

Document:	EB 2007/90/R.16/Rev.1
Agenda:	9(c)
Date:	18 April 2007
Distribution:	Public
Original:	English

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## **President's report**

### **Proposed grant to the Kingdom of Cambodia for the**

### **Rural Livelihoods Improvement Project in Kratie, Preah Vihear and Ratanakiri**

Executive Board — Ninetieth Session  
Rome, 17-18 April 2007

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For: **Approval**

## **Note to Executive Board Directors**

This document is submitted for approval by the Executive Board.

To make the best use of time available at Executive Board sessions, Directors are invited to contact the following focal point with any technical questions about this document before the session:

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## Contents

<b>Recommendation for approval</b>	<b>ii</b>
<b>Map of IFAD operations in Cambodia and the proposed project area</b>	<b>iii</b>
<b>Grant summary</b>	<b>iv</b>
<b>I. The project</b>	<b>1</b>
A. Main development opportunity addressed by the project	1
B. Proposed financing	1
C. Target group and participation	2
D. Development objectives	2
E. Harmonization and alignment	3
F. Components and expenditure categories	3
G. Management, implementation responsibilities and partnerships	3
H. Benefits and economic and financial justification	4
I. Knowledge management, innovation and scaling up	4
J. Main risks	5
K. Sustainability	5
<b>II. Legal instruments and authority</b>	<b>5</b>
<b>III. Recommendation</b>	<b>6</b>
<b>Annex</b>	
Important assurances included in the negotiated project grant agreement	7
<b>Appendices</b>	
I. Key reference documents	
II. Logical framework	

## **Recommendation for approval**

The Executive Board is invited to approve the recommendation for the proposed grant to the Kingdom of Cambodia for the Rural Livelihoods Improvement Project in Kratie, Preah Vihear and Ratanakiri, as contained in paragraph 35.

# Map of IFAD operations in Cambodia and the proposed project area



**Source:** IFAD

*The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.*

## Kingdom of Cambodia

### Rural Livelihoods Improvement Project in Kratie, Preah Vihear and Ratanakiri

#### Grant summary

<b>Initiating institution:</b>	IFAD
<b>Recipient:</b>	Kingdom of Cambodia
<b>Executing agency:</b>	Ministry of Agriculture, Forestry and Fisheries
<b>Total project cost:</b>	US\$11.51 million
<b>Amount of IFAD grant:</b>	SDR 6.40 million (equivalent to approximately US\$9.52 million)
<b>Cofinancier(s):</b>	United Nations Development Programme
<b>Amount of cofinancing:</b>	Grant: US\$1.29 million
<b>Contribution of recipient:</b>	US\$0.71 million
<b>Appraising institution:</b>	IFAD
<b>Cooperating institution:</b>	United Nations Office for Project Services

# Proposed grant to the Kingdom of Cambodia for the Rural Livelihoods Improvement Project in Kratie, Preah Vihear and Ratanakiri

## I. The project

### A. Main development opportunity addressed by the project

1. The project will support the target population with regard to: (i) access to more advanced agricultural technology that can bring a rapid improvement in household food security and incomes, and agricultural productivity; (ii) diversification of their on-farm income opportunities; (iii) forming linkages with markets and private-sector-led agricultural development, where feasible; and (iv) building the capability of the commune councils and village-based organizations to plan and monitor economic development activities effectively. The project will also enhance the capacity of the Ministry of Agriculture, Forestry and Fisheries to formulate improved pro-poor policies and poverty reduction programmes.

### B. Proposed financing

#### Terms and conditions

2. It is proposed that IFAD provide a grant to the Kingdom of Cambodia in the amount of SDR 6.40 million (equivalent to approximately US\$9.52 million) to help finance the Rural Livelihoods Improvement Project in Kratie, Preah Vihear and Ratanakiri.

#### Relationship to the IFAD's performance-based allocation system (PBAS)

3. The allocation defined for Cambodia under the PBAS is US\$16.91 million for the 2007-2009 cycle (the allocation for 2007 is final, while the allocation for 2008-2009 is indicative). The amount of the IFAD grant for this project is equivalent to US\$9.52 million, which falls within the total country allocation for Cambodia.

