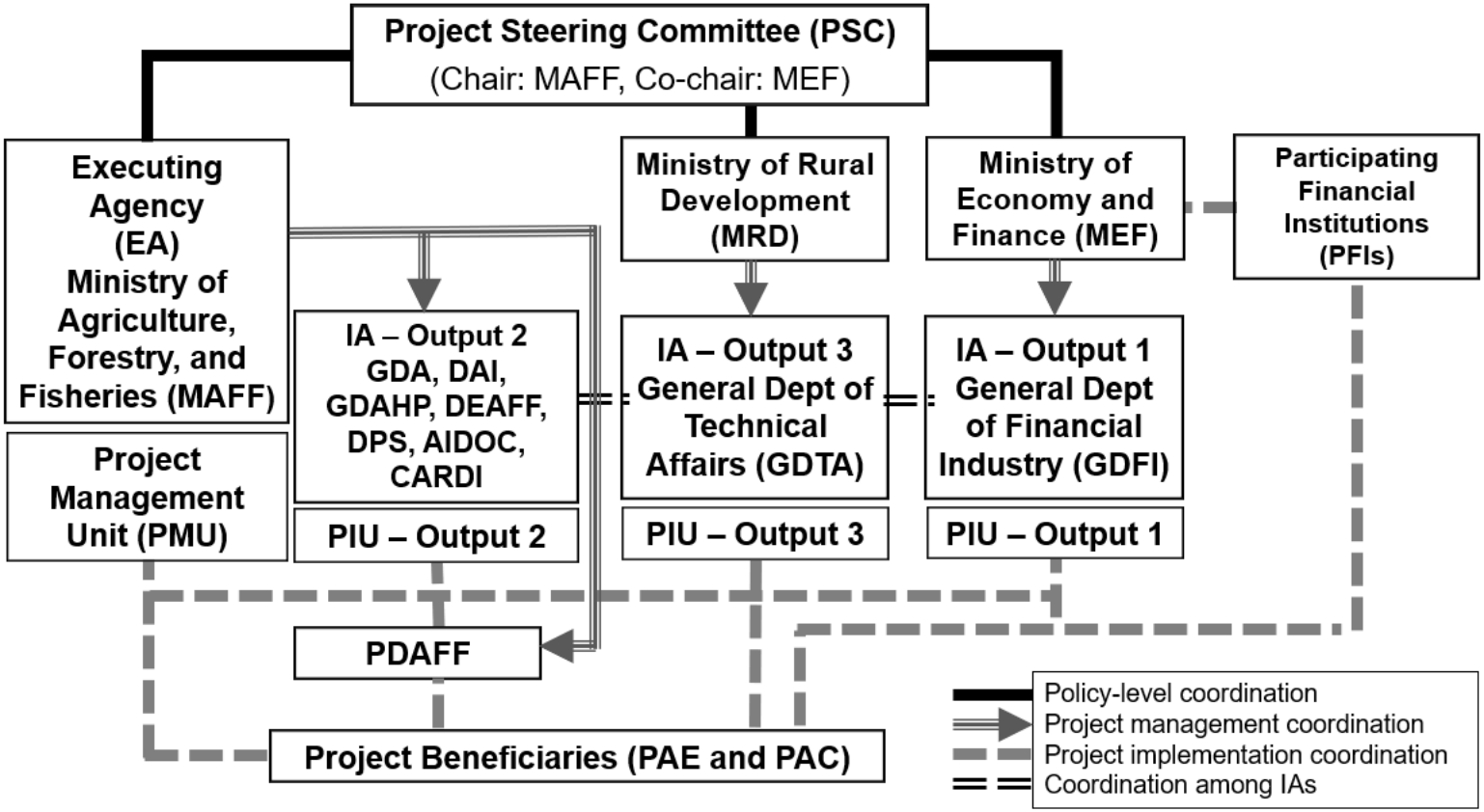
Agency	Persons
Executing Agency	
MAFF	Dr. SAR Chetra Deputy Secretary General, MAFF Telephone No.: (855)77 563-377 Email Address: chetrass@gmail.com Office Address: No. 200, Norodom Blvd., Sangkat Tonle Bassac, Khan Chamkar Morn, Phnom Penh, Cambodia Mr. Chheng Vibolrith Deputy Director, Department of International Cooperation, MAFF Tel: (855) 12 465 398 E-mail: chheng.vibolrith@gmail.com Office Address: No. 200, Norodom Blvd., Sangkat Tonle Bassac, Khan Chamkar Morn, Phnom Penh, Cambodia
Implementing Agencies	
MEF	H.E. Mey Vann Director General General Department of Financial Industry, MEF Telephone No.: 855-23-890 666 Email Address: meyvann@mef.gov.kh Office Address: MEF Bldg., Street No. 92, Sangkat Wat Phnom, Khan Daun Penh, Phnom Penh, Cambodia
	Mr. Sam Ang Po Deputy Director, Markets and Financial Institutions General Department of Financial Industry, MEF Telephone No.: 855-12899960 Email Address: samangpo@yahoo.com

	Office Address: MEF Bldg., Street No. 92, Sangkat Wat Phnom, Khan Daun Penh, Phnom Penh, Cambodia
MRD	Mr. Ing Vanna Deputy Director General, DGTA, MRD Telephone No.: (855-12) 958-268 Email Address: ing.vanna@gmail.com Office Address: MRD Bldg., Street No. 169 & Russian Federation Blvd., Phnom Penh, Cambodia Mr. ATH Chandavid Deputy Director of Rural Road Department, DGTA, MRD Telephone No.: (855-12) 690-029 Email Address: davidchanath@yahoo.com Office Address: MRD Bldg., Street No. 169 & Russian Federation Blvd., Phnom Penh, Cambodia
PFIs	
Agricultural and Rural Development Bank	Ms. San Kim Mouy Head Business Development and Strategy Department Telephone No.: (855 61) 444 817 Facsimile No.: (855 23) 224 628 Email Address: s.kimmouy@ardb.com.kh
Sathapana Bank	Mr. Thav Phat Sophearin Senior Head Sales and Business Development Telephone No.: 096447 77 77 Email Address: thav.phatsophearin@sathapana.com.kh
ADB	
Southeast Asia Department	Dr. Jiangfeng ZHANG Director Environment, Natural Resources and Agriculture Division Southeast Asia Department Telephone No.: +63 2 8632 6234 Facsimile No.: +63 2 8636 2444 Email Address: jzhang@adb.org
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AFD Cambodia Country Office	Ms. Ophelie BOURHIS Country Director AFD Cambodia Country Office Telephone No.: +855 23 426 360/036 Email Address: bourhiso@afd.fr
Team Leader	Ms. Naomi NOEL Regional Task Team Leader Agriculture, Rural Development and Biodiversity Division Telephone No.: +66 (0) 2 663 60 90 ext.142 Email Address: noeln@afd.fr

C. Project Organization Structure

Figure 1: Project Management Organizational Structure



AIDOC=Agriculture Information and Documentation Center, CARDI=Cambodia Agriculture Research and Development Institute, DAI=Department of Agro-Industry, DEAFF=Department of Extension for Agriculture, Forestry, and Fisheries, DPS=Department of Planning and Statistics, EA=executing agency, GDA=General Directorate of Agriculture, GDAHP=General Directorate of Animal Health and Production, GDFI=General Department of Financial Industry, IA=Implementing Agency, GDTA=General Department for Technical Affairs, MAFF=Ministry of Agriculture, Forestry, and Fisheries, MEF=Ministry of Economy and Finance, MRD=Ministry of Rural Development, PAC=participating agricultural cooperatives, PAE=participating agro-enterprises, PDAFF= Provincial Department of Agriculture, Forestry and Fisheries, PFI=participating financial institution, PIU=project implementation unit, PMU=project management unit, PSC=project steering committee.

IV. COSTS AND FINANCING

15. The project is estimated to cost $110.06 million. The government has requested (i) a concessional loan of $70.00 million from ADB's ordinary capital resources (A loan); (ii) a loan of $5.00 million from the ASEAN Infrastructure Fund (B loan) through its Inclusive Finance Facility; and (iii) a grant not exceeding $3.00 million from the JFPR to help finance the project.

16. The A loan will have a 32-year term, including a grace period of 8 years; an interest rate of 1.0% per year during the grace period and 1.5% per year thereafter, and such other terms and conditions set forth in the loan agreement. The B loan will have a 25-year term, including a grace period of 5 years; an interest rate of 1.0% per year during the grace period and 1.5% per year thereafter, and such other terms and conditions set forth in the loan agreement. The B loan will be administered by ADB. The A loan will finance expenditures in relation to financial services, works, goods, consulting and non-consulting services, and incremental operating cost. The B loan will provide pilot green financing through financial intermediation loans and works. The JFPR grant will finance expenditures related to demonstration of farm activities.

17. AFD will provide cofinancing of the euro equivalent of $25 million, to be partially administered by ADB.[20] The AFD loan will have a 20-year term, including a grace period of 7 years.[21] It will finance works and consulting services for output 3 and part of goods for output 2. The government will finance the remaining $7.06 million through in-cash and in-kind contributions.

A. Cost Estimates Preparation and Revisions

18. The project team prepared the cost estimates using data collected by individual specialists from primary and secondary sources. During project implementation, project staff and project implementation team will revise costs in accordance with detailed final designs and will also be responsible for detailed costing of additional water resources and cooperative value chain infrastructure investments implemented as part of the project. Tables may be revised during midterm review or special administration review mission.

B. Key Assumptions

19. The following key assumptions underpin the cost estimates and financing plan:

(i) The contingencies comprise physical and price contingencies. Physical contingencies are computed at 10% for civil works, goods and services, demonstration farms, research and development, and consulting services and 0% for cooperative support, financial services, and incremental operating costs.
(ii) Price contingencies based on expected cumulative inflation over the implementation period are in Table 5. Project payments will be made in US Dollar for foreign costs and therefore the international cost escalation factor was applied. Local costs were calculated in US Dollar and irrespective of whether payments are made in Riel or US Dollar, the domestic cost escalation factor was applied to the costs.

[20] Partial administration includes ADB's administration of procurement and disbursement activities for the AFD loan following ADB's Procurement Policy (2017, as amended from time to time), Procurement Regulations for ADB Borrowers (2017, as amended from time to time), and disbursement guidelines (ADB's *Loan Disbursement Handbook* [2017, as amended from time to time]).
[21] Interest rates will be determined after AFD's board meeting. AFD requires climate change co-benefit worth at least 80% of its financing.

Table 5: Escalation Factors for Price Contingencies Calculations

	2020	2021	2022	2023	2024	2025	2026	2027
Domestic cost escalation factor	2.1%	1.8%	2.8%	3.0%	3.0%	3.0%	3.0%	3.0%
Cumulative domestic cost escalation factor	0.0%	1.95%	4.29%	7.32%	10.54%	13.86%	17.27%	20.65%
International cost escalation factor	1.5%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%
Cumulative international cost escalation factor	0.0%	1.45%	2.97%	4.52%	6.14%	7.83%	9.56%	11.29%

Source: Asian Development Bank.

(iii) In-kind contributions were calculated based on or using government staff salaries as specified in the Government Order. The farm gate costs are applied to all farm inputs, and provincial construction costs norms for civil works costs based on industry specific norms and cross referenced to local market rates.

C. Detailed Cost Estimates by Expenditure Category

Table 6: Detailed Cost Estimates by Expenditure Categories

($ million)

Item	Amount	% of Base Cost
A. Investment Costs		
1. Works	16.15	14.7%
2a. Goods and services (COL)	6.58	6.0%
2b. Goods and services (AFD)	4.98	4.5%
3a. Cooperative support (COL)[a]	3.22	2.9%
3b. Cooperative support (AFD)[a]	2.77	2.5%
4. Demonstration farms	2.54	2.3%
5. Research and development	0.63	0.6%
6a. Financial services (COL)	49.00	44.5%
6b. Financial services (AIF)	2.00	1.8%
7a. Consulting services (COL)	7.59	6.9%
7b. Consulting services (AFD)[b]	1.16	1.1%
Subtotal (A)	**96.62**	**87.8%**
B. Recurrent Cost		
1. Incremental operating costs - salaries	1.29	1.2%
2. Incremental operating costs - others	1.59	1.4%
Subtotal (B)	**2.87**	**2.6%**
Total Base Cost (A+B)	**99.49**	**90.4%**
C. Contingencies		
1. Physical	3.96	3.6%
2. Price	3.11	2.8%
Subtotal (C)	**7.07**	**6.4%**
D. Financial Charges During Implementation		
1. Interest (COL)	2.30	2.1%
2. Interest (AIF)	0.14	0.1%
3. Interest (AFD)	1.06	1.0%
Subtotal (C)	**3.50**	**3.2%**
Total Project Costs (A+B+C+D)	**110.06**	**100.0%**

ADB = Asian Development Bank, AIF = ASEAN Infrastructure Fund, AFD = Agence Française de Développement, COL = ordinary capital resources (concessional loan).

Note: Numbers may not sum precisely because of rounding.

[a] Participating agricultural cooperatives will contribute 10% of cooperatives support to be received from the project.

[b] Includes the cost for the implementation of (i) mitigation measures of the Community Participation Framework ($55,500) and (ii) environmental management plan ($50,700).

Source: Asian Development Bank.

D. Allocation and Withdrawal of Loan and Grant Proceeds

Table 7a-7d: Allocation and Withdrawal of Loan and Grant Proceeds

ALLOCATION AND WITHDRAWAL OF PROCEEDS - ADB (COL)

Category Number	Item	Total Amount Allocated for ADB Financing ($)	Percentage and basis for withdrawal from the loan account
1	Goods, Services, and research and development	13,509,000	100.0 percent of total expenditure claimed*
2	Cooperative support	3,223,000	100.0 percent of total expenditure claimed
3	Financial services	49,000,000	100.0 percent of total expenditure claimed**
4	Incremental operating cost	1,586,000	100.0 percent of total expenditure claimed
5	Unallocated	2,682,000	
	Total	**70,000,000**	

ADB= Asian Development Bank, COL = ordinary capital resources (concessional loan).
* Exclusive of taxes and duties imposed within the territory of the Borrower.
** As a condition to disbursement for the financial services component of output 1, a subsidiary loan agreement acceptable to ADB must be duly authorized, executed, and delivered on behalf of the two PFIs, as set out in the loan agreement.
Source: Asian Development Bank.

ALLOCATION AND WITHDRAWAL OF PROCEEDS - AIF

Number	Item	Total Amount Allocated for AIF Financing ($)	Percentage and basis for withdrawal from the loan account
1	Cooperative support	2,772,000	100.0 percent of total expenditure claimed
2	Financial services	2,000,000	100.0 percent of total expenditure claimed*
3	Unallocated	228,000	
	Total	**5,000,000**	

AIF = ASEAN Infrastructure Fund.
* As a condition to disbursement for the financial services component of output 1, a subsidiary loan agreement acceptable to ADB must be duly authorized, executed, and delivered on behalf of the two PFIs, as set out in the loan agreement.
Source: Asian Development Bank.

ALLOCATION AND WITHDRAWAL OF PROCEEDS - AFD

Number	Item	Total Amount Allocated for AFD Financing ($)	Percentage and basis for withdrawal from the loan account
1	Works	16,152,000	100.0 percent of total expenditure claimed
2	Goods, services, and consulting services	5,577,000	100.0 percent of total expenditure claimed*
3	Unallocated	3,271,000	
	Total	**25,000,000**	

AFD = Agence Française de Développement.
* Exclusive of taxes and duties imposed within the territory of the Borrower.
Source: Asian Development Bank.

ALLOCATION AND WITHDRAWAL OF PROCEEDS – JFPR

Number	Item	Total Amount Allocated for JFPR Financing ($)	Percentage and basis for withdrawal from the loan account
1	Demonstration farms	2,541,000	100.0 percent of total expenditure claimed
2	Unallocated	459,000	
	Total	**3,000,000**	

JFPR = Japan Fund for Poverty Reduction.
Source: Asian Development Bank.

E. Detailed Costs by Financier

Table 8: Detailed Costs by Financier

($ million)

Expenditure Category	ADB (COL)		AIF		AFD		JFPR		Government		Total Cost	
	Amount	% of Cost	Amount	% of Cost	Amount[a]	% of Cost	Amount	% of Cost	Amount	% of Cost	Amount	Taxes and duties[b]
A. Investment Costs												
1. Works	0.00	0.0%	0.00	0.0%	16.15	100.0%	0.00	0.0%	0.00	0.0%	**16.15**	1.62
2a. Goods and services (COL)	5.98	90.9%	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.60	9.1%	**6.58**	0.60
2b. Goods and services (AFD)	0.00	0.0%	0.00	0.0%	4.52	90.9%	0.00	0.0%	0.45	9.1%	**4.98**	0.45
3a. Cooperative support (COL)[c]	3.22	100.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	**3.22**	0.32
3b. Cooperative support (AIF)[c]	0.00	0.0%	2.77	100.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	**2.77**	0.28
4. Demonstration farms	0.00	0.0%	0.00	0.0%	0.00	0.0%	2.54	100.0%	0.00	0.0%	**2.54**	0.25
5. Research and development	0.63	100.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	**0.63**	0.00
6a. Financial services (COL)	49.00	100.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	**49.00**	0.00
6b. Financial services (AIF)	0.00	0.0%	2.00	100.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	**2.00**	0.00
7a. Consulting services (COL)	6.90	90.9%	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.69	9.1%	**7.59**	0.69
7b. Consulting services (AFD)[d]	0.00	0.0%	0.00	0.0%	1.05	90.9%	0.00	0.0%	0.11	9.1%	**1.16**	0.11
Subtotal (A)	**65.73**	**68.0%**	**4.77**	**4.9%**	**21.73**	**22.5%**	**2.54**	**2.6%**	**1.85**	**1.9%**	**96.62**	**4.32**
B. Recurrent Cost												
1. Incremental operating costs - salaries	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	1.29	100.0%	**1.29**	1.29
2. Incremental operating costs - others	1.59	100.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	**1.59**	0.16
Subtotal (B)	**1.59**	**55.2%**	**0.00**	**0.0%**	**0.00**	**0.0%**	**0.00**	**0.0%**	**1.29**	**44.8%**	**2.87**	**1.45**
Total Base Cost (A+B)	**67.32**	**67.7%**	**4.77**	**4.8%**	**21.73**	**21.8%**	**2.54**	**2.6%**	**3.13**	**3.1%**	**99.49**	**5.77**
C. Contingencies												
1. Physical	1.35	34.1%	0.00	0.0%	2.17	54.8%	0.25	6.4%	0.18	4.7%	**3.96**	0.00
2. Price	1.33	42.8%	0.23	7.3%	1.10	35.3%	0.20	6.6%	0.25	8.0%	**3.11**	0.00
Subtotal (C)	**2.68**	**37.9%**	**0.23**	**3.2%**	**3.27**	**46.2%**	**0.46**	**6.5%**	**0.43**	**6.1%**	**7.07**	**0.00**
D. Financial Charges During Implementation												
1. Interest during construction - COL	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	2.30	100.0%	**2.30**	0.00
2. Interest during construction - AIF	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.14	100.0%	**0.14**	0.00
3. Interest during construction - AFD	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	1.06	100.0%	**1.06**	0.00
Subtotal (D)	**0.00**	**0.0%**	**0.00**	**0.0%**	**0.00**	**0.0%**	**0.00**	**0.0%**	**3.50**	**100.0%**	**3.50**	**0.00**
Total Project Costs (A+B+C+D)	**70.00**	**63.6%**	**5.00**	**4.5%**	**25.00**	**22.7%**	**3.00**	**2.7%**	**7.06**	**6.4%**	**110.06**	**5.77**

ADB = Asian Development Bank, AIF = ASEAN Infrastructure Fund, AFD = Agence Française de Développement, COL = ordinary capital resources (concessional loan), JFPR = Japan Poverty Reduction Fund.

