

Document: EC 2018/100/W.P.2/Add.1  
Agenda: 3  
Date: 12 March 2018  
Distribution: Public  
Original: English

E



Investing in rural people

Kingdom of Cambodia

Country strategy and programme evaluation

Agreement at completion point

Note to Evaluation Committee members

Focal points:

Technical questions:

Oscar A. Garcia  
Director  
Independent Office of Evaluation of IFAD  
Tel.: +39 06 5459 2274  
e-mail: o.garcia@ifad.org

Fumiko Nakai  
Senior Evaluation Officer  
Tel.: +39 06 5459 2283  
e-mail: f.nakai@ifad.org

Dispatch of documentation:

Alessandra Zusi Bergés  
Senior Governing Bodies Officer  
Governing Bodies  
Tel: +39 06 5459 2092  
e-mail: gb@ifad.org

Evaluation Committee — 100<sup>th</sup> Session  
Rome, 23 March 2018

---

For: Information

## Contents

Kingdom of Cambodia, Country strategy and programme evaluation - Agreement at completion point	ii
---	----

# Kingdom of Cambodia

## Country Strategy and Programme Evaluation

### Agreement at Completion Point

#### A. Introduction

1. This is the first country strategy and programme evaluation (CSPE) in the Kingdom of Cambodia by the Independent Office of Evaluation of IFAD (IOE). The main objectives of the CSPE were to: (i) assess the results and performance of the IFAD-financed country strategy and programme; and (ii) generate findings and recommendations for the future partnership between IFAD and the Royal Government of Cambodia (RGC) for enhanced development effectiveness and rural poverty eradication.
2. The CSPE reviewed the evolution of the strategy, results and performance of the partnership between IFAD and the Royal Government of Cambodia since the Fund started operations in 1997, but with a focus on the period 2007-2017 particularly for the investment portfolio. The CSPE covers the investment portfolio (seven projects that were approved between 2000 and 2016), non-lending activities (knowledge management, partnership-building and policy dialogue, including grants), as well as country programme strategy and management.
3. This agreement at completion point (ACP) contains recommendations based on the evaluation findings and conclusions presented in the CSPE report, as well as proposed follow-up actions as agreed by IFAD and the Government. The signed ACP is an integral part of the CSPE report in which the evaluation findings are presented in detail, and will be submitted to the IFAD Executive Board as an annex to the new country strategic opportunities programme for the Kingdom of Cambodia. The implementation of the recommendations agreed upon will be tracked through the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions, which is presented to the IFAD Executive Board on an annual basis by the Fund's Management.

#### B. Recommendations and proposed follow-up actions

4. Recommendation 1: Develop and operationalize a two-pronged strategy for the portfolio with support to: (i) agricultural commercialization with a focus on relatively advanced smallholders; and (ii) coping strategies of poor households. This is largely in line with the orientation of the 2013 COSOP, which recognized the need for "distinct development pathways and intervention modalities ... for the food-insecure, the rural poor at the subsistence level, and vulnerable rural households just above the poverty line". It is important to develop and operationalize tailored strategies in light of the profiles of the target group and specific contexts, e.g. agricultural potential and market opportunities in specific geographical areas.
5. For the first category, support for primary production may need to be more specialized and of higher technical quality than that provided to date in the projects, and also shaped by buyers' priorities. While group-based training may be relevant for some subjects, individual technical advice may also be needed. Advisory services should also be complemented by support for access to means of production including appropriate labour-saving technologies (including mechanization), as well as market infrastructure. Strengthening of farmer groups/organizations to facilitate marketing will be an important element. While a value chain approach may be pursued, it should be flexible and dynamic in order to exploit changing market opportunities, rather than being of a long-term bureaucratic planning nature.
6. Support to coping strategies of poor households may cover productive activities such as feasible non-land-based activities and simple labour-saving tools, or

providing safe drinking water facilities nearby or a good village access road. For many of these poor households, emphasis may be on income-generating agricultural activities that are complementary to non-agricultural or off-farm activities. For young people from poor households who have decided to leave the village, the IFAD-Government partnership could explore ways to help them earn better incomes, possibly including vocational training or advice on contracts, and on how to invest their surplus income in the form of remittances back in the village.

7. This two-pronged strategy should not be pursued by separating households into different groups, as was the case in earlier projects, but rather by defining different flexible support menus, which would also need to be tailored to the contexts in different geographic locations.

Proposed Follow-up: Agreed. IFAD and the Government will adopt inclusive productivity improvement and upscaling smallholder commercialization and market linkages in a more strategic and programmatic approach going forward with clear objectives to cater to the varied contexts of the target population. This will be done in current and future projects, while being cognizant of the fact that implementing a two-pronged strategy will lead to more challenging project designs with implications on the size, duration, structure of costs, managerial capabilities to be installed and level of technical assistance required, in particular.

At the country programme level, in order to align with the timelines and priorities of the Government's next National Strategic Development Plan (NSDP 2019-2023), the current COSOP will be extended and updated in the interim taking on board the recommendations made through the evaluation and the RGC strategic shift towards greater focus on commercialization and provision of enabling market infrastructure. The new COSOP will be informed by a COSOP completion review, learning from CSPE, this RGC shift in focus and aligned with the new NSDP.