#### Country debt burden and absorptive capacity of the State

4. In 2004, external debt stood at 68 per cent of gross national income and total debt service amounted to about 0.8 per cent of exports of goods and services. Concessional loans accounted for 89 per cent of the country's total debt in 2003. Cambodia services its loans regularly and it has a relatively good absorptive capacity. It has received four highly concessional loans from IFAD between 1996 and end-January 2007, which amount to a total of SDR 28.15 million. At end-January 2007, two loans had closed and two were ongoing, with SDR 19.73 million disbursed, or 70 per cent of total commitment. Annual disbursement from IFAD to Cambodia ranges from US\$2.5 million to US\$4.0 million. The Government's repayment record for IFAD loans is excellent.

#### Flow of funds

5. The IFAD grant will be channelled to project accounts – held by the project implementing agencies at the national and subnational levels – through a grant bank account for the IFAD grant, operated by the Ministry of Economy and Finance.<sup>1</sup>

#### Supervision arrangements

6. The IFAD grant will be administered by the United Nations Office for Project Services as the cooperating institution.

#### Exceptions to IFAD General Conditions for Agricultural Development Financing and operational policies

7. No exceptions are foreseen.

<sup>1</sup> A chart illustrating the flow of funds is included in the project design document.

### **Governance**

8. The following planned measures are intended to enhance the governance aspects of the IFAD financing: (i) use of a private audit firm to undertake annual audits in accordance with IFAD Guidelines on Project Audits; (ii) implementation of a contract system between the provincial authorities and the provincial implementing agencies and other service providers for improved accountability; and (iii) piloting of an output-based staff performance system to improve the efficiency and effectiveness of project implementation.

## **C. Target group and participation**

### **Target group**

9. The project will benefit about 22,600 poor households or 38 per cent of the population of the project area. In conformity with the IFAD Policy on Targeting, the target group consists of four particularly disadvantaged subgroups: (i) poor households with little land; (ii) landless households; (iii) woman-headed households with young children and/or many dependents; and (iv) indigenous/ethnic minority households.

### **Targeting approach**

10. The project will target about 84 poor communes in 16 districts in the three project provinces. Within the communes, the project will target: (i) poorer villages where there is potential for increased income generation and better natural resource management; and (ii) ethnic minority communities. Within each commune, the poorest villages will be identified through available data, field visits and consultation with the commune councils. The project will then use a community-based targeting approach within the selected villages, facilitated by commune extension workers and overseen by the village elders.

### **Participation**

11. A participatory planning process in each commune will ensure that the target group's priorities and aspirations for social and economic development are reflected in project activities, specifically in the areas of capacity-building, skills training, technology transfer, improvement of food security, agricultural productivity and natural resource management, on- and off-farm income-generating activities and the development of market-oriented production. Target group members will also participate in monitoring project performance and in assessing project impact.

## **D. Development objectives**

### **Key project objectives**

12. The goal of the project is to improve the livelihoods of the rural poor in the target communes of the three project provinces. The objective is to make a positive and sustainable impact on agricultural development in these communes.<sup>2</sup>

### **Policy and institutional objectives**

13. The project will promote – at the national and subnational level – the evolving institutional framework for decentralized and deconcentrated agricultural development. It will pilot a service delivery model that increases the involvement of commune councils in supporting the economic development of the local population by contracting personnel for agricultural extension services who are locally-based and accountable to the commune councils. The project will also adopt an approach to enhance gender-mainstreaming in agriculture. In addition, the lessons learned from project operations and aspirations of local communities will inform the Government policy formulation process and help build the capacity of the Ministry of Agriculture, Forestry and Fisheries to develop improved pro-poor policies and decentralized rural poverty reduction programmes.

<sup>2</sup> Details of the project's objectives and outputs are included in the logical framework (appendix II).



### **IFAD policy and strategy alignment**

14. The project design is in line with the IFAD strategic framework, and the regional strategy for the Asia and the Pacific region and the country strategy for Cambodia, in the following areas: (i) improving access of the poor to resources, technology and markets; (ii) helping the rural poor to overcome poverty by strengthening their capacity and that of their organizations; (iii) targeting the poorest areas, and rural poor and marginalized groups; (iv) ensuring participation of the beneficiaries in project design and implementation; (v) mainstreaming gender; (vi) supporting decentralization and accountable governance; (vii) building partnerships with other like-minded donors; (viii) engaging the Government in policy dialogue on selected issues; and (ix) establishing mechanisms for beneficiary monitoring and institutionalizing impact assessments.