Note: Numbers may not sum precisely because of rounding.

[a] Excludes administration fees and other charges as may be deducted pursuant to the cofinancing agreement. Partially administered by Asian Development Bank.

[b] Includes taxes and duties of $5.77 million. [$0.48 million from COL, $0.28 million from AIF, $0.25 million from JFPR, $1.62 million from AFD and $3.14 million from the government all in the form of tax exemption]. Such amount does not represent an excessive share of the project cost.

[c] Participating agricultural cooperatives will contribute 10% of cooperatives support to be received from the project.

[d] Includes the cost for the implementation of (i) mitigation measures of the Community Participation Framework ($55,500) and (ii) environmental management plan ($50,700).

Source: Asian Development Bank.

F. Detailed Cost Estimates by Output

Table 9: Detailed Costs by Output
($ million)

	Total cost	1. Agricultural value chain financing enhanced		2. Agricultural value chain linkage and safety strengthened		3. Agricultural value chain connectivity enhanced		Project management	
		Amount	% of Cost	Amount	% of Cost	Amount	% of Cost	Amount	% of Cost
A. Investment Costs									
1. Works	16.15	0.00	0.0%	0.00	0.0%	16.15	100.0%	0.00	0.0%
2a. Goods and services (COL)	6.58	0.00	0.0%	5.77	87.7%	0.00	0.0%	0.81	12.3%
2b. Goods and services (AFD)	4.98	0.00	0.0%	4.98	100.0%	0.00	0.0%	0.00	0.0%
3a. Cooperative support (COL)[a]	3.22	0.00	0.0%	3.22	100.0%	0.00	0.0%	0.00	0.0%
3b. Cooperative support (AIF)[a]	2.77	0.00	0.0%	2.77	100.0%	0.00	0.0%	0.00	0.0%
4. Demonstration farms	2.54	0.00	0.0%	2.54	100.0%	0.00	0.0%	0.00	0.0%
5. Research and development	0.63	0.00	0.0%	0.63	100.0%	0.00	0.0%	0.00	0.0%
6a. Financial services (COL)	49.00	49.00	100.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
6b. Financial services (AIF)	2.00	2.00	100.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
7a. Consulting services (COL)	7.59	1.20	15.8%	3.95	52.1%	0.00	0.0%	2.44	32.1%
7b. Consulting services (AFD)[b]	1.16	0.00	0.0%	0.00	0.0%	1.16	100.0%	0.00	0.0%
Subtotal (A)	**96.62**	**52.20**	**54.0%**	**23.87**	**24.7%**	**17.31**	**17.9%**	**3.25**	**3.4%**
B. Recurrent Cost									
1. Incremental operating costs - salaries	1.29	0.00	0.0%	0.00	0.0%	0.00	0.0%	1.29	100.0%
2. Incremental operating costs - others	1.59	0.00	0.0%	0.00	0.0%	0.00	0.0%	1.59	100.0%
Subtotal (B)	**2.87**	**0.00**	**0.0%**	**0.00**	**0.0%**	**0.00**	**0.0%**	**2.87**	**100.0%**
Total Base Cost (A+B)	**99.49**	**52.20**	**52.5%**	**23.87**	**24.0%**	**17.31**	**17.4%**	**6.12**	**6.1%**
C. Contingencies									
1. Physical	3.96	0.12	3.0%	1.79	45.1%	1.73	43.7%	0.32	8.2%
2. Price	3.11	0.08	2.6%	1.71	55.0%	0.96	30.8%	0.36	11.6%
Subtotal (C)	**7.07**	**0.20**	**2.8%**	**3.50**	**49.5%**	**2.69**	**38.0%**	**0.69**	**9.7%**
D. Financial Charges During Implementation									
1. Interest during construction - COL	2.30	1.24	54.0%	0.57	24.7%	0.41	17.9%	0.08	3.4%
2. Interest during construction - AIF	0.14	0.07	54.0%	0.03	24.7%	0.02	17.9%	0.00	3.4%
3. Interest during construction - AFD	1.06	0.57	54.0%	0.26	24.7%	0.19	17.9%	0.04	3.4%
Subtotal (D)	**3.50**	**1.89**	**54.0%**	**0.86**	**24.7%**	**0.63**	**17.9%**	**0.12**	**3.4%**
Total Project Costs (A+B+C+D)	**110.06**	**54.29**	**49.3%**	**28.23**	**25.7%**	**20.62**	**18.7%**	**6.92**	**6.3%**

ADB = Asian Development Bank, AIF = ASEAN Infrastructure Fund, AFD = Agence Française de Développement, COL = ordinary capital resources (concessional loan).
Note: Numbers may not sum precisely because of rounding.
[a] Participating agricultural cooperatives will contribute 10% of cooperatives support to be received from the project.
[b] Includes the cost for the implementation of (i) mitigation measures of the Community Participation Framework ($55,500) and (ii) environmental management plan ($50,700).
Source: Asian Development Bank.

G. Detailed Cost Estimates by Year

Table 10: Cost Estimate by Year

($ million)

Item	Total	2021	2022	2023	2024	2025	2026	2027
A. Investment Costs								
1. Works	16.15	0.79	0.75	5.38	2.54	2.46	3.01	1.21
2a. Goods and services (COL)	6.58	0.22	0.36	0.80	1.12	1.80	1.95	0.33
2b. Goods and services (AFD)	4.98	0.00	0.67	0.20	0.00	1.43	2.67	0.00
3a. Cooperative support (COL)[a]	3.22	0.00	0.07	0.81	0.81	0.95	0.60	0.00
3b. Cooperative support (AIF)[a]	2.77	0.00	0.06	0.69	0.69	0.81	0.51	0.00
4. Demonstration farms	2.54	0.00	0.09	0.85	0.85	0.40	0.36	0.00
5. Research and development	0.63	0.02	0.02	0.13	0.16	0.19	0.10	0.03
6a. Financial services (COL)	49.00	1.40	1.37	9.80	11.96	14.28	7.94	2.21
6b. Financial services (AIF)	2.00	0.06	0.06	0.40	0.49	0.58	0.32	0.09
7a. Consulting services (COL)	7.59	0.22	0.21	1.52	1.86	2.22	1.23	0.34
7b. Consulting services (AFD)[b]	1.16	0.01	0.03	0.23	0.25	0.31	0.30	0.02
Subtotal (A)	**96.60**	**2.72**	**3.68**	**20.81**	**20.72**	**25.44**	**19.01**	**4.22**
B. Recurrent Cost								
1. Incremental operating costs - salaries	1.29	0.06	0.05	0.38	0.22	0.23	0.26	0.09
2. Incremental operating costs - others	1.59	0.07	0.06	0.44	0.28	0.30	0.34	0.11
Subtotal (B)	**2.87**	**0.13**	**0.11**	**0.82**	**0.50**	**0.52**	**0.60**	**0.20**
Total Base Cost (A+B)	**99.48**	**2.85**	**3.80**	**21.63**	**21.22**	**25.96**	**19.61**	**4.42**
C. Contingencies								
1. Physical	3.96	0.13	0.21	0.91	0.68	0.88	0.96	0.19
2. Price	3.11	0.03	0.10	0.80	0.69	0.78	0.67	0.04
Subtotal (C)	**7.07**	**0.15**	**0.31**	**1.71**	**1.37**	**1.66**	**1.63**	**0.23**
D. Financial Charges During Implementation								
1. Interest during construction - COL	2.30	0.01	0.03	0.32	0.47	0.66	0.79	0.02
2. Interest during construction - AIF	0.14	0.00	0.00	0.02	0.03	0.04	0.06	0.00
3. Interest during construction - AFD	1.06	0.00	0.01	0.19	0.25	0.28	0.31	0.01
Subtotal (D)	**3.50**	**0.01**	**0.04**	**0.53**	**0.75**	**0.99**	**1.16**	**0.02**
Total Project Costs (A+B+C+D)	**110.06**	**3.01**	**4.15**	**23.87**	**23.34**	**28.61**	**22.40**	**4.67**

AIF = ASEAN Infrastructure Fund, AFD = Agence Française de Développement, COL = ordinary capital resources (concessional loan), JFPR = Japan Poverty Reduction Fund.

Note: Numbers may not sum precisely because of rounding.

[a] Participating agricultural cooperatives will contribute 10% of cooperatives support to be received from the project.

[b] Includes the cost for the implementation of (i) mitigation measures of the Community Participation Framework ($55,500) and (ii) environmental management plan ($50,700).

Source: Asian Development Bank.

H. Contract and Disbursement S-Curve

20. Below figure and tables show quarterly contract awards and disbursement projections over the life of the project. The S-curve is only for ADB financing and ADB-administered cofinancing (AFD loan, AIF loan, and JFPR grant), which will be recorded in ADB's systems and reported through ADB's e-Operations. Counterpart funds and any other cofinancing is excluded. The projection for contract awards includes contingencies and unallocated amount but excludes interests during construction which is financed by the government. The total projected disbursement is equal to the full loan amount, up to 4 months after loan closing.

Figure 2: Project Contract Awards and Disbursements S-Curve

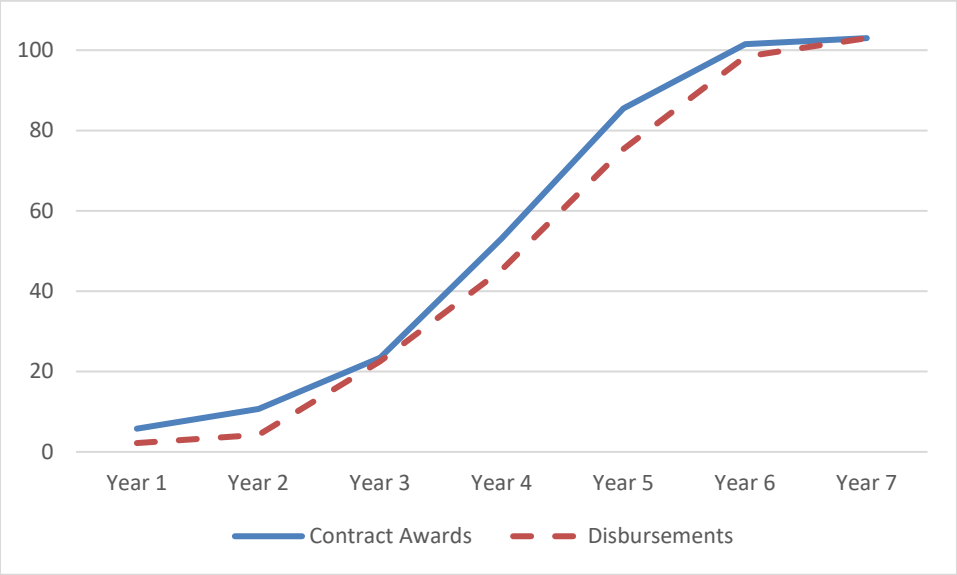


Table 11: Contract Awards and Disbursements Projections

Combined Loans and Grant Proceeds

	Contract Awards					Disbursements				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Year 1	0.00	1.93	0.95	2.90	5.78	0.00	1.12	0.98	0.10	2.20
Year 2	0.05	3.07	0.14	1.69	4.95	1.13	0.01	0.01	0.89	2.04
Year 3	0.03	5.24	5.15	2.26	12.68	4.59	4.59	4.59	4.57	18.35
Year 4	0.27	10.92	9.94	8.57	29.70	5.57	5.38	5.31	6.46	22.72
Year 5	0.00	10.32	10.04	12.01	32.37	7.39	7.32	8.07	7.32	30.10
Year 6	3.01	3.00	4.00	6.00	16.02	5.68	5.68	5.68	5.96	23.00
Year 7	1.51	0.00	0.00	0.00	1.51	1.15	1.15	1.15	1.15	4.60
Total					103.00					103.00

ADB Loan Proceeds

	Contract Awards					Disbursements				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Year 1	0.00	1.40	0.70	2.14	4.24	0.00	0.88	0.88	0.00	1.76
Year 2	0.02	2.02	0.00	0.98	3.02	0.88	0.00	0.00	0.88	1.76
Year 3	0.00	3.50	3.50	1.41	8.42	1.83	1.83	1.83	1.83	7.31
Year 4	0.00	7.23	6.56	5.60	19.39	2.93	2.93	2.93	3.21	12.00
Year 5	0.00	7.23	7.03	8.41	22.66	5.53	5.53	5.53	5.53	22.11
Year 6	2.11	2.10	2.80	4.20	11.21	5.27	5.27	5.27	5.27	21.06
Year 7	1.06	0.00	0.00	0.00	1.06	1.00	1.00	1.00	1.00	4.01
Total					70					70

JFPR Grant Proceeds

	Contract Awards					Disbursements				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Year 1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 2	0.03	0.09	0.09	0.12	0.33	0.00	0.00	0.00	0.00	0.00
Year 3	0.03	0.24	0.15	0.24	0.66	0.25	0.25	0.25	0.25	0.99
Year 4	0.27	0.60	0.57	0.57	2.01	0.25	0.07	0.00	0.87	1.19
Year 5	0.00	0.00	0.00	0.00	0.00	0.07	0.00	0.75	0.00	0.82
Year 6	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 7	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total					3					3

ASEAN Infrastructure Loan Proceeds

	Contract Awards					Disbursements				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Year 1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 2	0.00	0.24	0.05	0.23	0.52	0.01	0.01	0.01	0.01	0.04
Year 3	0.00	0.25	0.25	0.10	0.60	0.12	0.12	0.12	0.12	0.48
Year 4	0.00	0.52	0.47	0.40	1.38	0.25	0.25	0.25	0.25	0.98
Year 5	0.00	0.52	0.50	0.60	1.62	0.36	0.36	0.36	0.36	1.42

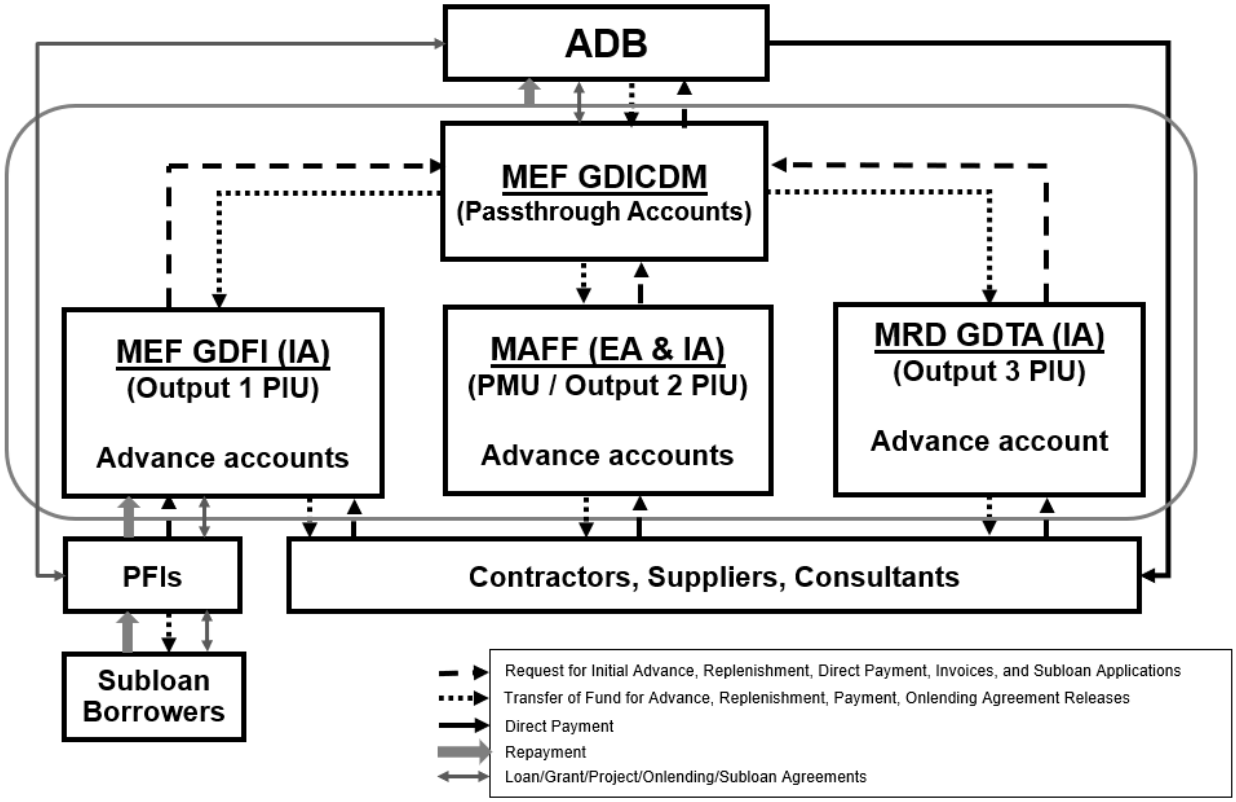
Year 6	0.15	0.15	0.20	0.30	0.80	0.35	0.35	0.35	0.63	1.68
Year 7	0.08	0.00	0.00	0.00	0.08	0.10	0.10	0.10	0.10	0.40
Total					5					5

AFD Loan Proceeds

	Contract Awards					Disbursements				
	Q1	**Q2**	**Q3**	**Q4**	**Total**	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
Year 1	0.00	0.53	0.25	0.75	1.53	0.00	0.24	0.10	0.10	0.44
Year 2	0.01	0.72	0.00	0.35	1.08	0.24	0.00	0.00	0.00	0.24
Year 3	0.00	1.25	1.25	0.50	3.00	2.40	2.40	2.40	2.37	9.57
Year 4	0.00	2.58	2.34	2.00	6.92	2.13	2.13	2.13	2.13	8.54
Year 5	0.00	2.58	2.51	3.00	8.09	1.44	1.44	1.44	1.44	5.76
Year 6	0.75	0.75	1.00	1.50	4.00	0.06	0.06	0.06	0.06	0.26
Year 7	0.38	0.00	0.00	0.00	0.38	0.05	0.05	0.05	0.05	0.20
Total					25					25

I. Fund Flow Diagram

Figure 3: Fund Flow Arrangement



ADB=Asian Development Bank, MEF=Ministry of Economy and Finance, MAFF=Ministry of Agriculture, Forestry, and Fisheries, MRD=Ministry of Rural Development, EA=executing agency, IA=implementing agency, GDICDM=General Department of International Cooperation and Debt Management, GDFI=General Department of Financial Industry, GDTA=General Department for Technical Affairs, PMU=project management unit, PIU=Project Implementation Unit, PFI=participating financial institution.