- The preparation of a new project concept note between RGC and IFAD will provide an opportunity to reflect on and elaborate the two pronged strategy building on the demand-driven, pluralist service provision approach initiated in ASPIRE. Other opportunities for support such as contract farming mechanisms, local market infrastructure (e.g. small irrigation schemes, local market infrastructure, roads, etc.), small and medium enterprise development will also be explored and accommodated.
- COSOP monitoring system online will be strengthened and produce annual note on country programme progress. Annual portfolio review workshop (AcPOR) and tripartite quarterly meetings between MEF, IFAD country office and project teams will be strengthened.
- IFAD participation to national think tanks (i.e. policy makers and project implementers) and thematic working groups will be strengthened.

At the project level, in order to improve the performance (delivery, disbursement and quality outputs) of the current portfolio, each project under portfolio will reinforce the two-pronged strategy to upscale agricultural commercialization of advanced smallholders and support to resilience of poor households. For the ongoing projects:

- ASPIRE and SRET will prioritise their interventions through the revision of the Agriculture Strategic Development Plan (ASDP) and Provincial Agriculture Strategic Development Plan (PASDP), including a refined integrated provincial zoning of (i) areas with favourable market conditions for agricultural commercialization of advanced smallholders and (ii) areas with potential to promote integrated farming system as a coping strategy of poor households.

- TSSD additional financing will help LIG members to better respond to markets through Market Improvement Groups (MIGs) and promote LIG Associations in favour of poor households.
- AIMS will help Farmer Organizations and groups to better response to markets and at the same time bring poor households to be part of the organization

Responsible partners: all projects/programmes, line agencies (MEF; MAFF, MoWA; MOC, etc.) and IFAD

Timeline: 2018 onward. COSOP will be updated and extended taking on board the CSPE recommendations, in the interim, in order to align the new COSOP with the Government's upcoming NSDP

8. Recommendation 2: Balance investment in human capital and rural organizations supported by strategic partners, with tangible items. The investment in "soft" aspects such as skills development, human capital and organizational strengthening continues to be critical, and should be balanced with investment in tangible items such as infrastructure, post-harvest facilities, and access to finance that could enable beneficiaries to put the skills and knowledge acquired into practice. Investment in human capital could cover not only productive skills but also broader subjects such as gender issues (as has been done), nutrition, adult literacy, and information on relevant laws and regulations. At the same time, it should be recognized that a long-term perspective is needed for investment in human and social capital and empowerment. This is particularly relevant in Cambodia, given its history, and calls for caution against making an investment decision based only on traditional economic rates of returns.
9. In supporting the formation and strengthening of organizations of the target population (e.g. farmer groups), careful consideration should be given to the main purposes and roles of different types of organizations with different member profiles, and a realistic exit strategy should be built into the design.
10. To ensure quality support specifically for "soft" aspects and innovations, given limited capacity in the public sector, IFAD and the Government should seek opportunities for strategic partnerships with experienced institutions that could provide crucial technical assistance and could support the Government, with IFAD co-financing or financing.

Proposed Follow-up: Agreed: In line with Government development strategy and Debt sustainability Strategy, IFAD and the Government will balance soft and hard investments in IFAD funded projects. Investments in hard elements and market infrastructure will be coupled with soft investments in building partnerships with private sector, service providers and technical assistance to improve the capacity of the small holder farmers for better linkage with market and sustain post-project investments.

- The portfolio will improve its targeting strategy by working with all groups of farmers from the poverty scale (below and above national poverty line) and adapt activities to small and medium farmers in that scope with the central focus on sustainability of livelihoods.
- On hard investments, IFAD and the Government will work towards IFAD operations investing more in rural infrastructure including in the field of irrigation, market infrastructure which includes road to market, village markets and production linked market facility, rural energy and microfinance.
- On soft investments, in addition to the soft components of the ongoing portfolio, as part of the partnership strategy of each project through service providers, partners will be identified to provide support during project implementation towards strengthening the human capital aspects. Technical

assistance will also be sought from the academe, research institutions, as well as experienced partners to promote innovation in existing projects SRET, ASPIRE, AIMS, TSSD as demonstrated by PADEE. The key focus will be coupling skills development with provisions for enabling the application of the acquired skills to improve and sustain livelihoods.

Responsible partners: MEF and all projects/programme

Timeline: 2018 onward

11. Recommendation 3: Pursue more strategic planning and use of grants and investment financing to deepen partnerships with farmer organizations/associations. Support to and partnerships with farmer associations/organizations and indigenous peoples' organizations should be continued and strengthened. So far, the corporate initiatives and regional grants have facilitated linkages between these institutions at national level and the country programme. There is a need for more strategic planning and use of IFAD financing, both grants and within the framework of investment projects, to work with these organizations of different types and at different levels. Enhancing partnerships and strengthening their capacity can contribute to: (i) empowerment of these organizations and their members; (ii) better country programming and project design reflecting the priorities of the target group; (iii) relevant inputs to supervision and implementation support; and (iv) influence on policy engagement through partner organizations that represent their members and IFAD's target group.