## **E. Harmonization and alignment**

### **Alignment with national priorities**

15. The project is aligned with the National Strategic Development Plan 2006-2010 and the Government's Rectangular Strategy for Growth, Employment, Equity and Efficiency, in the priority areas of agricultural development, private-sector development and employment generation, and capacity-building and human resource development, with good governance as the cornerstone.

### **Harmonization with development partners**

16. Development partners were consulted on the project design through the in-country technical working group on agriculture and water. The project will complement and collaborate with (i) the Project in Support of Democratic Development through Decentralization and Deconcentration financed by the United Nations Development Programme (UNDP), the Swedish International Development Cooperation Agency (SIDA), and the Department for International Development of the United Kingdom of Great Britain and Northern Ireland (DFID); (ii) the Natural Resource Management and Livelihoods Programme supported by the Danish International Development Assistance and DFID; (iii) the Land Allocation for Social and Economic Development Project funded by Germany and the World Bank; (iv) activities in support of the legal and governance aspects of land and forests funded by the World Bank; and (v) the activities related to indigenous peoples' rights and the environment supported by UNDP and the United Nations High Commissioner for Human Rights.<sup>3</sup>

## **F. Components and expenditure categories**

### **Main components**

17. The project has two components: (i) livelihood improvement; and (ii) support for decentralization and deconcentration in agriculture.

### **Expenditure categories**

18. The main expenditure categories are: civil works (2.4 per cent); vehicles (7.1 per cent); equipment (1.7 per cent); materials (23.1 per cent); training and studies (27.7 per cent); technical assistance (8.1 per cent); staff allowances (15.1 per cent); and operation and maintenance (14.3 per cent).<sup>4</sup>

## **G. Management, implementation responsibilities and partnerships**

### **Key implementing partners**

19. Key implementation partners include: (i) members of the target group; (ii) village-based organizations and commune councils; (iii) the provincial and district staff of the Provincial Departments of Agriculture, Forestry and Fisheries, and the Provincial Departments of Women's Affairs (PDWAs) in each province; (iv) national NGOs and private-sector service providers; and, at the national level, (v) the Ministry of Agriculture and the Ministry of Women's Affairs.

<sup>3</sup> Details of these partnerships are presented in table 3 of the project design document.

<sup>4</sup> Details of project costs by component and expenditure category are available in the project files.

### **Implementation responsibilities**

20. The Ministry of Agriculture, Forestry and Fisheries will be the lead agency at the national level. Within the ministry, a project support unit will be responsible for coordination with other national agencies, provincial agencies and development organizations and will provide technical backstopping. The provincial and district staff for agriculture, in collaboration with selected NGOs, will implement the livelihood improvement component activities under annual contracts with the provincial authorities. The provincial and district staff of the PDWAs will implement the project's gender mainstreaming activities through contracts with the provincial authorities. NGOs will be contracted to assist and train beneficiary user groups and provide other services. National-level agencies will provide specialist technical and training support as required.

### **Role of technical assistance**

21. In addition to the technical assistance provided under the Government's decentralization and deconcentration programme, UNDP will provide technical support to the proposed project at the provincial and national levels in the areas of agriculture, policy analysis and rural finance. The role of this assistance is to provide technical backstopping and advice to local staff to enhance their capacity and the quality of their service delivery.

### **Status of key implementation agreements**

22. The project grant agreement will govern project implementation. Subnational agencies and NGOs will implement the project under annual contracts with the provincial authorities. A project implementation manual will be developed after effectiveness to provide technical guidance.

### **Key financing partners and amounts committed**

23. The total project cost is US\$11.51 million, financed by an IFAD grant of US\$9.52 million (83 per cent); a UNDP grant of US\$1.29 million (11 per cent); and a contribution by the Government equivalent to US\$0.71 million (6 per cent). In addition, the Government will continue to finance the salaries of project staff who are government employees and the basic operating costs of the subnational administrations. All financing is fully committed.

## **H. Benefits and economic and financial justification**

### **Main categories of benefits generated**

24. The project will have both direct and indirect benefits. Increased crop and livestock production, greater value added in crop and livestock production and higher incomes among poor and very poor households will be the main quantifiable benefits of the project. The project will have a positive impact on women's development, household nutrition and food security. Additional, but unquantified, benefits will be derived from the project's capacity-building programmes for local communities and service providers.