Note: The number of accounts to be opened for each agency is discussed in the next section (Section V, B. Disbursements)

V. FINANCIAL MANAGEMENT

A. Financial Management Assessment[22]

21. The financial management assessment (FMA) was conducted during August- October 2019 (for MAFF and MRD) and during July 2020 (for MEF) in accordance with ADB's Guidelines for the Financial Management and Analysis of Projects, and the Financial Due Diligence A Methodology Note. The FMA assessed the capacity of MAFF as the executing agency and MRD and MEF, as implementing agencies including funds flow arrangements, staffing, accounting and financial reporting systems, financial information systems, and internal and external auditing arrangements.

22. The overall pre-mitigation financial management risk for the project is substantial. The weaknesses identified include (i) complex implementation arrangements (i.e., three implementing agencies and units); (ii) project staff's lack experience in accounting and financial management; (iii) lack of IT software and equipment; and (iv) weak internal audit. The mitigation measures include (i) engagement of financial management consultants; (ii) capacity building on financial management and internal audit for project staff; (iii) procurement of IT software to be used for the project; and (iv) submission of quarterly reports. Financial due diligence was also conducted on the two PFIs covering the areas of corporate governance and risk management. Both were found to have adequate systems and policies in place for the purpose of the project.

23. Based on the assessment, all IAs have adequate administrative and accounting capacity to establish sufficient internal control, accounting, and auditing procedures to ensure efficient use and operation of the advance account procedure. Moreover, they have adequate administrative and accounting capacity to prepare and maintain proper SOE records and make them available for examination.

24. The IAs have agreed to implement an action plan as key measures to address the deficiencies. The financial management action plan is provided below.

[22] The Financial Management Assessment is found in Supplementary Document 19 of the RRP.

Table 12: Financial Management Action Plan

Weakness	Mitigation Action	Responsibility	Timeframe
• Lack of adequate coordination from project management unit (PMU) of the Ministry of Agriculture, Forestry and Fisheries (MAFF) as executing agency (EA) with implementing agencies (IAs), project implementation units (PIUs), and provincial PIUs given the complexity of the project arrangement	• PAM describes the roles and duties of each agency and clear guidance on project implementation and orientation at project inception. A PMU at MAFF will be established to provide oversight and coordination among all implementing agencies. The financial management coordination at the PMU will be supported by an international financial management consultant. • Quarterly progress reports will be required to be submitted.	PMU/Ministry of Economy and Finance (MEF)/ MAFF/Ministry of Rural Development (MRD)	One month after loan negotiation. Quarterly throughout project implementation.
• Inability to maintain financial reports following the project requirements due to lack of experience on the part of the finance staff as not all proposed accountants at PIU/IA have experience working for ADB-funded project and have not been trained on Standard Operating Procedures (SOP), Financial Management Manual (FMM) and ADB's Loan Disbursement Handbook (LDH). Also, not all proposed managers at the IAs of Provincial Department of Agriculture, Forestry and Fisheries (PDAFF) and Provincial Department of Rural Development (PDRD) have experience working for ADB's funded project. Some of them have experience working with other donors such as the World Bank and International Fund for Agricultural Development (IFAD).	• National Financial Management Specialist will be recruited to provide support to the PMU. In collaboration with Asian Development Bank (ADB) Cambodia Resident Mission (CARM), they will train accountants of EA/IA on budget execution, accounting, reporting, and auditing. • Training on project management, financial management, SOP and project fund flows shall be provided to the project staff in EA and IAs. • Training on ADB disbursement procedures, including online training, will be made available to EA and IA staff; and project staff will be encouraged to undertake the training to help ensure efficient disbursement and fiduciary control.	MAFF/PMU/ MEF/MRD/ADB	Starting 3 months from project effectiveness and will be a continuing activity to ensure staff are updated on the latest practice.
• Weak internal audit due to limited capacity in internal audit.	• Capacity building for internal audit staff will be provided.	MEF/MAFF/MRD/ADB	By end of Year 1.
• Delays and errors in financial reports due to inability of the PIUs to operate the systems and inadequate IT equipment such desktop computers and printers	• Technical training on the use of information systems will be provided to the users. • The necessary IT equipment such as desktop computer and printers shall be procured under the loan proceeds for the PPIUs/IAs.	PMU/MEF/ MAFF/MRD	3 months from the mobilization of the PIUs.

B. Disbursement

1. Disbursement Arrangements for ADB and ADB-administered Cofinancier Funds

25. The ADB, AFD, and AIF loans and JFPR grant proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time),[23] and detailed arrangements agreed upon between the government and ADB. Project staff will undertake the ADB online training [24] on disbursement policies and procedures to help ensure efficient disbursement and fiduciary control. In addition, they will attend training courses on disbursement offered by ADB and Cambodia Resident Mission.

26. The proposed PMU will have a strong key control in managing the disbursement of all the project funds and will strictly follow the Financial Management Manual (FMM) and its Internal Financial Management Guidelines to monitor the disbursements.

27. Fund flows will be arranged following the standard operating procedures (SOP) of the government, the FMM of the project, the ADB's procedures, and discussions with MAFF, MEF, MRD, and ADB. The fund flows for the proposed project are presented in Figure 3.

28. ADB direct payment procedures will generally be used to pay suppliers, contractors and consultants. With oversight of MAFF, the PMU will be responsible for preparing the annual contract awards and disbursement projections. Each IA will however be responsible for (i) requesting budgetary allocations for counterpart funds; (ii) preparing withdrawal applications; and (iii) collecting supporting documents for the project expenditures which they have incurred.

29. **Advance Fund Procedure.** Immediately after loan effectiveness, MEF (GDICDM) will open four separate pass-through accounts for each of the four funding sources. Separate advance accounts will be opened by the respective PIUs (MAFF, MEF, and MRD) for each output. Two advance accounts (one for the ADB loan funds and one for the AIF loan funds) will be opened and managed by MEF (GDFI) for Output 1. To avoid conflict of interest, there will be segregation of duties between the two general departments (GDICDM and GDFI) within MEF and different approvals for the pass-through accounts and the advance account for Output 1. To ensure compliance with internal controls in-place, MEF has an internal audit department which regularly conducts audit on systems and procedures. Four advance accounts (one for the ADB loan, one for the AFD loan, one for the AIF loan, and one for the JFPR grant) will be opened and managed by MAFF for Output 2. One advance account (for the AFD loan) will be opened and managed by MRD for Output 3. The currency of the advance accounts will be in US dollars. It is important for fiscal management to maintain separate advance accounts for the implementation activities that each of the three IAs will be responsible for, as they are distinctly different in nature. The IA for Output 1, MEF, the appointed financing modalities administrator, will provide for and finance through the participating financial institutions (PFIs): (i) credit line activities associated with the agricultural value chain loan credit line (AVCL-CL) and the equity capital loan (ECL-CL) credit line on behalf of PFIs extending agriculture and equity loans to agribusiness end-users, and (ii) credit guarantee fund (CGF) for those PFIs which elect to use credit guarantee to cover their credit line loans to end-user borrowers under the project. The three IAs who will administer the advance accounts are accountable and responsible for proper use of advances to the advance account.

[23] The handbook is available electronically from the ADB website (http://www.adb.org/documents/ loan-disbursement-handbook

[24] Disbursement eLearning. http://wpqr4.adb.org/disbursement_elearning

30. To facilitate effective project implementation in view of the cash flow requirement and the need to make a large number of small payments, PMU will be in charge of necessary planning and documentation for the project advance accounts and seeking the review and approval from MEF.

31. The total outstanding advance to the respective advance accounts should not exceed the estimate of ADB, AFD, AIF, and JFPR share of expenditures to be paid through the respective advance accounts for the forthcoming six months. The implementing agencies may request for initial and additional advances to the respective advance accounts based on an estimate of expenditure sheet setting out the estimated expenditures to be financed through the respective advance account for the forthcoming six months. Supporting documents should be submitted to ADB or retained by the borrowers' implementing agencies in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time) when liquidating or replenishing the advance accounts.

32. **Statement of Expenditure (SOE) Procedure**.[25] The SOE procedure will be used for reimbursement and to liquidate and replenish the advance accounts for eligible expenditures. The ceiling of the SOE procedures is the equivalent of $50,000 per individual payment. Supporting documents and records for the expenditure claimed under the SOE procedure should be maintained and made readily available for review by ADB's disbursement and review mission or upon ADB's request for submission of supporting documents on a sampling basis, and for independent external audit. Reimbursement and liquidation of individual payments in excess of the SOE ceiling should be supported by full documentation when submitting the withdrawal application to ADB. Before the submission of the first withdrawal application (WA), the borrower should submit to ADB sufficient evidence of the authority of the person(s) who will sign the WA on behalf of the borrower and the authenticated specimen signatures of each authorized person. WAs and supporting documents will demonstrate, among other things that the goods, and/or services were produced in or from ADB member countries and are eligible for ADB financing. The minimum value per WA is stipulated in the ADB *Loan Disbursement Handbook* (2017, as amended from time to time). Individual payments below this amount should be paid (i) by the executing agency and/or implementing agency and subsequently claimed to ADB through reimbursement, or (ii) through the advance fund procedure, unless otherwise accepted by ADB. The borrower should ensure sufficient category and contract balances before requesting disbursements. Separate withdrawal applications must be submitted for the ADB loan, the AFD loan, the AIF loan, and the JFPR grant for eligible expenditure items. Use of ADB's Client Portal for Disbursements (CPD) system is encouraged for submission of withdrawal applications to ADB.

33. **Disbursement to PFIs.** PFIs will enter into subsidiary loan agreements with MEF (PIU for Output 1) to access AVCL-CL, ECL-CL and CGF.[26] PFIs will provide subloans from AVCL-CL and ECL-CL to eligible borrowers to invest in eligible activities[27] Appendix 3 details the subloan eligibility criteria. Potential PAEs and PACs by commodity have also been initially identified and their profiles are in Appendixes 4 and 5 while Appendix 6 outlines the eligibility criteria for PACs and PAEs to partner with the project.

34. Upon project effectiveness, MEF reviews the initial quarterly forward estimate of total AVCL-CL, ECL-CL and CGF required by PFIs and submits withdrawal application for initial advance to ADB; (ii) ADB disburses initial advance to the advance accounts held with MEF; (iii)

[25] SOE forms are available in ADB's *Loan Disbursement Handbook* (2017, as amended from time to time).
[26] Subsidiary loan agreements need to be in a form acceptable to ADB.
[27] See General Operating Guidelines for Credit Lines and Credit Guarantee Fund in Supplementary Document 24 of the RRP for specific terms governing fund use and fund flow.

MEF disburses funds to PFIs in accordance with arrangements in the agreements between MEF and PFIs; (iv) PFIs issue AVCL-CL and ECL-CL for qualified subloan borrowers and submits to MEF the required documentation to liquidate the funds received from MEF; (iv) MEF submits to ADB the list of AVCLs, ECLs and credit guarantees (using the statement of expenditure [SOE] procedure below) issued by each PFI to liquidate the initial advance; (v) ADB liquidates the initial advance based on eligible AVCLs, ECLs and credit guarantees made; (vi) MEF submits replenishment request to ADB based on new estimate of AVCL-CL, ECL-CL and credit guarantees of the PFIs in the next quarter; and (vii) ADB replenishes the advance accounts.

35. As a condition to disbursement for the financial services component of output 1, a subsidiary loan agreement acceptable to ADB must be duly authorized, executed, and delivered on behalf of the two PFIs, as set out in the loan agreement.

36. For AFD funds, the borrower should submit one original of the WA and copies of supporting documents to AFD, and one original of the WA and copies of supporting documents to ADB. ADB will review each WA and advise AFD to make the necessary payment, if any.

2. Disbursement Arrangements for Counterpart Funds

37. **Disbursement and Liquidation Procedures for Counterpart Funds**. Withdrawal of government counterpart funds must be carried out in accordance with the government policies and procedures, through its regular budget for cash and through taxes exemption, issued by MEF, for consulting services and goods sourced from overseas. Counterpart funds WAs should be made in accordance with the budget plan agreed between MAFF, MRD, and MEF. Counterpart funds may only be withdrawn for expenditures of the project which are specified in the project financing agreements.

38. **Key Internal Controls for Counterpart Funds.** For the initial advance of the counterpart fund, the EA and IAs complete the government WA form for the initial advance of counterpart funds and submits to the General Department of International Cooperation and Debt Management (GDICDM) at MEF. The maximum amount of the advance of counterpart funds will be agreed between MAFF, MRD, and MEF-appointed financing modalities Administrator and MEF. The government WA form must be signed by the authorized signatories of each respective EA and IAs and submitted to GDICDM. The government withdrawal application must be recorded in the project counterpart funds WA register.

39. **Counterpart Funds Replenishment**. The project team completes the government WA form and attaches a statement of actual expenditure. Supporting expenditure documentation must be maintained by the project team for subsequent review by MEF or audit. The government WA form must be signed by the authorized signatories and submitted to the GDICDM and must be recorded in the project counterpart funds WA register.

40. The GDICDM will review the completed forms and transfers the funds to the project's counterpart fund account and advises the MAFF of the transfer. On receipt of advice from the National Bank of Cambodia that the funds have been deposited into the counterpart funds account, the receipt of the funds should be recorded in the general ledger and the government WA register must be updated.

C. Accounting

41. MAFF, MEF, and MRD will maintain, or cause to be maintained, separate books and records by funding source for all expenditures incurred on the project for their respective outputs in accordance with the government's accounting laws and regulations which are consistent with international accounting principles and practices.

D. Auditing and Public Disclosure

42. MAFF, MEF and MRD will each prepare project financial statements and will cause these financial statements to be audited in accordance with the international standards on auditing and/or in accordance with the government's audit regulations by an auditor acceptable to ADB; and with the TOR acceptable to ADB. The audited project financial statements, which should be in the English language, will be submitted to the PMU at MAFF for compilation and submission to ADB within six months from the end of the fiscal year. The annual audited report includes the audited project financial statements (APFS), auditor opinion on the use of loans and grant proceeds, and management letter. These cover (i) whether the project financial statements are presented in all material respects or in accordance with the applicable financial reporting framework; (ii) whether loans and grant proceeds were used only for the purposes of the project or not; and (iii) the level of compliance for each financial covenant contained in the legal agreements for the project (if any).

43. PFIs will also need to submit to ADB annual audited statement of utilization of funds, and in addition an audit management letter and audit opinions on the (i) use of loan proceeds, and (ii) compliance with financial covenants as stated in the legal agreements. The EA will also cause the PFIs to submit the entity-level financial statements to be audited in accordance with International Standards on Auditing by an independent external auditor acceptable to ADB. The audited entity financial statements, together with the auditor's report and management letter, will be submitted in the English language to ADB within 1 month after their approval by the relevant authority but within 12 months from the end of the fiscal year.

44. The government and the PFIs has been made aware of ADB's policy on delayed submission, and the requirements for satisfactory and acceptable quality of the audited accounts.[28]

45. ADB reserves the right to require a change in the auditor (in a manner consistent with the constitution of the borrower), or for additional support to be provided to the auditor, if the audits required are not conducted in a manner satisfactory to ADB, or if the audits are substantially delayed. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

[28] ADB's approach and procedures regarding delayed submission of audited project financial statements:
(i) When audited project financial statements are not received by the due date, ADB will write to the executing agency advising that (a) the audit documents are overdue; and (b) if they are not received within the next six months, requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters will not be processed.
(ii) When audited project financial statements are not received within six months after the due date, ADB will withhold processing of requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters. ADB will (a) inform the executing agency of ADB's actions; and (b) advise that the loan may be suspended if the audit documents are not received within the next 6 months.
(iii) When audited project financial statements are not received within 12 months after the due date, ADB may suspend the loan.

46. Public disclosure of the audited project financial statements, including the auditor's opinion on the project financial statements, will be guided by ADB's Public Communications Policy 2011.[29] After the review and confirmation of acceptability, ADB will disclose the audited project financial statements and the opinion of the auditors on the project financial statements no later than 14 days of ADB's confirmation of their acceptability by posting them on ADB's website. The management letter, additional auditor's opinions, and audited entity financial statements will not be disclosed.[30]

VI. PROCUREMENT AND CONSULTING SERVICES

A. Value for Money in Procurement

47. Given the geographical spread of project sites and large number of relatively non-complex packages, the project will achieve value for money in procurement through (i) bundling roads into packages with lots, where feasible, to maximize opportunities for local contractors, while still being of interest to locally based international contractors; (ii) dividing the laboratory equipment in separate packages, in order to target specialist providers; (iii) direct contracting the sole local provider of laboratory maintenance services saving time and cost; and (iv) use of request for quotations for low value/complexity packages to reduce administrative effort and procurement time.

B. Advance Contracting

48. All advance contracting will be undertaken in conformity with ADB's *Procurement Policy* (2017, as amended from time to time) and ADB's *Procurement Regulations for ADB Borrowers (Goods, Works, Nonconsulting and Consulting Services)* (2017, as amended from time to time). The issuance of invitations to bid for goods and civil works and advertisement of consulting packages under advance contracting will be subject to ADB's prior approval. The government, MAFF and the implementing agencies have been advised that approval of advance contracting does not commit ADB to finance the project.

49. The project will proceed to recruit under advance contracting the (i) project implementation consultants (PIC), (ii) construction supervision consultants (CSC), and (iii) financing specialist consultants (FSC); and issue invitation for bids for procurement of (i) works for roads improvement, and (ii) vehicles. These packages are identified in the procurement plan.

C. Procurement of Goods, Works, and Consulting Services

50. All procurement of goods, works and services will be undertaken in accordance with ADB's *Procurement Policy* (2017, as amended from time to time) and the *Procurement Regulations for ADB Borrowers (Goods, Works, Nonconsulting and Consulting Services)* (2017, as amended from time to time). The procurement strategy has been guided by ADB's *Strategic Procurement Planning: Guidance Note on Procurement* (June 2018).[31]

51. The procurement of goods and non-consulting services will use open competitive bidding with both international and national advertising, and request for quotations, while the procurement of works will use open competitive bidding with international advertising. The recruitment of

[29] Public Communications Policy: http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications
[30] This type of information would generally fall under public communications policy exceptions to disclosure. ADB. 2011. *Public Communications Policy*. Paragraph 97(iv) and/or 97(v).
[31] Strategic Procurement Planning (accessible from the list of linked documents in Appendix 2 of the RRP).

consulting services will use open competitive bidding with international advertising using quality and cost-based selection, and individual consultant selection.