Proposed Follow-up: Agreed. Each project under the portfolio will further engage and deepened partnership with existing Farmer Organizations (FOs), Cooperatives/Advance Smallholder Groups and their national federations representing smallholders, Indigenous Peoples' Organizations (IPOs) and their network and youth/women organisations. For the current portfolio:

- ASPIRE / SRET: (i) will further bring FO. Cooperatives/Advance Smallholder Groups and IPO representatives to engage with all policy discussion forum; (ii) will further help them to fully engage with Extension Hub; (iii) will engage farmers (for farmer-to-farmer (F2F) training), as well as FOs and IPOs and Cooperatives/Advance Smallholders Group to implement GESS (Grant for Extension Service for Smallholders) under Instrument #3 (Support to Agricultural Cooperatives and other farmers' organisations/federations representing smallholders).
- TSSD AF: will further strengthen the LIG national association and connect them to the existing Farmer Organization Network.
- AIMS: is partnering with National Farmers' Organization Federations Forum (NF3) and others and will extend their scope of work help their members to engage better with the market.

Support of regional grant MTCP2 in support to smallholder farmer organisations co-financed by IFAD, Swiss Agency for Development and Cooperation (SDC) and European Union (EU) will be continued and where possible, beneficiary targets modified to address the RGC strategic thrust for commercialization and sustainability of livelihoods aspects. With regard to the new project, and building on the progress of AIMS, IFAD and the Government will explore the possibility to engage with agro-industry and agribusinesses as a way to involve farmers organisations in value chain development and organisation. Learning from the strengthened partnerships with smallholder farmers organizations will be embedded into future designs of projects and the country programme.

Responsible partners: all projects/programmes, line agencies (MEF; MAFF, MOWA; MOC etc.) and IFAD

Timeline: 2018 onward

12. Recommendation 4: Explore options for supporting regulatory services in agriculture in future pipeline development. It is likely that the various value chain platforms to be established under AIMS will point to a lack of regulatory services - such as phytosanitary and veterinary control, standard and quality control, certification, and food safety issues - as a constraint, and some ad hoc regulatory services may be financed. Given the low starting point, a more systemic and programmatic approach will be required, which in turn assumes mobilizing financing from various sources.

Proposed Follow-up: IFAD and the Government agree with the recommendation to strengthen regulatory services, especially in what concerns the implementation of the existing regulatory framework as compared to the creation of new regulations.

- Under the framework on technical working groups (coordinated by Government and DPs), Sub-Working Groups will include members from all IFAD supported project to develop and implement an action plan to support phytosanitary and veterinary control, standard and quality control, certification, and food safety as well as nutrition. The activities will be co-funded by all projects in partnership with other development partners.
- ASPIRE will continue developing extension services and more specialised advisory support like phytosanitary, and veterinary services with the Ministry of Agriculture.
- AIMS will strengthen food safety and standards with the Ministry of Commerce.

Responsible partners: all projects/programmes, line agencies (MEF; MAFF, MOWA; MOC etc.) and IFAD

Timeline: 2018 onward. Action plan to be developed under the Technical Working Groups.

13. Recommendation 5: IFAD to work with the Government to strategize and facilitate mobilization of other partners to invest in smallholder agriculture. In addition to potential support to regulatory services (Recommendation 4), ASPIRE and AIMS could serve as a platform to bring in other partners for two important areas: agricultural extension; and pro-poor agricultural value chain development. IFAD's financing and role should help leverage other partners and resources.

Proposed Follow-up: IFAD and the Government agree with the recommendation to increase rural development partnerships in the country.

- All IFAD funded projects will mobilize more private sector investment in support of commercialization of small holder agriculture through the VC Innovation Fund (AIMS), PPP instrument (ASPIRE), and Market Infrastructure (TSSD). The projects will support the creation of an enabling environment for the engagement of the private sector.
- ASPIRE and AIMS will mobilize more development partners (DPs) to support Extension Services, Programme Budgeting and Markets.
- More partnerships MoUs at the corporate and project level with DPs will be materialized by ongoing IFAD funded projects. At the country programme level, after USAID signed a MOU with IFAD in 2017, European Union, Agence

Française de Développement, World Bank and others will be approached to that effect.

- All IFAD funded projects will ensure improved coordination including through thematic working groups.
- IFAD will increase its participation in national think tanks and thematic working groups to ensure greater visibility for smallholder agriculture in the country with the aim at strengthening partnerships and mobilizing greater financing.

Responsible partners: all projects/programmes, line agencies (MEF; MAFF, MOWA; MOC etc.) and IFAD

Timeline: 2018 onward

**Signed by:**



---

H.E. Vongsey Vissoth  
Secretary of State  
Ministry of Economy and Finance  
Royal Government of Cambodia

Date: 05 MAR 2018



---

Mr. Perin Saint Ange  
Associate Vice-President, Programme Management Department  
International Fund for Agricultural Development

Date: 05 MAR 2018