### **Economic and financial viability**

25. The estimated internal economic rate of return is 11 per cent over 20 years. The financial analysis shows substantial incremental net benefits and returns to labour, which are considered to provide sufficient financial incentives for target group farmers to participate in project activities.

## **I. Knowledge management, innovation and scaling up**

### **Knowledge management arrangements**

26. The arrangements for knowledge management and learning include participatory processes for annual commune planning, annual policy guidance meetings to address project implementation issues, monitoring the quality of service delivery by the beneficiaries themselves and the use of learning communities to gather local knowledge and reflect the development aspirations of the local population.

### **Development innovations that the project will promote**

27. One innovative feature is the introduction of learning communities, which will serve as a feedback mechanism to generate information that can support project implementation and contribute to the Ministry of Agriculture's policy analysis work for policy development with respect to rural poverty reduction, service delivery options, indigenous/ethnic-minority communities and approaches to gender analysis and mainstreaming.

### **Scaling-up approach**

28. The approach used by IFAD in previous operations in Cambodia, of providing direct financial assistance (such as a package of inputs) to poor groups to help them generate income and overcome poverty, has been cited by the National Strategic Development Plan 2006-2010 as a useful approach for replication in the country. It is expected that with the continued support of the Ministry of Agriculture, approaches that prove successful in this project will be scaled up by the Government, and by development partners and programmes.

## **J. Main risks**

### **Main risks and mitigation measures**

29. Two main risks are envisaged. The first is inadequate institutional capacity. As a mitigation measure, the project design includes a major programme for local communities and service providers to provide in-service technical and managerial training using technical assistance, NGOs or other service providers. The second risk is lack of coordination between the project and other ongoing programmes. To minimize this, the commune council and provincial authorities are mandated to ensure that the implementation of project activities is well coordinated in order to achieve complementarity and maximize the impact on rural livelihoods.

### **Environmental classification**

30. Pursuant to IFAD's environmental assessment, the project has been classified as a Category B operation in that it is unlikely to have any significant negative environmental impact.

## **K. Sustainability**

31. The project focuses on strengthening the capacity of target group members and on developing sustainable village-level institutions that work for the benefit of the target group and can operate without assistance at the end of the project. Five elements will support this aim: (i) establishment of farmers' groups and associations that can operate using revolving funds and obtain services and technical support from public and private service providers through village extension workers and commune focal points; (ii) recruitment and training of village animal health workers and creation of district associations to provide services for livestock health, vaccination and extension to farmers on a fee-paying basis; (iii) the recruitment and training of village extension workers to provide services to farmers; and (iv) the continued availability of price information by charging marketing groups for this service.

## **II. Legal instruments and authority**

32. A project grant agreement between the Kingdom of Cambodia and IFAD constitutes the legal instrument for extending the proposed grant to the recipient. The important assurances included in the negotiated agreement are attached as an annex.
33. The Kingdom of Cambodia is empowered under its laws to receive financing from IFAD.

34. I am satisfied that the proposed grant will comply with the Agreement Establishing IFAD.

### **III. Recommendation**

35. I recommend that the Executive Board approve the proposed grant in terms of the following resolution:

RESOLVED: that the Fund shall provide a grant to the Kingdom of Cambodia in various currencies in an amount equivalent to six million four hundred thousand special drawing rights (SDR 6,400,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Lennart Båge  
President

## **Important assurances included in the negotiated project grant agreement**

(Negotiations concluded on 8 February 2007).

### **Declarations of commitment**

1. The provincial authorities, the executive committees, the Provincial Departments of Agriculture and the Provincial Departments of Women's Affairs of each province in the project area, the Ministry of Agriculture, Forestry and Fisheries (hereafter "Ministry of Agriculture"), the Ministry of Economy and Finance, and other project parties undertaking project activities will declare their commitment to the project's goal and purposes and, in furtherance of these, will undertake to carry out the project in accordance with the project grant agreement.

### **Gender**

2. The Government will ensure that gender concerns are mainstreamed in all project activities throughout the project implementation period. In particular, it will ensure that: (i) the project promotes the role of women as agents of change in local social and economic development; (ii) priority is given to training women farmers; (iii) the project encourages women farmers to assume leadership roles and participate in decision-making at both the household and the community level; and (iv) priority is given to qualified women to work as project staff.