52. As the project procurement packages will be cofinanced, universal procurement will apply for all packages, except those funded by the JFPR Grant.[32]

53. Procurement undertaken by eligible sub-borrowers under Output 1 of the project shall be undertaken in accordance with established commercial practices and procedures acceptable to ADB.

54. Where harmonized national bidding documents are proposed to be used for packages contained in the procurement plan, their use shall be subject to ADB review and approval prior to use.

55. To provide technical assistance to the executing and implementing agencies in the implementation and management of the project, the following consulting services will be engaged:

MAFF-CS01-ADB	Project Implementation Consultants (PIC)
MAFF-CS02-ADB	Agricultural Value Chain Consultants (AVCC)
MRD-CS01-AFD	Construction Supervision Consultants (CSC)
MEF-CS01-CS05-ADB	Financing Specialist Consultants (FSC)

56. The terms of reference for all consulting services are detailed in the Supplementary Document 25 of the RRP.

57. An 18-month procurement plan indicating review procedures, goods, works, consulting services contract packages, and open competitive bidding guidelines is presented in the following section.

[32] ADB. 2013. *Blanket Waiver of Member Country Procurement Eligibility Restrictions in Cases of Cofinancing for Operations Financed from Asian Development Fund Resources*. Manila. (Not applicable for JFPR funds.)

D. Procurement Plan

Project Name: Agricultural Value Chain Competitiveness and Safety Enhancement Project		
Project Number: 50264-002	**Approval Number:** LXXXX, LXXXX, LXXXX and GXXXX	
Country: Cambodia	**Executing Agency:** Ministry of Agriculture Forestry and Fisheries (MAFF)	
Project Procurement Classification: B	**Implementing Agencies:** MAFF, MEF and MRD	
Project Procurement Risk: Low		
Project Financing Amount: ADB OCR (Concessional Loan): $70.00 million ASEAN Infrastructure Fund (concessional loan): $5.00 million Japan Fund for Poverty Reduction (grant): $3.00 million AFD loan: $25.00 million Government: $7.06 million Total: $110.06 million	**Project Closing Date:** 30 August 2027	
Date of First Procurement Plan: [loans/grant approval date]	**Date of this Procurement Plan:** October 2020	
Procurement Plan Duration (in months): 18	**Advance Contracting:** Yes	**e-Procurement:** No

1. Methods, Review, and Procurement Plan

58. Except as ADB may otherwise agree, the following methods shall apply to the procurement of goods, works, non-consulting services, and consulting services.

Procurement of Goods, Works, and Non-consulting Services	
Method	**Comments**
Open competitive bidding for Goods	International advertisement is required for laboratory equipment given the lack of qualified and experience suppliers in Cambodia. National advertisement is acceptable for vehicles and equipment. Prior review will be undertaken for all packages.
Open competitive bidding for Works	International adverting is considered for increased competition. EA has requested use of ADB Works SBD for all bid packages. Prior review will be undertaken for all packages
Request for Quotation	Used for low value non-complex packages. The first RFQ package shall be subject to prior review, with the remainder subject to post review (sampling)

Consulting Services	
Method	**Comments**
Open competitive bidding with international advertising using Quality and Cost-Based Selection	Consultant packages are large and require expertise that local firms cannot easily provide.
Individual consultant selection (international and national)	Five individual consultants who are mainly financial management experts will be recruited

2. Lists of Active Procurement Packages (Contracts)

59. The following table lists goods, works, non-consulting services, and consulting services contracts for which the procurement activity is either ongoing or expected to commence within the procurement plan's duration.

Goods, Works, and Non-consulting Services							
Package Number	**General Description**	**Estimated Value ($m)**	**Procurement Method**	**Review**	**Bidding Procedure**	**Advertisement Date (quarter, year)**	**Comments**
MRD-CW01-AFD	Road Improvement Package no. 1 Lot 1: Road Improvement for Roads KPT-02 (Trapaing Thmar-Dang Antaek, 12.40 km) Lot 2: Road Improvement for Road PVH-01 (Sangkum Thmey-Taseng, 24.19 km)	4.96 1.86 3.10	OCB	Prior	1S1E	Q4/2020	**Advertising:** International **Number of lots (contracts):** Two (2) **Prequalification of Bidders:** No **Domestic Preference:** No **Advance Contracting:** Yes **Bidding Documents:** ADB's SBD for Works
MRD-CW02-AFD-	Road Improvement Package no. 2 Lot 1: Road Improvement for Roads OMC-10 (Banteay Thmey-Atao, 27.70 kms) Lot2: Road Improvement for Road SRP-05 (Kok Klaing-Phumi Kul, 16.20 km)	7.01 4.56 2.45	OCB	Prior	1S1E	Q4/2020	**Advertising:** International **Number of lots (contracts):** Two (2) **Prequalification of Bidders:** No **Domestic Preference:** No **Advance Contracting:** Yes **Bidding Documents:** ADB's SBD for Works
MRD-CW03-AFD	Road Improvement Package no. 3 Lot 1: Road Improvement for Road TBK-10 (Dambae Sreveng, 12.50 km) Lot 2: Road Improvement for Road KPC-110 10 (Ou Mlou, 17.55 km)	4.80 1.80 3.00	OCB	Prior	1S1E	Q4/2020	**Advertising:** International **Number of lots (contracts):** Two (2) **Prequalification of Bidders:** No **Domestic Preference:** No **Advance Contracting:** Yes **Bidding Documents:** ADB's SBD for Works

Goods, Works, and Non-consulting Services							
Package Number	**General Description**	**Estimated Value ($m)**	**Procurement Method**	**Review**	**Bidding Procedure**	**Advertisement Date (quarter, year)**	**Comments**
MAFF-GD01-ADB	Pesticides residues analysis equipment (GC and LC-MS/MS, laboratory equipment and chemicals for NAL)	1.75	OCB	Prior	1S1E	Q2/2021	**Advertising:** International **Number of contracts:** One (1) **Prequalification of Bidders:** No **Domestic Preference:** No **Advance Contracting:** No **Bidding Documents:** ADB's SBD for Goods
MAFF-GD02-AFD	Specialized laboratory furniture (NAL)	0.08	RFQ	Post (Sampling)	1S1E	Q2/2022	**Number of contracts:** One **Prequalification of Bidders:** No **Domestic Preference:** No **Advance Contracting:** No **Bidding Documents:** Standard RFQ (National)
MAFF-GD03-AFD	Veterinary Medicine Residues (laboratory equipment, standards and chemicals for NAHPRI)	0.12	RFQ	Post (Sampling)	1S1E	Q2/2021	**Number of contracts:** One **Prequalification of Bidders:** No **Domestic Preference:** No **Advance Contracting:** No **Bidding Documents:** Standard RFQ (National)
MAFF-GD04-AFD	Mycotoxins analyses by HPLC & ELISA (HPLC, laboratory equipment and chemicals for CamLAPF)	0.32	RFQ	Post (Sampling)	1S1E	Q2/2021	**Number of contracts:** One **Prequalification of Bidders:** No **Domestic Preference:** No **Advance Contracting:** No **Bidding Documents:** Standard RFQ (National)
MAFF-GD05-AFD	Heavy metals analyses (ICP-MS, laboratory equipment and chemicals for CamLAPF)	1.48	OCB	Prior	1S1E	Q2/2021	**Advertising:** International **Number of contracts:** One **Prequalification of Bidders:** No **Domestic Preference:** No **Advance Contracting:** No **Bidding Documents:** ADB's SBD for Goods
MAFF-GD06-AFD	Microbiology Equipment & Chemicals (CamLAPF)	0.13	RFQ	Post (Sampling)	1S1E	Q2/2021	**Number of contracts:** One **Prequalification of Bidders:** No

Goods, Works, and Non-consulting Services							
Package Number	**General Description**	**Estimated Value ($m)**	**Procurement Method**	**Review**	**Bidding Procedure**	**Advertisement Date (quarter, year)**	**Comments**
							Domestic Preference: No **Advance Contracting:** No **Bidding Documents:** Standard RFQ (National)
MAFF-GD07-ADB	Office Equipment (16 desktop computers, 20 laptop computers, 14 printers, 5 projectors, 5 copy-printer machines and accessories)	0.08	RFQ	Post (Sampling)	1S1E	Q1/2021	**Number of contracts:** One **Prequalification of Bidders:** No **Domestic Preference:** No **Advance Contracting:** No **Bidding Documents:** Standard RFQ (National)
MAFF-GD08-ADB	Pick-ups (9 units: 3 for PMU and 6 for MAFF)	0.46	RFQ	Post (Sampling)	1S1E	Q4/2020	**Number of contracts:** One **Prequalification of Bidders:** No **Domestic Preference:** No **Advance Contracting:** Yes **Bidding Documents:** Standard RFQ (National)
MAFF-GD09-ADB	Motorcycles (24 units for MAFF/PDAFFs)	0.03	RFQ	Post (Sampling)	1S1E	Q1/2021	**Number of contracts:** One **Prequalification of Bidders:** No **Domestic Preference:** No **Advance Contracting:** No **Bidding Documents:** Standard RFQ (National)
MRD-GD01-ADB	Office Equipment (3 desktop computers, 3 laptop computers, 1 projector, 2 copy-printer machines and accessories)	0.02	RFQ	Post (Sampling)	1S1E	Q1/2021	**Number of contracts:** One **Prequalification of Bidders:** No **Domestic Preference:** No **Advance Contracting:** No **Bidding Documents:** Standard RFQ (National)
MRD-GD02-ADB	Pick-ups (2 units)	0.10	RFQ	Post (Sampling)	1S1E	Q4/2020	**Number of contracts:** One **Prequalification of Bidders:** No **Domestic Preference:** No **Advance Contracting:** No **Bidding Documents:** Standard RFQ (National)
MRD-GD03-ADB	Motorcycles (7 units: 1 unit for PIU and 6 units for PDRD)	0.008	RFQ	Post (Sampling)	1S1E	Q1/2021	**Number of contracts:** One **Prequalification of Bidders:** No **Domestic Preference:** No

Goods, Works, and Non-consulting Services							
Package Number	**General Description**	**Estimated Value ($m)**	**Procurement Method**	**Review**	**Bidding Procedure**	**Advertisement Date (quarter, year)**	**Comments**
							Advance Contracting: No **Bidding Documents:** Standard RFQ (National)
MEF-GD01-ADB	Office Equipment (3 desktop computers, 3 laptop computers, 1 projector, 2 copy-printer machines and accessories)	0.02	RFQ	Post (Sampling)	1S1E	Q1/2021	**Number of contracts:** One **Prequalification of Bidders:** No **Domestic Preference:** No **Advance Contracting:** No **Bidding Documents:** Standard RFQ (National)
MEF-GD02-ADB	Pick-ups (2 units)	0.10	RFQ	Post (Sampling)	1S1E	Q4/2020	**Number of contracts:** One **Prequalification of Bidders:** No **Domestic Preference:** No **Advance Contracting:** No **Bidding Documents:** Standard RFQ (National)
MAFF-NCS01-AFD	LC-MS Service contract for existing instruments (NAL)	0.12	RFQ	Post (Sampling)	1S1E	Q2/2022	**Number of contracts:** One **Advance Contracting:** No **Bidding Documents:** RFQ
MAFF-NCS02-AFD	LC-MS/MS Service contract for existing instruments (NAHPRI)	0.23	RFQ	Post (Sampling)	1S1E	Q2/2021	**Number of contracts:** One **Advance Contracting:** No **Bidding Documents:** RFQ

Consulting Services							
Package Number	**General Description**	**Estimated Value ($m)**	**Selection Method**	**Review**	**Type of Proposal**	**Advertisement Date (quarter, year)**	**Comments**
MAFF-CS01-ADB	Project Implementation Consultants (PIC)	2.44	QCBS	Prior	FTP	Q4/2020	**Type:** Firm **Assignment:** International **Quality-Cost Ratio:** 80:20 **Prequalification/Short-listing of Firms:** Yes **Advance Contracting:** Yes
MAFF-CS02-ADB	Agricultural Value Chain Consultants (AVCC)	3.95	QCBS	Prior	FTP	Q1/2021	**Type:** Firm **Assignment:** International **Quality-Cost Ratio:** 80:20 **Prequalification/Short-listing of Firms:** Yes **Advance Contracting:** No
MRD-CS01-AFD	Construction Supervision Consultants (CSC)	1.16	QCBS	Prior	STP	Q4/2020	**Type:** Firm **Assignment:** International **Quality-Cost Ratio:** 80:20 **Prequalification/Short-listing of Firms:** Yes **Advance Contracting:** Yes
Financing Specialist Consultants (FSC) - MEF							
MEF-CS01-ADB	Agribusiness finance specialist /Team leader	0.38	ICS	Prior	N/A	Q4/2020	**Type:** Individual **Assignment**: International **Advance Contracting:** Yes
MEF-CS02-ADB	Credit guarantee specialist	0.21					

Consulting Services							
Package Number	**General Description**	**Estimated Value ($m)**	**Selection Method**	**Review**	**Type of Proposal**	**Advertisement Date (quarter, year)**	**Comments**
MEF-CS03-ADB	Agribusiness finance specialist /Deputy team leader	0.28					**Type:** Individual **Assignment**: National **Advance Contracting:** Yes
MEF-CS04-ADB	Financial management specialist	0.04					
MEF-CS05-ADB	Project administration	0.17					

1S1E = single-stage: one-envelope; ADB = Asian Development Bank; AFD = Agence Française de Développement; AIF = ASEAN Infrastructure Fund; CS = consulting services; CW = civil works; GD = goods; ICS = individual consultant selection; kms= kilometers; MAFF = Ministry of Agriculture, Forestry and Fisheries; MEF = Ministry of Economy and Finance; MRD = Ministry of Rural Development; NCS = non-consulting services; OCB = open competitive bidding; Q = quarter; QCBS=quality and cost-based selection; RFQ = request for quotations; STP=simplified technical proposal.

3. LIST OF INDICATIVE PACKAGES (CONTRACTS) REQUIRED UNDER THE PROJECT

61. The following table lists goods, works, non-consulting services, and consulting services contracts for which the procurement activity is expected to commence beyond the procurement plan duration and over the life of the project.

Goods, Works, Non-consulting and Consulting Services							
Package Number	**General Description**	**Estimated Value ($m)**	**Procurement Method**	**Review**	**Bidding Procedure**	**Advertisement Date (quarter, year)**	**Comments**
MAFF-CW01-ADB	Small Production Infrastructure for Agricultural Cooperatives (AC) I (e.g., warehouses, greenhouse, drying yard/shades)	3.22	OCB	Prior	1S1E	Q1/2022	**Advertising:** TBC **Number of contracts:** multiple **Prequalification of Bidders:** No **Domestic Preference:** No **Advance Contracting:** No **Bidding Documents: TBC**
MAFF-CW02-AIF	Small Production Infrastructure for Agricultural Cooperatives (AC) II (e.g., warehouses, greenhouse, drying yard/shades)	2.77	OCB	Prior	1S1E	Q1/2022	**Advertising:** TBC **Number of contracts:** multiple **Prequalification of Bidders:** No **Domestic Preference:** No **Advance Contracting:** No **Bidding Documents: TBC**
MAFF-GD09-ADB	Additional LC and GC for pesticide (NAL)	1.65	OCB	Prior	1S1E	Q2/2024	Delivery of these goods will start in the 4th year of the project.
MAFF-GD10-JFPR	Agricultural equipment, materials, and works for demo farms	2.54	OCB	Prior	1S1E	Q1/2022	**Estimated Number of Contracts:** TBC This package shall be implemented in conjunction with

Goods, Works, Non-consulting and Consulting Services							
Package Number	General Description	Estimated Value ($m)	Procurement Method	Review	Bidding Procedure	Advertisement Date (quarter, year)	Comments
							packages MAFF-CW01-ADB and MAFF-CW02-ADB.

ADB = Asian Development Bank; AIF = ASEAN Infrastructure Fund; CW = civil works; GD = goods; MAFF = Ministry of Agriculture, Forestry and Fisheries; OCB = open competitive bidding; Q = quarter; STP=simplified technical proposal; TBC = To be confirmed

4. LIST OF AWARDED AND COMPLETED CONTRACTS

62. The following table lists the awarded and completed contracts for goods, works, non-consulting and consulting services.

Goods, Works, Non-consulting and Consulting Services					
Package Number	General Description	Contract Value ($m)	Date of ADB Approval of Contract Award	Date of Completion	Comments

5. NON-ADB FINANCING

63. The following table lists goods, works, non-consulting and consulting services contracts over the life of the project, financed by non-ADB sources.

Goods, Works, Non-consulting and Consulting Services					
Package Number	General Description	Contract Value ($m)	Date of ADB Approval of Contract Award	Date of Completion	Comments
None					

VII. SAFEGUARDS

64. The safeguard documents have been prepared in accordance with ADB's Safeguard Policy Statement (SPS 2009).[33] In compliance with ADB's information disclosure, consultation and participation requirements, the safeguards documents will be posted on ADB's website. The safeguards categorization is B for environment and C for both involuntary resettlement and indigenous peoples.

65. The safeguard documents comprise: (i) the Environment and Social Management System (ESMS) for output 1, (ii) the Initial Environmental Examination (IEE) including the Environment Management Plan (EMP) for outputs 2 and 3, (iii) the social safeguard due diligence report for output 2, (iv) the social safeguard due diligence report for output 3, and (v) the Community Participation Framework (CPF) for output 3.

66. **Project Grievance Redress Mechanism**. ADB SPS requires that the Government establishes and maintains a grievance redress mechanism (GRM) to receive and facilitate resolution of affected peoples' concerns about project social and environmental performance. PMU will establish the project safeguards GRM, as detailed in safeguard plans within 60 days of

[33] ADB. Safeguard Categories. The ADB SPS will be applied to the social and environmental assessment and planning process, and safeguards planning documents for all project activities whether they are financed by ADB or AFD. Meaningful consultation and disclosure requirements will follow those outlined in the ADB SPS. ADB will monitor safeguard compliance as part of its supervision missions along with AFD.

the project effectiveness date, or before implementation of land acquisition activities, whichever is the earliest. The GRM comprises a set of clear procedures to receive, record, and address concerns or complaints raised about safeguard and other project-related issues at village, commune, district and provincial level. Affected persons will have the option of seeking redress through the existing country system or through the project specific GRM entry points. Since the three project outputs each have different implementing agencies, it is appropriate that the PMU, which comprises representation from the three IAs, will set up and coordinate the GRM and report complaints and their resolution to ADB as part of its progress monitoring and reporting responsibilities. The PMU is expected to establish the grievance redress committee and to ensure that GRM focal points are established within PMU, PIUs and contractor teams. Where complaints are related to roads (Output 3) they will be addressed via the existing complaints procedures within the MRD Social and Environment Office (SEO). For a complaint arising from activities under the other project output, the complaint will be handled by the PMU which will direct it to the PIU responsible for that output. Since only Output 3 has major civil works, it is likely that majority of complaints will be to MRD and addressed via SEO procedures but will still be reported to the PMU. Records of complaints received and how they are addressed will be maintained by the PMU and reported in the quarterly project progress reports and semi-annual environmental monitoring report. All other stakeholder project agencies and staff will be initiated into the GRM procedures by the project implementation consultants (PIC) and PMU Safeguards Officer and will take an active role in supporting the GRM when necessary. The detailed procedures are set out in the Project EMP and CPF.