### **Indigenous people's concerns**

3. The Government will ensure that the concerns of indigenous peoples are given due consideration during project implementation and, to this end, that:
  - (a) the project is carried out in accordance with the applicable provisions of relevant national legislation relating to indigenous peoples;
  - (b) indigenous peoples are adequately and fairly represented in all local planning for project activities;
  - (c) indigenous peoples' rights are duly respected;
  - (d) indigenous peoples' communities participate in policy dialogue and local governance;
  - (e) the terms of declarations, covenants and conventions ratified by the Government on the subject are respected;
  - (f) the project does not involve encroachment on traditional territories used or occupied by indigenous communities.

### **National budget**

4. The Government will ensure that adequate provisions for financing the project are included in the national budget each financial year during the project implementation period, based on the projected annual workplans and budgets for each such year.

### **Operation and maintenance**

5. The Government will ensure that adequate human and financial resources are provided to support the operation of project-financed investments and the recurrent costs thereof, at least for their useful life, both during and after the project implementation period.

### **Agricultural extension programme**

6. The Government will ensure that adequate human and financial resources are provided to sustain the crop and livestock extension programmes in the project area until at least three years after the project completion date.

**Pest management practices**

7. The Government will comply with the International Code of Conduct on the Distribution and Use of Pesticides and ensure that pesticides procured under the project do not include any pesticides classified as extremely hazardous or highly hazardous by the World Health Organization.

**Insurance**

8. The Government will insure project personnel against health and accident risks in accordance with its customary practice in respect of its national civil service. The Government will insure all vehicles and equipment used in connection with the project against such risks and in such amounts as may be consistent with sound practice. The Government may, in either case, finance such insurance from the proceeds of the grant.

**Authorizations**

9. The Government will provide any project party with such delegations of authority or other authorizations as may be required under its national procedures to implement the project in accordance with the grant agreement.

**Coordination**

10. The Government will make effective arrangements to coordinate with other international agencies operating in the project area to ensure that: (i) uniform policies are adopted for the same sector or activity, such as extension methodology and staff incentives; (ii) project activities financed by different donors in the same province or district are carefully phased to avoid constraints on available human and financial resources; (iii) the policy of decentralized development planning and financing continues throughout the project implementation period without any change that would have a material adverse effect on project implementation; (iv) the project financing from all financiers is in accordance with the agreed financing plan; and (v) the lessons learned from beneficiary impact assessments are given due consideration in future policy formulation at the provincial and national level.

**Natural resources**

11. The Government will ensure that effective policies and measures are enforced to safeguard forest and fishery resources and endangered species in the project area.

**Legal framework for lands and forests**

12. The Government will undertake to implement and enforce the following provisions of the legal framework for lands and forests: (i) article 18 and articles 23 to 28 of the Land Law (2001); (ii) the sub-decree on state land management (2005); (iii) the sub-decree on economic land concessions (2005); (iv) interministerial regulation No. 219 of the Ministry of Interior and the Ministry Land Management, Urban Planning and Construction concerning the roles and responsibilities of the commune councils in land matters; and (v) the Prime Minister's Order No. 1 preventing the clearance of state forestland for all types of ownership, with safeguard measures for the poor and vulnerable population.

**Key project staff**

13. The Government will recruit and appoint key project staff with such qualifications and experience, and in accordance with such competitive and transparent procedures and criteria, as the Government may propose and IFAD may agree. The Government will provide qualified project staff in adequate number with experience and qualifications satisfactory to IFAD, including, inter alia, staff of the Ministry of Agriculture's project support unit, Provincial Departments of Agriculture, Provincial Departments of Women's Affairs and executive committees of the relevant provincial authorities working full time for the project at national, provincial and district levels in the project area. The Government will not remove any key project staff, until at least the completion of the mid-term review, except on grounds of unsatisfactory job

performance. The Government will not remove any key project staff without prior consultation with IFAD at least three months in advance.

**Financing of the operating costs of the provincial deconcentration structure**

14. The Government will be responsible for financing, either from its own resources or from other sources of financing, the operating costs of the provincial deconcentration structure and the executive committees of the relevant provincial authorities' management units, throughout the project implementation period, including support to the commune planning process and technical support for investments planned by the commune councils.