67. ADB rates project performance quarterly, safeguards indicators include assessment of whether GRM is functioning effectively, indicators of a functioning GRM, include:

- ✓ PMU provided formal letter that confirms that the GRM has been established and is operational, included as an attachment- the list of GRM committee members at each level and the PMU and PIU focal persons for GRM.
- ✓ Pamphlet/Leaflet and/or Project Information Booklet has the GRM steps explained and GRM focal point contacts and has been handed out to all AHs and available at village halls. Copy provided.
- ✓ Evidence of consultation/verbal dissemination of the GRM to AHs and public consultation. This could be shown through presentation materials, minutes of meetings, photos and attendance sheet.
- ✓ Evidence of project signage within the community and at construction sites/camps with GRM focal point contacts.
- ✓ GRM focal points mobilized and functioning in their role.
- ✓ GRM record-keeping system is established and functioning.
- ✓ Complaints and resolutions included in quarterly progress reports and semi-annual safeguards monitoring reports.

68. **Prohibited investment activities.** Pursuant to ADB's Safeguard Policy Statement (SPS 2009), ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of SPS 2009. All financial institutions will ensure that their investments are in compliance with applicable national laws and regulations and will apply the prohibited investment activities list (Appendix 5 of SPS 2009) to any project activities financed by ADB.

A. Environment Safeguards

69. For output 1 through financial intermediary, an Environment and Social Management System (ESMS) was developed for the PFIs which need to adopt the ESMS before they approve any subproject and disburse the project fund. The guarantee scheme fund to be managed by government unit will employ the same ESMS procedure and requirements for better consistency in risk control.

70. The IEE assesses impacts of project activities, the EMP identifies mitigation and management measures to address identified impacts, environmental capacity building and consultation plans and associated costs, as well as roles and responsibilities of subproject designers, construction contractors, output PIUs and the PMU. The PIC team includes Environmental Specialists to assist throughout implementation.

71. The EMP includes an environmental monitoring program to confirm that the measures are effective and if adjustments are needed. Responsibility for monitoring is shared among the PIC, contractors and PIUs. All monitoring results will be consolidated in the PMU's progress reports and semi-annual environmental monitoring reports to the ADB. The outline for the safeguards monitoring report is included in Appendix 7.

72. To ensure domestic compliance on environmental, health and safety, no contract will be awarded without the domestic EIA clearance, if required by domestic regulation, and its conditions being included in the bidding documents and contracts. No project work (including that related to laboratories) can be commenced without necessary domestic permits on health and safety including on covid-19. Violation of the above will need to be remedied within the timeframe agreed with the ADB. Continued non-compliance can lead to suspension of ADB fund disbursement or other penalties.

73. The ESMS is a system for PFIs to screen, assess and manage the environmental-social impacts of their subprojects under the project. Only subprojects that have minimal or moderate environmental impacts and risks that are equivalent to category C and B as defined by the ADB and have all necessary domestic approval and permits be eligible for funding. To this end, a step-by-step screening procedure is designed as core part of the ESMS supported by worksheets and checklists in line with both domestic and ADB requirements.

74. For environmental category B subprojects, the proponent needs to carry out simplified impact assessment mainly following domestic requirements as summarized in the ESMS, including disclosure and public consultation, and prepare an Environmental Management Plan (EMP) to mitigate the potential impacts identified in the assessment and consultation. The relevant measures in the EMP prepared for the overall project apply to output 1 activity.

75. All subproject proponents need to fill out the environmental worksheets as part of the application and provide other information and site access as needed by the PFIs. Once selected for financing, the sub-borrowers are responsible for implementing the EMP and applicable environmental code of practice (for category C). The PFI is responsible for supervision, monitoring and reporting according to the requirements in the ESMS.

76. During subproject contract period, any changes to the subprojects that may cause negative environmental impacts shall be screened by the environmental specialists of the PFIs, PMU/PIU and/or the ADB. If such impacts go beyond the original environmental category resulting in a rise from category C to B, impact assessment and EMP will need to be prepared according

to the ESMS. In case of a category B subproject originally, a rise to category A will in effect disqualify it for the project support. As a result, fund to such subproject will be discontinued or follow Non-compliance procedure described in the ESMS.

B. Social Safeguards

77. The project is classified as category C for involuntary resettlement (IR) and category C for indigenous peoples (IP) as per ADB Safeguard Policy Statement (2009).[34] The project is not anticipated to cause any involuntary resettlement impacts in any of subproject activities. The project loan funds or legal process of expropriation are not allowed to be used for land acquisition for output 1 and output 2. No involuntary land acquisition is expected to be required for output 3 activities. The expected impacts are mostly temporary during the civil works activities for rural roads, as detailed in the due diligence report (DDR) for output 3. Output 3 rural roads have been designed to be located entirely within the existing right-of-way (ROW) of the roads following road design criteria as prescribed in the CPF.

78. CPF provides guidance on community consultations and participation prior to and during construction and project implementation, as well as procedures for any temporary or unanticipated impacts. The DDR for output 3 will be prepared prior to construction of the roads, for the roads for which DED is under preparation, and for any new road to be financed. This will include consultations, transect walk/drive and disclosure of information of the designed roads, and submitted to ADB for approval. In the event of unavoidable or unanticipated impact on the rural roads are identified during the project implementation project activities which will cause IR impacts, the concerned section/road will be either excluded from financing or a resettlement plan (RP) will be prepared in accordance with the laws and regulations of the Government and ADB's SPS.

79. Any land requirements for investments funded under outputs 1 and 2 will have to be managed or financed by the fund recipient / beneficiary, such as agricultural cooperative (AC), through willing buyer willing seller from open market following eligibility criteria set in ESMS[35] for output 1, and Inclusive Business Partnership (IBP) agreement for output 2.[36] The due diligence is conducted for output 1 as part of ESMS assessment, and a DDR is prepared for output 2 to screen the proposed type of activities, and assess any potential impact resulting from financing these activities, and inform the selection criteria in the IBP. The project funds should not be used for any land acquisition activity. This is included as part of the eligibility criteria and the prepared ESMS and IBP.

80. No adverse impacts on indigenous peoples are anticipated and improved rural roads in output 3 will benefit all households including indigenous peoples in the project areas. Meaningful and widespread consultations will continue with all communities in the project area. In the event of indigenous people issues are identified during the project implementation specific mitigation will be prepared in accordance to ADB's SPS on Indigenous People safeguards or the project activities which will cause negative impacts to indigenous people (IP) communities (if any) will be excluded from financing.

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[34] For the AFD co-financing partly administered by ADB, the ADB SPS will be applied to the social and environmental assessment and planning process, and safeguards planning documents for all project activities despite whether they are financed by ADB or AFD. Meaningful consultation and disclosure requirements will follow those outlined in the ADB SPS. ADB will monitor safeguard compliance as part of its supervision missions along with AFD.

[35] Available in Linked Document 16 of the RRP.

[36] Available in Annex 2 of Supplementary Document 21 of the RRP.

1. Project Management Unit (PMU) / MAFF

81. The MAFF PMU will be responsible for ensuring that output 1 and 2 social safeguards compliance is monitored throughout implementation and the project is implemented in line with ADB and government requirements for social safeguards. Specific tasks are listed in Table 4. The MAFF PMU will be staffed with three project safeguards officers: (i) environment; (ii) social safeguards; and (iii) gender. The officers will be active in site supervision, management and appraisal, particularly to identify potential and any current problems, and solve them in a timely manner. The officers will be supported by the international and national safeguards experts from the PIC. The safeguards officers will be provided with capacity development and training. Project Officer (Social Safeguard) will have overall responsibility in implementation of outputs 1 and 2, including appropriate monitoring and reporting responsibilities.

2. MRD/SEO

82. The Social Safeguards Project Officer (SSPO) in MRD/SEO, with assistance from PIC Social safeguards consultant, will have overall responsibility in implementation of the output 3 using CPF with support from the PIC to ensure compliance. This includes appropriate monitoring and reporting responsibilities, and output 3 is implemented in line with ADB and government requirements for social safeguards. Specific tasks are listed in Table 4. MRD will appoint a national safeguards officer at MRD PIU. S/he, duly assisted by the international and national safeguards experts of the PIC, will be active in site supervision, management, and appraisal, particularly to identify potential and any current problems, and solve them in a timely manner.

3. MEF & MAFF PIUs

83. **Third-Party Verification**. Output 3 rural roads will engage village development committees (VDCs) to act as third-party verification body for any donation of unproductive and unregistered land within the existing right-of-way (ROW).

84. **Capacity Building**. For output 1, PFIs staff will be provided capacity building on ESMS policies checklists and criteria, screening mechanisms, safeguards monitoring and development of standard reporting formats. For output 2, the capacity building on safeguards compliance and land acquisition criteria for ACs will be provided to the PMU, and as part of the general capacity building and training of the ACs under value chain improvements. For output 3, MRD/SEO Safeguards Officers will be trained by PMC's social safeguards expert on safeguards issues of the project, CPF and ADB Safeguards Policy. Safeguards briefings will also be conducted by PMC safeguards experts to the relevant project team members. The targeted participants of the briefings would be MRD/SEO and PIU staff, and VDCs. The briefings will include the procedure and required measures for implementation of the project GRM. The PMC's safeguard experts will develop the training schedule and module upon their mobilization and share it with the PMU and ADB.

85. **Civil Works Contracts and Contractors**. The project will ensure that bidding and contract documents include specific provisions requiring contractors to comply with all (a) applicable labor laws and core labor standards on (b) prohibition of child labor as defined in national legislation for construction and maintenance activities, on (c) equal pay for equal work of equal value regardless of gender, ethnicity or caste, on (d) elimination of forced labor, (e) the requirement to disseminate information on sexually transmitted diseases including HIV/AIDS to employees and local communities surrounding the project sites, and (f) responsibility of the construction contractor for reinstatement of temporary impacts and compensation for construction

related impacts during implementation of rural roads (output 3). Contractors will carry out all environmental and social mitigation and monitoring measures outlined in their contract, including paying compensation for affected assets (crops, trees, infrastructures) to the affected households. PIC experts, MRD/SEO and PIU safeguard officers will assist the PMU safeguard officer in monitoring contractor's compliance activities.

VIII. GENDER AND SOCIAL DIMENSIONS

86. The project promotes women's participation in PAEs, PACs, and as farmers by (i) developing and delivering outreach, education, and community activities to increase the proportion of PAEs owned by women and female borrowers' access to subloans; (ii) supporting women-led PACs in obtaining agro-product safety certificates; (iii) undertaking a needs assessment and delivering training, including on gender sensitization, access to finance, improved planting materials and breeds, demonstration farming, and leadership skills; and (iv) delivering road safety training along the improved roads.[37] Further, the project will support the two PFIs in developing inclusive and gender-responsive loan application criteria and guidelines to enable successful loan applications from women-owned PAEs and female borrowers. The MAFF and the PFIs will appoint gender focal points to implement and monitor the gender action plan.

87. The project is categorized as effective gender mainstreaming. Based on the gender analysis conducted during project preparation, a gender action plan (GAP) has been prepared.[38]

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

A. Project Design and Monitoring Framework

88. Please refer to Appendix 1 of the RRP for the project design and monitoring framework (DMF).

B. Monitoring

89. **Project performance monitoring.** A draft project performance monitoring system (PPMS) has been developed and included in Appendix 8, based on the key indicators and targets outlined in DMF, the gender action plan, environment and social safeguards, the financial management action plan, and compliance with project covenants, among others, that need to be monitored. It shall be implemented by the PMU in conjunction with the implementing agencies and support from the PIC in accordance with ADB's Project Performance Monitoring System within six months of project effectiveness. The PPMS procedures, performance indicators, and their targets will be reviewed and approved by ADB. Benchmark review mainly focusing on secondary data will be conducted. With the help of PIC, the PMU will then undertake every six months quantitative and qualitative project-performance monitoring for each subproject activity to evaluate the delivery of planned facilities and the project benefits that accrued.

90. **Compliance monitoring.** A number of assurances have been given by the government to ensure smooth implementation of the project as reflected in the financing covenants. ADB will monitor compliance with those covenants during project implementation through regular review

[37] Women-led agricultural cooperatives are differentiated from project women-owned agro-enterprises as cooperatives, by definition, are not owned by any one individual, but rather are led by a collaborative partnership.
[38] Gender Action Plan (accessible from the list of linked documents in Appendix 2).

missions, quarterly progress reports submitted by the PMU, and review of project accounts and procurement procedures.

91. **Environmental safeguards monitoring.** The IAs, assisted by PIC, will prepare and submit to the executing agency semi-annual reports on the implementation of environmental and GRM requirements and monitoring results. The report will cover environment performance based on implementation of the EMP and ESMS. The executing agency, through PIC, will be responsible for the consolidation and submission of the reports to ADB. The quarterly progress reports will also include a summary of environmental progress and identifying any grievance raised/resolved through the project GRM during the reporting period.

92. **Social safeguards monitoring.** The project has been confirmed as categorized as C for IR and IP based on the social impact assessment conducted during the transaction technical assistance, therefore, the environmental safeguards monitoring reports will integrate social safeguard section. PMU will be responsible for preparing and submitting a single semi-annual integrated environment and social safeguards monitoring report for the project covering Outputs 1, 2 and 3, they will conduct in close cooperation with MEF/IA Administrator and SEO experts of MRD respectively.

93. For the Output 1 the ESMS Manager (or other designated staff) reports to the Head of Credit Department who reports to Chief Executive Officer of PFI. The ESMS Manager has oversight for environmental and social issues, ensures the resources are made available to safeguards officer for environmental and social management, monitoring and reporting, and should sign and submit the annual environmental and social performance report to the IA Administrator who submits the same to the EA and ADB. S/he should ensure that the IA Administrator for Output 1, the EA and ADB are notified if and when the responsible staff have been changed or replaced with new staff.

94. For the Output 2, PMU, with their overall responsible for monitoring and reporting of social safeguards will also cover monitoring for Output 2.

95. For the Output 3, the MRD PIU shall be responsible for supervision of the CPF implementation and the internal monitoring throughout the implementation of the Project. The PIU shall collect the data as per the monitoring indicators adopted and report them to the MRD SEO. The data on results of CPF implementation shall be later consolidated and presented in the regular safeguards monitoring reports and submitted to ADB per reporting period for review, clearance and disclosure on ADB and EA's websites. In addition, VDC, which is an independent legally constituted community body, will be the independent third-party monitor for the implementation of the CPF in case voluntary asset or land donation is required. Regular feedback will be sought from VDC and incorporated in the regular monitoring reports submitted to ADB.

96. **Climate change.** The climate change assessment concluded that there are currently medium to high risks for flood and low risk for drought and storm in the project provinces, and that these risks are likely to increase in the future.[39] It is therefore important that the PIC responsible for infrastructure development and capacity building have sufficient climate change experience and capability to ensure and maximize adaptation possibilities, promote climate smart agricultural practices, and ensure that the project satisfactorily ensures that farmers are aware of the risks and the steps they can take to adapt.

[39] Climate Change Assessment (accessible from the list of linked documents in Appendix 2).

97. **Gender and social dimensions monitoring.** Sex-disaggregated data will be collected wherever relevant and gender specific and sensitive indicators (from the DMF and GAP) will be integrated as part of the PPMS. The progress of gender and social activities and targets outlined in the GAP will be monitored and reported regularly (at least semi-annually) by the PMU together with the project progress reports. Achievement of performance indicators of the GAP outlined in the DMF will be updated semi-annually in the PPMS.

C. Evaluation

98. ADB will conduct regular (i.e. at least twice per year) reviews throughout project implementation to (i) assess the progress of project activities and outputs and effectiveness of implementation arrangements; (ii) monitor safeguards compliance with ADB Safeguard Policy Statement (2009); (iii) review compliance with loans and grant agreements and related matters; (iv) follow up on decisions and actions agreed during previous review missions; and (v) resolve any project implementation issues that may arise. Within six months of physical completion of the project, the executing agency will submit a project completion report to ADB.[40]

D. Reporting

99. PMU will provide ADB with (i) quarterly progress reports in a format consistent with the PPMS; (ii) consolidated annual reports including (a) progress achieved in the DMF by output as measured through the indicator's performance targets, (b) key implementation issues and solutions, (c) updated procurement plan, (d) progress achieved in the gender action plan, (e) status of compliance with covenants and status of the financial management action plan, and (f) updated implementation plan for the next 12 months; (iii) annual audited project financial statements (para. 43); (iv) semi-annual integrated environment and social safeguards monitoring reports; and (v) a project completion report within six months of physical completion of the project. The outline of the progress report is included in the PPMS in Appendix 8. PFIs will also submit annual audited entity financial statements and annual audited statement of utilization of funds (para. 43). To ensure that projects will continue to be both viable and sustainable, project accounts and the executing agency audited financial statement together with the associated auditor's report, should be adequately reviewed.

Table 13: Project Reporting Requirements

Report Type	Frequency	Responsible Agency	Submission Period
Quarterly project progress report	Every quarter	Project management unit (PMU)	30 April, 31 July, 30 October, and 31 January of each year starting from project effectiveness
Annual project progress report	Every year	PMU	31 January of each year
Annual audited project financial statements	Every year	PMU	Six months after the end of Cambodia's fiscal year and disclosed on the

[40] The project completion report format is available at: http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar

Report Type	Frequency	Responsible Agency	Submission Period
			ADB and project websites
Annual audited entity financial statements	Every year	Participating financial institutions (PFIs)	One month from approval or within 12 months from end of fiscal year, whichever is earlier
Annual audited statement of utilization of funds	Every year	PFIs	Six months after the end of fiscal year
Semi-annual integrated environmental and social safeguards monitoring reports	Every six months	PMU	15 January and 15 July of each year starting from project effectiveness and disclosed on the ADB and project websites
Project completion report	Six months after project physical completion	PMU	30 August 2027

E. Stakeholder Communication Strategy

100. A stakeholder communication strategy has been prepared to ensure that vulnerable groups, such as the poor and the women, who risk marginalization, are provided with opportunities for receiving timely information, and can provide feedback during project implementation. Table 14 explains further on what project information will be communicated, the means of communication, who will provide the information, the audiences and the frequency.