**Use of project vehicles and other equipment**

15. The Government will ensure that:
- (a) the types of vehicles and other equipment procured under the project are appropriate to project needs; and
  - (b) all vehicles and other equipment transferred to or procured under the project are dedicated solely to project use.

**Fraud and corruption**

16. The Government will promptly bring to the attention of IFAD any allegations or concerns of fraud and/or corruption in relation to the implementation of the project of which it has knowledge or becomes aware.

**Suspension**

17. In addition to the events set forth in article 12.01 of the General Conditions:
- (a) IFAD may suspend, in whole or in part, the right of the Government to request withdrawals from the grant account upon the occurrence of any of the events set forth therein or any of the following events:
    - (i) on or after the effective date, the United Nations Development Programme (UNDP) project document has failed to enter into full force and effect by the date or dates specified therein or a later date or dates established by UNDP for that purpose, and substitute funds are not available to the Government on terms and conditions acceptable to IFAD;
    - (ii) the right of the Government to withdraw the proceeds of UNDP assistance has been suspended, cancelled or terminated, in whole or in part; or any event has occurred that, with notice or the passage of time, could result in any of the foregoing;
    - (iii) the Organic Law, or the regulations promulgated thereunder, have been approved, amended, suspended or otherwise modified, and IFAD determines that such amendment, suspension or modification has had, or is likely to have, a material adverse effect on the project;
    - (iv) IFAD, after due consultation with the Government, has determined that the material benefits of the project are not reaching the target group or are benefiting persons outside the target group;
    - (v) the Government has defaulted in the performance of any of the additional covenants set forth in the project grant agreement, and IFAD has determined that such default has had, or is likely to have, a material adverse effect on the project;
    - (vi) IFAD has given notice to the Government that credible allegations of corrupt or fraudulent practices in connection with the project have come to the attention of IFAD, and the Government has failed to take timely and appropriate action to address the matter to the satisfaction of IFAD; and

- (vii) procurement is not being carried out in accordance with the relevant provisions of the project grant agreement.
- (viii) IFAD will suspend, in whole or in part, the right of the Government to request withdrawals from the grant account if the audit report required by the project grant agreement has not been satisfactorily completed within 12 months after the financial reporting period set forth therein.

**Conditions precedent to effectiveness**

18. The project grant agreement will become effective subject to the fulfilment of the following conditions precedent:
- (a) the national project coordinator, the deputy national project coordinator, one policy analyst, two finance officers and two planning and monitoring officers of the Ministry of Agriculture's project support unit have been duly appointed by the Ministry of Agriculture.
  - (b) the relevant Provincial Department of Agriculture has duly appointed the heads of and staffed the provincial and district support teams;
  - (c) the Government has duly opened the grant bank account and the project accounts;
  - (d) the Government has confirmed to IFAD that counterpart funds will be available in the national budget for transfer to the Ministry of Agriculture and the project parties to assist in financing project implementation in the first and subsequent project years;
  - (e) the annual workplan and budget for the first project year has been duly approved and included in the provincial and national public investment programmes;
  - (f) the project grant agreement has been duly signed; and
  - (g) a favourable legal opinion, issued by the Ministry of Justice of the Government in form and substance acceptable to IFAD, has been delivered by the Government to IFAD.



## **Key reference documents**

### **Country reference documents**

National Strategic Development Plan (NSDP) 2006-2010  
Rectangular Strategy

### **IFAD reference documents**

PDD and Key Files;  
Cambodia Country Strategic Opportunities Paper (COSOP);  
Learning Notes;  
Administrative Procedures on Environmental Assessment;  
Prerequisites of Gender Sensitive Design; and  
Private Sector Partnership and Development Strategy.