Table 14: Stakeholder Communication Strategy

Objective	Stakeholder Group	Function/Interest in Project	Messages	Means of Communication	Timeline	Responsibility	Resources
1. Ensure a good 2-way flow of information, and promote ownership over subproject activities and competitive agribusiness value chains development	Beneficiary Micro, small, and medium agro-enterprises (AE), agricultural cooperatives (AC), farming communities including women and men farmers, collectors, contractors and wholesale and major retailers, Village Chiefs, Commune Councils, Women and Children Focal Points, participating financial institutions (PFIs) and	Direct beneficiaries of project; local authorities participating in implementation and follow-up of sub-projects; participants in agribusiness enterprise development; participants in technical and organizational training, in workshops and capacity building.	Local collaboration and support is fundamental to project effectiveness; information is to be shared openly and transparently; inputs into design and recommendations for improvements are welcome. Clear information on implementation arrangements and schedule of civil works. Updated on subproject progress and roles for any operation and	The project will produce user friendly posters at local level giving information about when consultation meetings are to be held and showing subproject plans and activities. Details of how and where to register feedback (e.g. with Village Chief and Commune Women and Children Focal Point) is to be provided. Regular meetings between implementing agency and beneficiaries will be held every month for two-way flow of information about project activities, priorities, and progress. Feedback from meetings will be logged, and feedback on follow up actions will be reported at the following meeting. Village Chief, Asst. to Village Chief,	Regular ongoing information exchange between IA and beneficiaries prior to initiation of activities. During initial phase of subproject preparation. During detailed project design phase. At kick-off workshop/meeting when project is launched Ongoing during implementation of activities and any civil works.	Implementing Agencies (IA), Ministry of Agriculture, Fisheries, and Forestry (MAFF), Ministry of Rural Development (MRD), Ministry of Economy and Finance (MEF), Provincial Department of MAFF and MRD, and other related ministries and departments, local government including commune	Workshops under project management unit (PMU) and project implementation units (PIUs) Awareness and Capacity Building Consultants (ACB) package and Business Advisory Unit Consultants (BAU) package include budget for communication activities and communication materials. Project website to be develop

Objective	Stakeholder Group	Function/Interest in Project	Messages	Means of Communication	Timeline	Responsibility	Resources
	micro-credit institutions.		maintenance after completion. Planned mitigation measures (grievance redress mechanism, road safety and noise/pollution control measures before and after construction).	Commune Council members,	At completion in closing workshop at local level	council, Village Chief, Assistant to Village Chief and Women and Children Focal Point, AC Chairpersons, and AE Senior Management Responsibility for producing information materials will be with IA. Responsibility for identifying best publicly accessible places is with Agricultural Cooperatives and Agricultural Enterprises	and maintained with the support of information and communication (ICT) services.

Objective	Stakeholder Group	Function/Interest in Project	Messages	Means of Communication	Timeline	Responsibility	Resources
				Commune Women and Children Focal Point etc. will receive orientation from project staff regarding what to do when local community members give them feedback on subproject. Standard reporting formats to be used by local authorities and IA for providing project updated to beneficiaries on a regular basis so that information can be systematically transmitted to communities. Public information meetings, including regular updated by Village Chief, Assistant to Village Chief, Women and Children Focal Point and Commune Council members at village level following any visits and meeting with IA and project consultants. Printed information about subproject in local language posted in accessible public areas, including information on how to provide comments or register grievances.			

Objective	Stakeholder Group	Function/Interest in Project	Messages	Means of Communication	Timeline	Responsibility	Resources
2. Ensure a good 2-way flow of project information to women beneficiaries and ethnic minority beneficiaries (if applicable).	Women, poor and vulnerable households, ethnic minority groups (if applicable	As above	As above plus disseminate contents of the gender action plan (GAP) and environmental management plan (EMP) (if applicable), and opportunities to participate in training in income generating activities.	Posters on information boards on upcoming training programs for agribusiness, technical training, skills training for employment, and small and medium enterprise development. Separate meetings with women organized through Women and Children Focal Point, and ii) with ethnic groups in local language if applicable. Printed information about the project posted in local and accessible language (or visual depictions) posted in accessible public areas. Designation and provision of materials/toolkit to Women and Children Focal Point for promotion/coaching in micro- and small enterprise development and disseminating information about agribusiness opportunities from IA / project consultants	As above	As above	

Objective	Stakeholder Group	Function/Interest in Project	Messages	Means of Communication	Timeline	Responsibility	Resources
3. Raise visibility and awareness of benefits of agribusiness development for inclusive growth and for building ownership over ongoing infrastructure development and also agriculture cooperative development.	Beneficiary communities.	Direct and indirect beneficiaries of project.	Project investments and agribusiness promotion is beneficial to local economy, culture and gender equity.	Media press releases and coverage about the project by local media –print, radio, and TV features (if possible). Signboards promoting visibility of MAFF, Asian Development Bank (ADB), Agence Française de Développement (AFD), Japan International Cooperation Agency (JICA), and local government collaboration for climate friendly agribusiness and value chain development and improvements. Inaugurations of completed civil works with promotional events at subproject sites. MAFF website about project activities, progress and documents.	At project launch and midi-way through as tangible results are realized. Signboards at appropriate locations at the start of construction and through project implementation.	IA and provincial department of Agriculture and local authorities	

Objective	Stakeholder Group	Function/Interest in Project	Messages	Means of Communication	Timeline	Responsibility	Resources
4. Ensure a good 2-way flow of project information to promote inclusive business partnerships (IBP) for inclusive agribusiness growth and value chain development	Private sector agribusinesses, and local Chambers of Commerce	Direct and indirect beneficiaries of project; partners in development activities. Mango, cassava, cashew nuts, vegetables, and local poultry value chain players MAFF, CDC & other relevant ministries with value chain federations and association members	Promote participation in agribusiness initiatives which will increase available supply of good quality produce, employment creation and initiatives to promote safe agribusiness value chain development	Partnership in workshops / meetings / surveys on agribusiness development and marketing / promotion programs. Production of a full suite of marketing materials designed by local consultant Minutes of meetings and follow up with concerned government agencies	Ongoing during implementation of project activities Twice a year Once every 2 months	MAFF / project consultants PMU to arrange with Project Director to be secretary and MAFF to chair	Output 2.1 ACB package BAU package
5. Ensure a good 2-way flow of project information and promote women's ownership over subproject	MAFF GMAG (Gender Mainstreaming Action Group) including Women Farmers Network	Responsible for promoting gender equality and mainstreaming gender in agriculture sector Plays a major role in overseeing	Key benefits, and gender equity of subproject activities and climate friendly agribusiness and value chain development	National Steering Committee and Provincial meetings. Regular coordination meetings between IA Gender consultants and MAFF GMAG and	From outset of project and regularly throughout project lifetime.	Project Gender Consultants and MAFF GMAG	

Objective	Stakeholder Group	Function/Interest in Project	Messages	Means of Communication	Timeline	Responsibility	Resources
activities and agribusiness development.		gender inclusiveness in agricultural development in Cambodia Promote women's involvement and participation in micro and small enterprise development and employment training in the agriculture sector.	Specific benefits targeted to women Disseminate information on progress on gender equity	Women Farmer Network for implementing project GAP and recommending any improvements			
6. Ensure a regular flow of project information and promote collaboration to complete project civil works.	MAFF and MRD province and district staff; Government officials, contractors, and communities in the project areas.	Responsible for implementation and O&M of infrastructure subprojects and civil works.	Project design, key project benefits, implementation arrangements and schedule of civil works Main project impacts (positive and negative). Planned operation and maintenance measures.	National Steering Committee and Provincial Committee Meetings. Regular coordination meeting for detail design of civil works, and implementation of project activities.	From outset of project and throughout implementation.	IA	
7. Ensure understanding of project impacts,	Beneficiaries; MAFF; local authorities	Responsible for project implementation	Effective execution of their tasks, regular follow-up, monitoring and	Dissemination of National Steering Committee decisions and strategic documents.	From outset of project and throughout implementation.	IA	

Objective	Stakeholder Group	Function/Interest in Project	Messages	Means of Communication	Timeline	Responsibility	Resources
outcomes and outputs and importance of theme of inclusive growth.	such as Commune Chiefs and Commune Council members (Commune authorities will receive orientation to develop their understanding for project impacts)		reporting progress and constraints is important for project success. Community collaboration and inclusive approach is essential to effective project delivery.	Training in project management and other institutional strengthening activities. Formats and simple chart (s) showing responsibilities for project implementation, flow of funds, flow of activities, monitoring and follow-up. Project website (managed under auspices of MAFF website)			

Source: Asian Development Bank.

XI. ANTICORRUPTION POLICY

101. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project.[41] All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all project contractors, suppliers, consultants, and other service providers. Individuals and/or entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the project.[42]

102. To support these efforts, relevant provisions are included in the loan agreements/regulations and grant agreement/regulations and the bidding documents for the project. The project design and implementation arrangements provide for mitigation of corruption risks. Risks associated with project management, including procurement and disbursement, will be mitigated by the engagement of PIC to advise and assist in the procurement of goods and services, and the engagement of other consultants. The project will also establish a website in which it will disclose implementation progress, bid notifications and their results, and provide grievance mechanism against any corrupt practice. References on ADB's Anticorruption Policy can be accessed through the following link: http://www.adb.org/integrity/. Guidelines on governance and anticorruption action plan are also available.[43]

XII. ACCOUNTABILITY MECHANISM

103. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make an effort in good faith to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.[44]

XIII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL

104. All revisions and/or updates during the course of implementation will be retained in this section to provide a chronological history of changes to implemented arrangements recorded in the PAM, including revision to contract awards and disbursement S-curves.

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[41] Anticorruption Policy: http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf
[42] ADB's Integrity Office web site: http://www.adb.org/integrity/unit.asp
[43] Governance and Anticorruption Action Plan II Guidelines. http://www.adb.org/Documents/Guidelines/GACAP-II-Guidelines.pdf. See also Sourcebook: Diagnostics to Assist Preparation of Governance Risk Assessments. http://www.adb.org/documents/books/Diagnostics-to-Assist-Preparation-of-GRAs/default.asp.
[44] Accountability Mechanism. http://www.adb.org/Accountability-Mechanism/default.asp.

APPENDIX 1:

JAPAN FUND FOR POVERTY REDUCTION
GUIDANCE NOTE ON JAPANESE VISIBILITY

I. Introduction

1. The Revised Operating Framework for the Japan Fund for Poverty Reduction (JFPR) was approved on 6 October 2009, combining Japan's project grant and technical assistance support under one umbrella, and paving the way for a more comprehensive approach to the use of these funds towards addressing poverty, building up human resources, and empowering institutions and communities in the region. Japan has been making generous contributions for technical assistance activities through the Japan Special Fund, and for poverty reduction projects through JFPR, since they were established in 1988 and 2000, respectively. It is but fitting and proper that said contributions are acknowledged and the recipients and general public are informed of the source of the funding assistance both at the Fund level and at the level of the individual TA and project grants. The purpose of this note is to provide guidance on measures to ensure that the contribution of Japan in supporting JFPR is widely recognized.[1]

II. Statement on Japanese Visibility

2. Project teams are required to help promote the visibility and local awareness of JFPR in recipient countries through the following:

   (a) All press releases issued by ADB with respect to JFPR should refer to the financial contribution from the Government of Japan (GOJ)[2];

   (b) Signing ceremonies and other publicity events should be encouraged, inviting Japan embassy officials, JICA staff, local and international press[3];

   (c) Civil works, project billboards/signages, vehicles, and equipment must carry the JFPR and Japan ODA logos (see below). Likewise, all publications and training programs must bear the said logos, including all collaterals used (i.e. training materials, banners, posters, flyers, etc.) that are financed by JFPR; these logos are available in the SDPF-JFPR website; [4]

ADB | Japan Fund for Poverty Reduction | From the People of Japan

[1] A copy of the Guidance Note on Japanese Visibility is appended to the Project Administration Manual as guide to the project team and the government, during project implementation.
[2] Staff may coordinate with the Department of Communications.
[3] Coordination with resident missions are necessary.
[4] https://lnadbg1.adb.org/oco0006p.nsf/0/EEE594E105EAC26A482576C7002240AB/?OpenDocument

(d) Publications, reports, training programs, seminars and workshops financed by JFPR should acknowledge receipt of funding from GOJ;

(e) Recipients should be encouraged to ensure that JFPR-financed activities are well covered by local print and electronic media, and that all related publicity materials, and official notices explicitly acknowledge funding from GOJ. Below is the suggested standard text to be used by those who prepare publicity materials: *"The grant fund for (project name/activity) was received from the Japan Fund for Poverty Reduction financed by the Government of Japan through the Asian Development Bank"*.

III. Participation of Japanese Entities in Implementation

3. It is also important to generate visibility of the project within Japan. Involvement or cooperation with Japanese experts, financial resources and technologies are encouraged; occasional information sessions on JFPR for Japanese organizations may also be conducted. It is also highly recommended that ADB involve and cooperate with Japanese organizations including NGOs, civil society organizations, aid agencies in particular JICA and JBIC, the private sector enterprises or academic institutions.

IV. Reporting

4. At the end of the project, the completion report submitted by the project team should include evidences of Japanese visibility such as photos (preferably high resolution), press releases, articles or write-ups, and testimonials from project recipients and/or implementers. Sample products generated from the project grant are requested to be made available to SDPF for inclusion in future exhibits. Copies of publications[5] that are outputs of the project should also be provided to SDPF.

V. Visibility Support by ADB

5. SDPF promotes visibility of JFPR by: (i) informing Office and Department Heads of the importance of achieving high visibility in order to garner support for JFPR from Japanese officials and taxpayers; (ii) informing Country Directors of the importance of signing ceremonies to Japanese officials and the public to ensure recognition and support for JFPR funding; and (iii) continuing widespread distribution of the JFPR Annual Report, inclusion of JFPR information in relevant ADB documents, and occasional information sessions for Japanese organizations.

6. Resident Mission staff are requested to forward copies of all visibility materials, such as press releases, newspaper and magazine articles, and photographs (including descriptive captions) to SDPF's assigned focal staff for JFPR or e-mail to (jfpr@adb.org).

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[5] This particularly applies to knowledge and support TAs. Links to publication available online may be provided in lieu of print copy.

APPENDIX 2:

JAPAN FUND FOR POVERTY REDUCTION
GUIDANCE NOTE ON COORDINATION WITH THE EMBASSY OF JAPAN AND JICA

I. INTRODUCTION

1. The Final Report on the Review of Japanese Official Development Assistance[1] (ODA) underscores the need for strategic and effective aid. One way to ensure alignment of Japan Fund for Poverty Reduction (JFPR) projects and technical assistance (TA) with Government of Japan's (GOJ) bilateral assistance strategy for a particular developing member country (DMC) is by bringing on board the comments and suggestions of the Embassy of Japan (EoJ) and the Japan International Cooperation Agency (JICA).[2] Thus, the summary of consultations with EoJ and JICA (to include, date of consultation, name and position of staff met, and EoJ and JICA's response) should be included in the proposal submitted to SDPF.[3] This Guidance Note provides detailed instructions regarding coordination activities with EoJ and JICA.[4]

II. EOJ AND JICA CONTACT PERSONS

2. As soon as project officer informs SDPF of the intent to apply for JFPR funding,[5] SDPF will identify the appropriate contact persons in EoJ and JICA. The contact persons' information[6] will be provided by SDPF to the project officer to start consultation.

III. CONSULTATION WITH EOJ AND JICA – PROPOSAL PREPARATION

3. At concept stage, project officer should consult with EoJ and JICA[7] through e-mail the proposed project to, (i) seek if it is in line with Japan ODA priorities, (ii) ensure no duplication, and (iii) present the concept itself, with copy to SDPF.

4. Upon SDPF's confirmation to proceed with proposal preparation, the project officer may arrange the project design meeting with EoJ and JICA. This meeting intends to explain and discuss the actual project design. This is ideally conducted during the fact-finding mission.[8] The proposal,[9] should be provided to EoJ and JICA with copy to SDPF at least 5 working days before the meeting to give ample time for review and consideration. After the meeting, if needed, SDPF in coordination with the project officer, may follow-up with EoJ and JICA, and respond to requests for clarification.

5. In the case of regional TAs, the draft TA Summary and Report should be sent by email to EoJ and JICA contact persons on no-objection basis.

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1 Ministry of Foreign Affairs of Japan. 2010. ODA Review - Summary of the Final Report. Tokyo.
2 Incorporated administrative agency in charge of administering Japan's ODA.
3 GOJ gives importance on the inputs provided EoJ and JICA during the internal approval process.
4 A copy of the Guidance Note on Coordination with Embassy of Japan and JICA is appended to the Project Administration Manual as guide to the project team and the government, during project implementation.
5 Project name and brief outline of proposal should be provided to SDPF.
6 Name, status, telephone number and email address
7 Please refer to the contact persons provided by SDPF.
8 If a meeting with EoJ and/or JICA is not possible, email exchange, telephone discussion or any other form of communication may be used.
9 Draft Grant assistance report (for project grants) and draft TA Summary and Report (for TAs).

IV. ROLE OF THE RESIDENT MISSION AND SDPF

6. Project officer's communications with EoJ and JICA should be done in coordination with the resident mission[10] with copy to SDPF. If needed, SDPF supports to identify the appropriate staff to be consulted.

7. Resident mission also arrange the Grant Agreement/TA letter signing event (section V) and in the overall coordination/relationship management with EoJ and JICA.

8. SDPF's role are as follows: (i) provide contact details of relevant staff from EoJ and JICA for project consultation; (ii) liaise any need for clarification by EoJ and JICA in coordination with the project officer, during project consultation; (iii) inform EoJ and JICA when there is withdrawal or cancellation of a project; and (iv) forward all completion reports to both agencies.

V. COORDINATION WITH EOJ AND JICA – UPON APPROVAL OF THE PROPOSAL

9. Project officer should inform EoJ and JICA about ADB's approval. Project officers are strongly encouraged to conduct signing or launching ceremonies with the attendance of EoJ officials.[11]

10. In coordination with the resident mission, the project officer should inform EoJ and SDPF of the signing ceremony– at least 10 working days in advance. SDPF then informs GOJ of this activity. The project officer should also draft news release in consultation with the Department of communications and coordinate arrangements with the resident mission. Local and international press are invited to these ceremonies.

VI. COORDINATION WITH EOJ AND JICA – DURING PROJECT IMPLEMENTATION AND UPON PROJECT COMPLETION

11. Throughout implementation, the project officer should inform EoJ about project progress, milestones, and outcomes, and discuss when major changes in scope and objectives are required. Progress and outcomes of JFPR projects are also requested to be shared with JICA. From time to time, EoJ and JICA may also wish to join completion review missions in order to see project results and to interact first-hand with project recipients. Lessons from the JFPR projects are also requested to be shared to enable both sides to explore and seek potential collaboration. Completion reports are required to be submitted by the project officer to SDPF for forwarding to EoJ and JICA.[12]

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[10] Please inquire respective resident missions on their protocols or coordination arrangements with EoJ and JICA.
[11] Please refer to the Guidance Note on Japanese Visibility for details on visibility requirements under JFPR.
[12] Links to the completion reports will suffice.

APPENDIX 3: SUBLOAN ELIGIBILITY CRITERIA

I. ACSEP FINANCIAL SCHEMES

1. To help agribusinesses and agricultural cooperatives access credit, the project will introduce three complementary financial schemes: agricultural value chain loan credit line (AVCL-CL), equity capital loan credit line (ECL-CL) and credit guarantee fund (EGF).

2. The AVCL-CL aims to encourage and motivate commercial banks and other financial institutions serving as PFIs under ACSEP to extend financial services to eligible agribusinesses, agricultural cooperatives and farmers engaged in project-supported agricultural commodity value chains and investment sub-projects. Under the AVCL-CL, participating financial institutions (PFIs) will be able to offer eligible borrowers four types of specialized loan products tailored to various needs of the eligible borrowers. In addition, output 1 of ACSEP also introduce two other financial schemes. The ECL-CL aims to support AVCLs by providing supplemental equity to the borrower through subordinated equity loans, thereby allowing the borrower to meet the lender's minimum equity requirements for conventional financing. The CGF aims to help PFIs spread risk more evenly between the CGF, lenders and borrowers, thereby reducing the lender's dependency on collateral.

3. To help implement the financial schemes, general operating guidelines were developed and they include below borrower eligibility criteria and activity eligibility criteria.[45]

II. BORROWER ELIGIBILITY

4. **Eligible borrowers** comprise (i) agribusinesses, (ii) agricultural cooperatives and groups, and (i) farmers as detailed below.

5. Eligible agribusinesses. Agribusiness shall mean a business entity, whose primary business function is directly or indirectly associated with the production, contract farming, post-harvest handling, storage, processing, transport, trading, marketing of agricultural commodities, supply of farm inputs and equipment, and/or provision of agribusiness related services including business services, training and extension.

6. **Classification of agribusiness under ACSEP.** Agribusinesses are classified according to the following definition:

a) Micro: Agribusiness having as an average annual gross sales/turnover less than USD 40,000 (less than KHR 160 million).
b) Small: Agribusiness having as an average annual gross sales/turnover of USD 40,000 – 175,000 (KHR 160 million - 700 million).
c) Medium: Agribusiness having as an average annual gross sales/turnover of USD 175,001 – USD 1,000,000 (KHR 701 million – 4,000 million).
d) Large: Agribusiness having as an average annual gross sales/turnover of more than USD 1,000,000 (more than KHR 4,000 million).

7. An agribusiness entity shall meet the following criteria to be eligible for financial services offered by the project through PFIs:

[45] General Operating Guidelines for Output 1 (accessible from the list of linked documents in Appendix 2).

(i) **Registration:** The borrower shall have a certificate of business registration issued by an appropriate government authority.
(ii) **Ownership:** The borrower shall be Cambodian. Requirements are as follows:
If the agribusiness is carried out by;
a) a sole proprietorship, the proprietor should be Cambodian;
b) a cooperative society, all members of the society should be Cambodian;
c) a partnership, all partners should be Cambodian;
d) a company, all shareholders should be Cambodian.
(iii) **Financial Viability:** The borrower shall be financially viable based on due diligence undertaken by the PFIs in accordance with the PFI's relevant policies and procedures.
(iv) **Project participation:** The borrower shall be committed to (i) increasing sourcing raw materials from participating agricultural cooperatives (PAC) if relevant to the borrower's type of business (e.g., agro-processing, trading), (ii) improving food safety and environment sustainability practices in its economic activities, (iii) promoting gender participation based on the gender action plan, and (iv) participating in training and activities relevant to (i), (ii) and (iii) organized by ACSEP.
(v) **Activities:** The borrower is (or shall be) engaged in eligible activity/activities, defined later, that form all or part of value chains of selected agricultural products grown in the selected project provinces, irrespective of the primary business location of the agribusiness1F[4647].

8. An agricultural cooperative shall meet the following criteria to be eligible for financial services offered by the project through PFIs:

(i) **Registration:** The borrower should have a certificate of agricultural cooperatives registration issued by an appropriate government authority and be located in the selected project provinces.
(ii) **Financial Viability:** The borrower shall be financially viable based on due diligence undertaken by the PFIs in accordance with the PFI's relevant policies and procedures.
(iii) **Project participation:** The borrower shall be committed to (i) improving food safety and environment sustainability practices in its economic activities, (ii) promoting gender participation based on the gender action plan, and (iii) participating in training and activities relevant to (i) and (ii) organized by ACSEP.
(iv) **Activities:** The borrower is (or will be) engaged in eligible activity/activities, defined later, that form part of value chains of selected agricultural products grown in the selected project provinces.

9. An individual farmer shall meet the following criteria:

[46] The selected agricultural products comprise cassava, mangoes, cashew nuts, vegetables, and native chicken. The selected provinces comprise Kampong Cham, Kampong Thom, Oddar Meanchey, Preah Vihear, Siem Reap, and Tboung Khmum.
[47] The primary business location of an agribusiness may be located outside of the provinces listed where the primary commodity value chain business activity provided by the agribusiness involves such activities as processing, storage, input/equipment supply, contract growing, and/or marketing of commodities that were produced in or sourced from one of the designated provinces listed.

(i) The borrower shall be (a) a member of registered agricultural cooperative or farmer group growing selected agricultural product(s) in the selected project provinces; or (b) native chicken grower in the selected project provinces.

(ii) **Financial Viability:** The borrower shall be financially viable based on due diligence undertaken by the PFIs in accordance with the PFI's relevant policies and procedures.

(iii) **Project participation:** The borrower shall be committed to (i) improving food safety and environment sustainability practices in its economic activities, (ii) promoting gender participation based on the gender action plan, and (iii) participating in training and activities relevant to (i) and (ii) organized by ACSEP.

(iv) **Activities:** The borrower is (or will be) engaged in eligible activity/activities, defined later, that form part of value chains of selected agricultural products grown in the selected project provinces.

III. ELIGIBLE ACTIVITIES

10. Eligible activities should (i) not cause any environmental impacts defined under category A of the ADB's Safeguards Policy Statements (SPS) (2009), (ii) not cause any social safeguards impacts defined under category A and B of the SPS, (iii) not be activity included in the list of prohibited investment activities provided in Appendix 5 of the SPS, and (iv) contribute to strengthen all or part of value chains of selected agricultural products grown in the selected project provinces.[48] Types of eligible activities include:

a) Onfarm production
b) Contract farming
c) Nurseries
d) Greenhouses
e) Production inputs, including farm and veterinary supplies
f) Inventory procurement, storage and transport
g) Warehouses and logistics
h) Equipment for production, processing and quality control, and warehouse management
i) Agroprocessing (intermediate and secondary)
j) Supply chain management
k) ICT applications, including hardware and software for MIS/ERP
l) Product development and innovation
m) Branding
n) Certification
o) Energy efficiency
p) Water management
q) Business development support services

[48] Environmental and social safeguards criteria are detailed in Environmental and Social Management System (accessible from the list of linked documents in Appendix 2).

APPENDIX 4: PROFILE OF POTENTIAL PARTICIPATING AGRICULTURAL COOPERATIVES BY COMMONDITIES IN THE PROJECT AREAS OF ACSEP

#	Province	Total Members	Women	Total Capital ($)	Crops												Chicken (AC)
					Cassava		# AC	Cashews		# AC	Keolemeth mango		# AC	Vegetable		# AC	
					Land (Ha)	Yields (Tons)		Land (Ha)	Yields (Tons)		Land (Ha)	Yields (Tons)		Land (Ha)	Yields (Tons)		
1	Kampong Cham	363	108	243,131,787	817	16,340	3	1,155	2,310	3	-	-	-	-	-	-	1
2	Kampong Thom	4,158	2,934	2,802,004,577	1,477	29,540	11	3,355	6,710	19	4	120	2	112	1,115	13	7
3	Preah Vihear	6,254	4,261	3,477,982,476	2,594	51,871	24	5,786	11,572	19	3,060	91,800	3	26	262	4	-
4	Siem Reap	4,134	3,286	1,595,370,085	133	2,660	4	456	912	5	59	1,770	2	241	2,410	15	7
5	Oddar Meanchey	3,312	1,906	1,457,999,272	7,425	148,508	26	903	1,806	13	416	12,480	10	92	923	13	-
6	Tboung Khmum	1,304	471	1,237,949,356	1,009	20,180	11	393	814	11	4	120	2	64	638	9	-
Total		**19,525**	**12,966**	**10,814,437,553**	**13,455**	**269,099**	**79**	**12,048**	**24,124**	**70**	**3,543**	**106,290**	**19**	**535**	**5,348**	**54**	**15**

AC = agricultural cooperative, Ha = hectare.
Source: Asian Development Bank.

APPENDIX 5: POTENTIAL PARTICIPATING AGRO-ENTERPRISES

	CAP	Company name	Province	Year of foundation	Size (1: micro, 2: small, 3: medium, 4: large)	Employment (total and female)
1	Cashew Nut	Santana Company	Preah Vihear	2019	4	
2	Mango and wine Banana processing	Namwa Wine Handicraft	Siem Reap	2016	1	8
3	Mango, papaya, pineapple	Khmer Handicapped Jam	Siem Reap Province	2015	1	2
4	Beef meatballs (mixed with beef and chicken) Pork meatballs	Meatball Processing Handicraft	Siem Reap			
5	Cassava Starch	Li Hong Leang Cassava Starch Processing Enterprise	Tboung Khmum		1	
6	Cassava Starch	Sinha Hong II Cassava Starch Processing Enterprise	Tboung Khmum			
7	Cassava Starch	TTY Cassava Starch Processing Enterprise	Tboung Khmum			
8	Cassava Starch	Sang Fong Cassava Starch Processing Enterprise	Tboung Khmum			
9	Mango Drying	Mango Drying Enterprise LBN Agricultural Co., Ltd.	Tboung Khmum			
10	Cashew nut processing	Vithi Enterprise (Cambodia) Kesunat Co., Ltd.	Tboung Khmum			
11	Mango jam	LBN Agriculture Co.,Ltd	Tboung Khmum			
12	Mango jam	Angkor Green Fruit and Vegetable	Kampong Thom			
13	Cashew nut processing	Chey Sambo Cashew Nut Handicraft	Kampong Thom			
14	Cashew nuts	Cashew Nuts Center	Kampong Thom			
15	Cashew nuts	Phnom Santuk Agricultural Community	Kampong Thom			
16	Cassava Starch	Sung Kim Heng Company	Kampong Cham			
17	Cashew nut processing	Chamka Leu Leung Manut Cashew Enterprise	Kampong Cham			
18	Cashew nut processing	Sambor Prei Kuk Tourism Community, Cashew Nut Processing	Kampong Thom			

CAP = competitive agricultural products
Source: Asian Development Bank.

APPENDIX 6: ELIGIBILITY CRITERIA FOR PARTICIPATING AGRICULTURAL COOPERATIVES AND PARTICIPATING AGRO-ENTERPRISES TO PARTNER WITH ACSEP

1.1. CRITERIA FOR FARMER GROUPS TO PARTNER WITH Agro-Enterprise

- Established in one of the 5 ACSEP provinces
- More than one year (production season) of existence
- Producing at least one of the 5 priority value chains of ACSEP by at least 50% of the members
- At least 50% of the members are women
- Number of members over 50
- Willingness to move toward Agricultural Cooperatives
- Willingness to participate in the training provided by the project
- Willingness to partner with AE in various form of partnerships

1.2. CRITERIA FOR AGRICULTURAL COOPERATIVES TO PARTNER WITH AE

- Established in one of the 5 ACSEP provinces
- Producing at least one of the 5 priority value chains of ACSEP by at least 50% of the members
- Good status as Agricultural Cooperatives (social capital, board of members, statute, internal regulations)
- At least 50% of the members are women
- Number of members over 50
- Have elected board of members
- Willingness to participate in the training provided by the project
- Willingness to partner with AE in various form of partnerships

1.3. CRITERIA FOR AGRO-ENTERPRISES TO WORK WITH ACSEP

- Has experience in processing agricultural products, preferably one of the 5 priority VC
- Willingness to implement a processing unit or aggregator for one or more of the 5 priority value chains of ACSEP
- Willingness to share its business plan with the project
- Willingness to establish partnership with AC
- Priority to enterprises already operating in the VC
- Has plan to get quality certification such as GMP, HACCP
- Plan to introduce environmental-sound processing technologies, contribution towards increased efficiency as well as the inclusion of measures targeting the improvement of air quality, sustainable management/use of water and energy, and climate change adaptation and mitigation.
- Plan to improve production efficiency and enabling more resource-efficient management of wastes, proposals for improvement in water capture, storage and distribution, quality assurance.

1.4. CRITERIA TO ACCESS FUND FOR PRODUCTIVE SMALL INFRASTRUCTURE FOR AC

- For formal group only i.e. Agricultural Cooperatives
- AC established for more than one year
- AC must have 50 or more members, of which at least half must be women
- AC must not have received grant to productive small infrastructure in previous years
- The AC must have legal document for the establishment of the board and managers

- The AC must have legal document for its financial management (ledge, members' contribution fees, existence of social capital…)
- AC must have hard titled private land for the construction. If the land belongs to one or several members, an irreversible certified letter of donation must accompany the request for infrastructure. The land for the construction of proposed infrastructures must be free from any informal/unregistered land users and must not belonged to the poor/ vulnerable/ indigenous people AC members.
- The land must be qualified as constructible by the authority.
- The land must be accessible.
- Provide evidence of participation in relevant training or advisory services in one year preceding the submission of the application.
- At least 10% of members are poor or lower income households.
- The AC will contribute 10% of the total amount of small infrastructure to be supported.

APPENDIX 7: OUTLINE OF SAFEGUARDS MONITORING REPORT

PART I. PROJECT OVERVIEW

- *{Briefly describe project objectives, components and activities. This can copy PAM or progress report, and highlight any changes.*
- In the first report, clarify implementation arrangement for safeguard plans by each output based on the PAM, the EMP and ESMS, and the actual situation, *Describe who are responsible for EMP, CPF and IBP implementation, who in charge of supervision and reporting, etc.*
- *IN subsequent reports, only highlight any changes in the arrangement for each output. If no changes or adjustment, refer to the first report without repeating the arrangement.*
- *prepared by the PMU/ MAFF.*

PART II. SAFEGUARD REPORTS BY OUTPUTS

1. **Safeguard semiannual report of output 1**

    - By PFIs and GDFI of MEF (for the guarantee fund) semi-annually;
    - Follow the reporting outline and requirements in the ESMS[49]

2. **Safeguard semiannual report of output 2-3**

- By the PIU at MAFF and MRD respectively and semi-annually,
- follow the outline below.

PART III. CONCLUSIONS AND RECOMMENDATIONS

- Consolidate Conclusions and recommendations from each output's report to enable the PMU, the EA and the ADB an overview of progress, issues and remedies taken so far, and actions needed /planned for the next half year;
- By the PMU at MAFF.

Outline of safeguard reports for output 2-3

1. **Progress of output X in the reporting period**

- *{Summarize the most recent project progress report on status of project implementation, focus on the physical work progress that have environmental-social impacts, e.g. number of roads for which civil works commenced/progresses in the reporting period (for Output 3); number and type of small scale infrastructure selected for financing (for Output 2)}*
- *Describe update in EMPs if any, how they have been done and reviewed.*
- *Describe any new IEE/EMP for newly identified subprojects or those with significant changes beyond the original IEE, and status of their domestic EIA and approval/permits;*

2. **Implementation of the EMP measures including health and safety**

[49] See annex 1 for ESMS outline.

{Summarize main mitigation/protection measures implemented in the reporting period (narrative section. Assess compliance of environmental management activities with the original or updated EMP, focus on measures not or poorly followed, their causes and corrective actions proposed or taken. For that purpose, include additional columns entitled "Compliance Status", "Comment or Reasons for Non-Compliance", and "Issues for Further Action". Example is provided below.}

Table 1: Compliance with EMP Requirements and measures

(This table can be included as attachment, to avoid a too long main report)

EMP Requirements	Compliance Status (Yes, No, Partial)	Comment or Reasons for Non-Compliance	Issues for Further Action
Use environmental impact as main heading and EMP as listing (see example below)	Use EMP list as basis for rating/evaluating compliance (see example below)		
Rise of employment opportunities: • Job openings of the project should give priority to local communities. • Recruitment of local laborers should be stipulated in the contract for construction	• Field inspections and interviews with communities - DONE • Note each complaint case in the field – 3 COMPLAINTS RECEIVED • Set up grievance centre and report as part of monitoring action plan – NOT DONE		

Table 2: EMP issues, causes and actions

Issue	Main causes	Responsibility and Timing	Requires actions or Resolution
Old Issues from Previous Reports			
List of EMP measures or activities not completed (last column of previous table)			
New Issues for This Reporting period			

Table 3: Health and Safety Issues, causes and actions

(*Any accident involving injury or death of workers or community members must be reported here*)

Issue	Main causes	Responsibility and Timing	Required Action or Resolution
Old Issues from Previous Reports			
New Issues from This Report			

3. Environment Effect Monitoring (quantitative)

- **Update in Monitoring plan:** *Present if there is any changes/adjustment to the environmental monitoring plan as defined in the EMP or the updated monitoring plan. }*
- **Monitoring in the reporting period.** *{Read and delete: Describe the environment effect monitoring activities in the reporting period, including number of monitoring campaigns, number of samples, etc. {Read and delete: Compare monitoring results with baseline conditions (if baseline data is available) and relevant government standards in qualitative terms. Possible reasons for non-compliance should be identified and propose remedy actions to take by the parties involved (the PIU, contractors, supervision engineers or operators etc}*

Table 4: Environment Effect Monitoring Results in the Reporting Period

{Read and delete: Present monitoring result in a Table (see example below, adjust as needed). Any non-compliance should be highlighted for attention and follow-up.}

Location	Parameter	Date	Monitoring value	Relevant government standard, standard value

4. Social safeguards

{Read and delete: Provide narrative of status of implementation of IBP (for output 2) that includes eligibility criteria compliance, and implementation of the CPF (for Output 3) including but not limited to: updates or preparation of DDRs for any new road sections, number of AHs who voluntarily donated land, size of donated lands, amounts of assistance/rehabilitation or other entitlements paid, number of vulnerable AHs and corresponding entitlements paid to them,

number/dates/venues of consultations conducted and number of participants per each event, details of socio-economic profiling/survey conducted }.