# Logical framework

Narrative summary	Verifiable indicators <sup>1</sup>	Means of verification	Assumptions
<p><b>Goal:</b> Livelihoods of the rural poor in the targeted communes of the three provinces improved.</p>	<ul style="list-style-type: none"> <li>Income poverty incidence reduced by 50 per cent in accordance with the Cambodia Millennium Development Goal (CMDG1).</li> <li><b>Increase in the ownership of households assets.*<sup>2</sup></b></li> <li><b>Reduction in child malnutrition*</b></li> </ul>	<ul style="list-style-type: none"> <li>Household Income and Expenditure Surveys<sup>3</sup></li> <li>Monitoring of CMDGs</li> <li>Impact assessment surveys (base line, Mid-term Review and Project Completion).</li> </ul>	
<p><b>Purpose/Objective:</b> Sustainable impact on agricultural development achieved in the targeted communes in the three provinces.</p>	<ul style="list-style-type: none"> <li><b>Target group households with improved food security (months per year).</b></li> <li>Indigenous ethnic minority communities with secure tenure.</li> <li>Commune councils with improved capacity for agricultural planning and management.</li> </ul> <p>(Number of households targeted: 60 000)</p>	<ul style="list-style-type: none"> <li>Impact assessment surveys (base line, Mid-term Review and Project Completion).</li> <li>WFP Food Insecurity Atlas.</li> </ul>	<ul style="list-style-type: none"> <li>Macro-economic and political stability.</li> <li>Institutional and implementation arrangements for decentralisation and deconcentration in place.</li> <li>A legal framework for lands and forests in place that safeguards the interests of the indigenous population and their access to land.</li> </ul>
<p><b>Outputs:</b> 1. Farmers and communities adopt improved and sustainable farming and agricultural land management systems.</p>	<ul style="list-style-type: none"> <li><b>No. of households<sup>3</sup> reporting increased production from their plots.</b></li> <li><b>No. of households reporting increased flock/herd sizes.</b></li> <li><b>No. of households adopting improved technology promoted by the project.</b></li> <li><b>No. of activity groups operational by type.</b></li> <li><b>No. of functioning marketing, storage and/or processing groups/facilities.</b></li> <li>Area benefiting from improved fertility.</li> <li>Area benefiting from erosion control.</li> <li>No. of land titles granted and registered in the target communes.</li> <li>No. of Statutes of Legal Entity for Indigenous Communities issued in the target communes.</li> </ul> <p>(Targets: Beneficiaries: 22 600 households, from 452 LIG and 452 FSI groups; also 4 marketing groups in Kratie and 4 in Ratanakiri; indirect beneficiaries 14 900 households).</p>	<ul style="list-style-type: none"> <li>Project MIS and participatory impact monitoring.</li> <li>Supervision reports.</li> </ul>	<ul style="list-style-type: none"> <li>Investment in new/improved rural infrastructure (e.g. small-scale irrigation) undertaken by other donors and C/S Fund.</li> </ul>
<p>2. Improved services delivered to the poor in a participatory and demand-driven manner.</p>	<ul style="list-style-type: none"> <li>No. of commune councils with improved capacity for social and economic development and agricultural land management.</li> <li>Rating of the performance of the Commune Extension Workers, Village Animal Health Workers (VAHWs) VEWs, DSTs, PST and other service providers by the commune councils and farmer groups.</li> </ul> <p>(Targets: 84 communes, 16 DST, 3 PSTs, 60 new VAHWs - number of existing VAHWs to be included in AWPBs -; satisfaction rate 85 per cent)</p>	<ul style="list-style-type: none"> <li>Project MIS and participatory impact monitoring.</li> <li>Supervision reports.</li> </ul>	<ul style="list-style-type: none"> <li>New arrangements for decentralisation and deconcentration include elected CCs.</li> </ul>
<p>3. Increased capacity for policy analysis and pro-poor policy formulation for the agricultural sector and for mainstreaming gender within the sector.</p>	<ul style="list-style-type: none"> <li><b>No. of new or changed pro-poor legislation or regulations enforced.</b></li> <li>No. of policies and strategies introduced including elements of lessons learnt from IFAD projects.</li> <li>No. of policies and strategies introduced in support of gender mainstreaming.</li> </ul> <p>(No targets)</p>	<ul style="list-style-type: none"> <li>Project MIS and participatory impact monitoring.</li> <li>Supervision reports.</li> </ul>	<ul style="list-style-type: none"> <li>Government supports the need to develop capacity for policy analysis and formulation.</li> </ul>

<sup>1</sup> Indicators in bold are the Results and Impact Management System (RIMS) indicators and those with an \* are the anchor indicators.

<sup>2</sup> Household assets ownership index is under development.

<sup>3</sup> All household data is to be disaggregated by the gender and ethnicity of the household head.