Table 5: Summary of Compliance with Social Safeguard Requirements

Social Safeguard Requirements	Compliance status Yes/No/Partial	Remarks/Comments on Compliance, Partial Compliance/Non-Compliance
Establishment of personnel in PMU and PIUs		*{Read and delete: This section reports for all the 3 outputs, and should include, among others, the following:}* Identify position and name of Safeguards staff of the PMU/PIUs in the first report. For subsequent reports only indicate any changes (if applicable) to PMU/PIU staff
Output 2		
Small scale infrastructure financed under the IBP screened and categorized for eligibility		*{Read and delete: This section should include, among others, the following:}* Inclusion of social safeguard screening criteria in the IBP selection and processing Number and type of small-scale infrastructure that was screened and found eligible for financing under IBP. ACs that availed the screened infrastructure. Voluntary donation or willing buyer-willing seller cases/internal re-arrangement of land use within the ACs and/or agro-enterprises (if relevant) Complaints reported/registered and their status Any other relevant issues
Output 3		
Status of CPF Implementation and Social Impacts in the Reporting Period		*{Read and delete: This section should include, among others, updates on the following:}* <u>Social Impact Assessment/socio-economic survey progress</u> <u>Land donation progress (report number of cases, total areas vs donated areas, eligibility criteria for donation met/not met, VCD verification conducted/not conducted)</u> <u>Identification of AHs ineligible for donation and compensation/ assistance deliverance progress.</u> <u>Severity of impact (report numbers of affected land, structures, crops, trees etc.)</u>

		Adequacy of budget allocation for CPF (report on rehabilitation assistance progress, incl. number of AHs received payments and assistance, their status etc.) Issues/Challenges/Concerns and Actions taken (report on issues identified during the reporting period and status of those identified in the previous period, including status of actions)
Public consultation and socialization process		*{Read and delete: This section should include, among others, the following:}* Numbers and progress of consultations conducted Community Participation status (details of any meeting held with community, who participated during the transect walks from the community, when, what was the decision, if/how vulnerable people were identified etc.) Details of the information disclosed and its channel of disclosure (i.e. project pamphlets, local newspaper, etc.)
Grievance Redress Mechanism		Grievance Redress Committee establishment, contacts and disclosure means Record of Incidents / Complaints submitted, open/close status and topic of the complaints (include redressal status of the complaints in the reporting period, including pending since last period)
Temporary impacts have been addressed (affected properties restored to at least pre-project conditions)		*Please state:* • *Type of impacts* • *Total Number of AHs affected by type of impacts* • *Total area/assets/trees/crops affected by temporary impacts* • *Status of restoring affected property/ structures* • *Status of compensation of the impacts (trees, crops, incomes, etc.)*

Table 6: Issues for Further Action

Issue	**Required Action**	**Responsibility and Timing**	**Resolution**
Pending/ identified Issues from previous monitoring report			
List of CPF activities/ requirements not completed (last column of previous table)			
Small-scale infrastructure not complied with IBP criteria			
New Reported Issues from this monitoring period			

5. Indigenous people policy performance

{Read and delete: Provide narrative if the status of or the category of project's IP impact changed. Otherwise, please write: The Project IP category remains unchanged. }.

6. Compliance with safeguard-related covenants

{Read and delete: List all environment and social safeguards related loan covenants, and assess project's compliance with the covenants (Table format is appropriate, with concluding statement on compliance, partial compliance or non-compliance, and corrective actions as needed)

Schedule	Para No.	Covenant	Remarks/Issues (Status of Compliance)
Schedule 5	xxx		Complied with / Partially complied with / Not complied with. *{Identify reason for partial or non-compliance}*

7. Public consultation and information disclosure

{Read and delete: Describe public consultation activities during the reporting period. Confirm compliance with consultation plan defined in the IEE/EMP and the CPF (s), or justify deviation from these plans. Present planned consultation activities in next reporting period. Use Tables as appropriate.}

- Field Visits (sites visited, dates, persons met)
- Public Consultations and meetings (Date; time; location; agenda; number of participants disaggregated by sex and ethnic group, not including project staff; Issues raised by participants and how these were addressed by the project team)
- Information disclosure

8. Grievance redress mechanism

{Read and delete: Describe mechanisms established to address and redress public complaints and grievances related to social and environment safeguards. Summarize grievances received, if any, and measures implemented to redress them.}

- Number of new grievances with type of grievance, if any, since last monitoring period: ____
- Number of grievances resolved: _____
- Number of outstanding grievances: _____

Type of Grievance	Details (Date, person, address, contact details, etc.)	Required Action, Responsibility and Timing	Resolution
Old Issues from Previous Monitoring Reports (indicate the dates of the report)			
New Issues from This Monitoring Report			

9. Training and capacity building on safeguards

- Describe Training of EMP conducted during the reporting period (Nature/content of training, target audience, number of participants disaggregated by gender and ethnicity, date, location, who are trainers etc.)
- Describe training on social safeguard (IR and IP) in the same way as above;
- Training Material development/production (e.g., brochure, leaflet, posters) and used.

10. Conclusions and recommendations

{Read and delete: overall conclusion of the EMP, small scale infrastructure selection (IBP selection criteria compliance, for output 2) or CPF implementation (for output 3) in this reporting period, Highlight important issues and non-compliance, their main causes, and corrective actions proposed or taken, ; recommendations to improve EMP and IBP and CPF management, implementation, and monitoring; key activities planned in next reporting period}.

ATTACHMENTS

- Consents / permits
- Monitoring data (water quality, air quality, etc.)
- Inspection checklists
- Copy of social safeguard screening tool for subproject eligibility criteria (Output 2)
- List of AC that involved in land transfer through willing buyer and seller mechanism, if any (Output 2)

- List of AHs that entitled for compensation for temporary impacts and its payment status (for output 3)
- List of poor AHs and AHs that are not eligible for donation (for output 3)
- Copy of GRM disclosure (Output 2 and 3)
- Photographs of consultation meetings and MoM (Output 2 and Output3)
- Others

Annex 1: Indicative outline of social-environmental reports by the FIs

1. Introduction

-
  - In the first report, briefly describe the project activities and clarify implementation arrangement for environemtnal and social safeguard based on the ESMS, and the actual situation;
  - In subsequent reports, only highlight any changes in the arrangement for each output. If no changes or adjustment, refer to the first report without repeating;

Name of Organization	-		
Completed by (name):	-		
Position in organization:	-	Date:	
Reporting period	From:	To:	

2. Project progress

- Each FI is required to submit the semi-annual safeguard report to the EA and the ADB.
- Please include additional tables or adjust items as needed to provide necessary details.

Table A. All subprojects processed under ADB fund during the reporting period

Name of Subproject	Sub /sector	Tenor of Subloan (Months)	Subloan amount (,000 US$)	Safeguard Category			Environ, IR or IP issues Actions	Status (approved, revise or reject)	Reasons for revise or reject
				Env	IR	P			
-	-	-	-	-	-	-	-		-
-	-	-	-	-	-	-	-		-
-	-	-	-	-	-	-	-		-
-	-	-	-	-	-	-	-		-
-	-	-	-	-	-	-	-		-
-	-	-	-	-	-	-	-		-
-	-	-	-	-	-	-	-		-
-	-	-	-	-	-	-	-		-

Env = environment, IR = involuntary resettlement, IP = indigenous peoples. Please use the sectors listed in the earlier table.

Table B. Environmental category B subprojects processed during the reporting period.

Name of Subborrower and subproject:	Subproject XX1	Subproject YY....
Subproject location (not their head office):		
Value of exposure (1,000 US$):		
Any domestic environmental impact assessment or IEIA (including EMP) or environ audit reviewed? If yes, please brief what they are.		
Has the subproject got doemstic EIA clearance /approval or not? If yes, filed a copy of approval		
Any field visit to verify desk review of E&S due diligence by your organisation? If yes, by whom and when?		
Your conclusion and main reasons		
Are there any conditions for your approval of these subprojects? If yes, please briefly describe.		
Others...		

Table C. The EMP implementation including health and safety by subprojects

Issues found*	Main causes	Required Actions or actions taken	Time frame (old or new issue)
Category B subproject XX:			

Category B subproject YY:			

*Issues include the EMP not or poorly followed, non-compliance with domestic environemntal, health and safety standards, codes and requirements, and accidents involving injury or death of workers or community members.

1)**Grievances and their handling**

- Summarise grievance received, if any, and measures taken to address them by the FI;
- Number of new grievances, Number of those resolved and those still outstanding;_
- Main reasons for the outstanding grievances and suggestions for next step. _____

Type of Grievance	**Details (Date, person, address, contact details, etc.)**	**Required Action, Responsibility and Timing**	**Resolution**
Old Issues from Previous Reports			
New Issues from This Report			

4. **Conclusions and recommendations**

- Overall conclusion of the ESMS implementation in this reporting period,
- Highlight issues and non-compliance, their main causes, and corrective actions taken;
- Key actions proposed and/or activities planned in next reporting period.
- Recommendations to improve the ESMS design and implementation: describe difficulties related to the ESMS implementation, their possible causes and actions being taken by your organization, any suggestions to the EA and ADB.

APPENDIX 8: PROJECT PERFORMANCE MONITORING SYSTEM

1. This document presents the project performance monitoring system (PPMS) for the Cambodia Agricultural Value Chain Competitiveness and Safety Enhancement Project (the project) funded by the Asian Development Bank (ADB), Agence Française de Développement (AFD), Inclusive Finance Facility under the ASEAN Infrastructure Fund (AIF), Japan Fund for Poverty Reduction (JFPR), and the Royal Government of Cambodia. The PPMS is developed for monitoring the indicators and targets for outcome and outputs outlined in the project design and monitoring framework (DMF) and against those targets and indicators in the Gender Action Plan (GAP), environment and social safeguards, financial management, and those covenants as detailed in the loans and grant agreements.

2. **Impact, Outcome, and Outputs.** *[Copy the impact, outcome, and outputs in paras. 9 to 12 of the RRP or paras. 2 to 5 of the PAM main text]*

3. **Project Areas.** The project will strengthen value chains of competitive agricultural products (CAPs)—cassava, mangoes, cashew nuts, vegetables, and native chicken—in the provinces of Kampong Cham, Kampong Thom, Oddar Meanchey, Preah Vihear, Siem Reap, and Tboung Khmum.[1]

4. **Project Costing.** The project cost is estimated at $110.06 million, $70 million from the ADB, $5 million from AIF, $25 million from AFD, $3 million from JFPR, and $7.06 million from the Royal Government of Cambodia.

5. **Project Implementation Arrangements.** The implementation arrangements are summarized in Table 4 of the RRP. *[Copy Table 4 of the RRP]*

Implementation Progress Start-up Activities Table *[Refer to Table 1 in the PAM main text]*

Activity	Deadline	Status
Open pass-through and advance accounts		
PIC recruitment		
CSC recruitment		
FSC recruitment		
Farm roads improvement		
Vehicles procurement		

6. **Key Activities and Milestones** *[Refer to Table 2 in the PAM main text]*

Output 1:

Output 2:

Output 3:

Project Management Activities

[1] These five value chains are selected considering export orientation, import substitution, value addition, and impact on income enhancement. Cashew, cassava, and mangoes are important crops for processing and export; vegetables will strengthen import substitution; and poultry (native chicken) has high income-generation impact.

1. Safeguards

Subproject/Contract	Social safeguard assessment	Social Safeguard screening	Resettlement Plan		Environment assessment	
			Completed	Ongoing	Completed	Ongoing
Subproject/Contract 1 - name	completed	Yes	Yes, no or NA		Yes or no	
Contract 2 - name	completed	yes				
Contract 3	Under review	In progress				
Contract 4						

2. Procurement

[A brief write-up, review and update (i.e. list awarded contracts) of the procurement plan.]

Procurement of Goods and Equipment

Package	Estimated Amount ($)	Award Date	Contract Amount ($)
Package 1	Insert amount	Insert date	Insert amount
Package 2			
Package 3			

Works contract progress

Subproject/contract	Scheduled Completion	Time elapsed	Physical progress (%)
Contract 1	Insert date	Months	Percent
Contract 2			
Contract 3			

Disbursements

Loan Category	Allocation ($)	Amount disbursed	Percentage	Target
ADB		Insert amount		
AFD				
AIF				
Royal Government of Cambodia				

Financial Progress

Item	Amount allocated ($)	Amount committed ($)	Paid ($)
Goods			
Contract 1			
Contract 2			
Consulting Services			
Contract 1			
Contract 2			
Works			
Contract 1			
Contract 2			

3. Project Performance

7. The project's performance against the targets set out in the DMF for outcome, outputs and inputs is reported in the table below:

DMF Targets Vs Achievements

Results Chain	Performance Indicators with Targets and Baselines	Achievements
Outputs		

4. Gender Action Plan

8. The project's progress against the Gender Action Plan is presented in the table below.

Gender Action Plan (GAP) Targets Vs Achievements
(GAP Monitoring Table)

Date of update:

Project Title:
Country:
Project No.:
Type of Project (Loan/Grant):
Approval and Timeline:
Gender Category:
Mission Leader:
Project Impact:

Project Outcome:

Gender Action Plan (GAP Activities, Indicators and Targets, Timeframe and Responsibility)	**Progress to date (as of _____)** (This should include information on period of actual implementation, sex-disaggregated quantitative updated (e.g. number of participating women, women beneficiaries of services, etc.), and qualitative information. However, some would be on-going - so explain what has happened so far towards meeting the target.	**Issues and Challenges** (Please include reasons why an activity was not fully implemented, or if targets fall short, or reasons for delay, etc., and provide recommendations on ways to address issues and challenges)
Output 1:		
1.		
2.		
Output 2:		
1.		
2.		
Output 3:		
1.		
2.		

Comments/ Remarks:
Accomplished by:_____
Date Accomplished:_____

9. **Data Management:** The process of data management consists of data collection, data communication, analysis and reporting. Data will be collected on all the indicators defined in the DMF by the PMU, the PIC, and the PIUs. The data collected will be reported to the M&E officer of the PMU who will be supported by the PMU Project Director and the relevant PIC team members, particularly those working in management, procurement, and contract implementation. The social development, gender inclusion, social safeguards, and environmental management and climate change adaptation aspects of the subprojects will be monitored by the PIC Experts and Specialists in close collaboration with the Regional Representatives of the PMU, and the PIUs. The regional Representatives will play an important role in the collection of data during the subproject implementation process and capacity building activities.

10. The PIC, the PMU, and the PIUs will compile the information on the project implementation and the PMU will aggregate and analyze the ensuring the necessary details and data are relevant to verify performance and to evaluate the outputs. The PMU will subsequently update the PPMS with support of PIC.

11. Data on indicators related to the PFIs will be monitored by the relevant PIU for Output 1. All concerned PIUs for each of the three outputs will monitor gender, social safeguards and development and the capacity building activities linked to the subprojects.

12. **Status of Compliance with Loans and Grant Covenants:** There are a number of loans and grant covenants, out of which the PPMS will indicate and report the number where compliance has been achieved, or if they are partly complied and are ongoing, and are still not met or are not yet due. The list of covenants under relevant categories and their status of compliance as of a certain date is provided in the table below.

Status of Compliance with Loans and Grant Covenants

No.	Covenant	Loans and Grant Agreement Reference	Compliance Status	Remarks
	Financial			
1				
2				
	Safeguards			
1				
2				
	Social Development			
1				
2				
	Economic			
1				
2				
	Others			
1				

Status of Financial Management (FM) Action Plan

13. The FM Action Plan will be monitored for compliance at least twice year. If necessary, the FM Action may be updated depending on the progress of project.

14. **Problems and Issues during Implementation.** The final section of the PPMS report will describe any problems caused by delayed project implementation over the last 6 months. The list of actions taken and the status of proposed actions are recorded.

15. **Reporting.** The PPMS will be updated every 6 months from the start (project effectiveness) to end of the project (closing). It will be sent to ADB by 31 January and 31 July every year.

SAMPLE Progress Report Outline

A. Introduction and Basic Data

Provide the following: ADB loans and grant numbers, project title, borrower, executing agency(ies), implementing agency(ies);

- total estimated project cost and financing plan;
- status of project financing including availability of counterpart funds and cofinancing;
- dates of approval, signing, and effectiveness of ADB loans and grant;
- original and revised (if applicable) ADB loans and grant closing date and elapsed loans and grant period based on original and revised (if applicable) loans and grant closing dates; and
- date of last ADB review mission.

B. Utilization of Funds (ADB Loan, Cofinancing, and Counterpart Funds)

Provide the following:

- cumulative contract awards financed by the ADB loan, cofinancing (AFD loan, AIF loan, JFPR grant), and counterpart funds (commitment of funds to date), and comparison with time-bound projections (targets);
- cumulative disbursements from the ADB loan, cofinancing (AFD loan, AIF loan, JFPR grant), and counterpart funds (expenditure to date), and comparison with time-bound projections (targets); and
- re-estimated costs to completion, need for reallocation within ADB loans and grant categories, and whether an overall project cost overrun is likely.

C. Project Purpose

Provide the following:

- status of project scope/implementation arrangements compared with those in the report and recommendation of the President (RRP), and whether major changes have occurred or will need to be made;
- an assessment of the likelihood that the immediate development objectives (project purpose) will be met in part or in full, and whether remedial measures are required based on the current project scope and implementation arrangements;
- an assessment of changes to the key assumptions and risks that affect attainment of the development objectives; and
- other project developments, including monitoring and reporting on environmental and social requirements that might adversely affect the project's viability or accomplishment of immediate objectives.

D. Implementation Progress

Provide the following:

- assessment of project implementation arrangements such as establishment, staffing, and funding of the PMU and PIUs;
- information relating to other aspects of the EA's internal operations that may impact on the implementation arrangements or project progress;
- progress or achievements in implementation since the last progress report;
- assessment of the progress of each project component, such as, (a) recruitment of consultants and their performance; (b) procurement of goods and works (from preparation of detailed designs and bidding documents to contract awards); and (c) the performance of suppliers, manufacturers, and contractors for goods and works contracts;
- progress status of the financial management action plan;
- assessment of progress in implementing the overall project to date in comparison with the original implementation schedule—quantifiable and monitorable target, (include simple charts such as bar or milestone to illustrate progress, a chart showing actual versus planned expenditure, S-curve graph showing the relationship between physical and financial performance, and actual progress in comparison with the original schedules and budgets; and
- an assessment of the validity of key assumptions and risks in achieving the quantifiable implementation targets.

E. Compliance with Covenants

Provide the following:

- the borrower's compliance with policy loans and grant covenants such as sector reform initiatives and EA reforms, and the reasons for any noncompliance or delay in compliance;
- the borrower's and EA's compliance with financial loans and grant covenants including the EA's financial management, and the provision of audited project accounts and audited entity financial statements and statement of utilization of funds (applicable to participating financial institutions); and
- the borrower's and EA's compliance with project-specific loans and grant covenants associated with implementation, environment, gender, and social dimensions.

F. Major Project Issues and Problems

Summarize the major problems and issues affecting or likely to affect implementation progress, compliance with covenants, and achievement of immediate development objectives. Recommend actions to overcome these problems and issues (e.g., changes in scope, changes in implementation arrangements, and reallocation of loans and grant proceeds).