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CAMBODIA

FY 2011–2015 Multi-Year Strategy

U.S. Government Document

The Feed the Future (FTF) Multi-Year Strategies outline the five-year strategic planning for the U.S. Government's global hunger and food security initiative. These documents represent coordinated, whole-of-government approaches to address food security that align in support of partner country priorities. The strategies reflect analysis and strategic choices made at the time of writing and while interagency teams have formally approved these documents, they may be modified as appropriate.

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ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank
AFD	Agence Française de Développement
AsAg	Assistance Agreement (USAID-RGC)
AusAID	Australian Agency for International Development
BFS	Bureau for Food Security (USAID)
CAMIP	Cambodia Agriculture Market Information Project
CARD	Council for Agricultural and Rural Development (Cambodian)
CAVAC	Cambodia Agricultural Value Chain Program (Australia)
CDCS	Country Development Cooperation Strategy
CDHS	Cambodian Demographic and Health Survey
CG	Cambodia Group
CGIAR	Consultative Group on International Agricultural Research
CHFSI	Cambodia Hunger and Food Security Initiative (aka FTF-C)
CIDA/CCO	Canadian International Development Agency/Canadian Cooperation Office
CMDG	Cambodian Millennium Development Goals
CRSP	Collaborative Research Support Programs
DANIDA	Danish International Development Agency
DCA	Development Credit Authority
DHS	Demographic and Health Survey
E3	Bureau for Economic Growth, Education and Environment (USAID)
EU/EC	European Union/European Commission
FAA	Foreign Assistance Act of 1961
FAO	Food and Agriculture Organization of the United Nations
FSDAT	Food Security Data Analysis Team
FSE	Office of Food Security and Environment (USAID Cambodia)
FSN	Foreign Service National
FTF	Feed the Future Initiative
FTF-C	Feed the Future Cambodia Program
GAfsp	Global Agriculture and Food Security Program
GAIN	Global Alliance for Improved Nutrition
GCC	Global Climate Change Initiative
GHI	Global Health Initiative
GIZ	German Society for International Cooperation
HARVEST	Helping Address Rural Vulnerabilities and Ecosystem Stability Program
HEF	Health Equity Fund
HORT	Horticulture Collaborative Research Support Program
IARC	International Agricultural Research Centers
IFAD	International Fund for Agricultural Development
IFC	International Finance Cooperation
IMF	International Monetary Fund
IPM	Integrated Pest Management
IR	Intermediate Result
JICA	Japanese International Cooperation Agency
LMI	Lower Mekong Initiative
MAFF	Ministry of Agriculture, Forestry and Fisheries
MOE	Ministry of Environment
MDG	Millennium Development Goals

M&E	Monitoring and Evaluation
MoP	Ministry of Planning
MoWRM	Ministry of Water Resources and Meteorology
MoWA	Ministry of Women's Affairs
MSME2/BEE	Micro, Small, & Medium Enterprise 2/Business Enabling Environment Program
NGO	Non-Governmental Organization
NPRS	National Poverty Reduction Strategy
NSDP	National Strategic Development Plan
OCOM	Office of the Council of Ministers
OPHE	Office of Public Health and Education
PMEP	Performance Monitoring and Evaluation Plan
RACHA	Reproductive and Child Health Alliance
RDMA	Regional Development Mission for Asia
RGC	Royal Government of Cambodia
SANREM	Sustainable Agriculture and Natural Resources Management CRSP (USAID)
SAW	Strategy on Agriculture and Water (RGC)
SEDPII	Second Socio-Economic Development Plan
SFFSN	Strategic Framework for Food Security and Nutrition (RGC)
SMS	Short Message Service
SPS	Sanitary and Phyto-Sanitary
TWG-AW	Technical Working Group on Agriculture and Water
TWG-FSN	Technical Working Group on Food Security and Nutrition
TWG-FE	Technical Working Group on Forestry and Environment
UN	United Nations
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
USDH	United States Direct Hire
USDOL	United States Department of Labor
USGS	United States Geological Survey
WFP	World Food Program

I DEVELOPMENT CHALLENGES AND OPPORTUNITIES

I.1 OVERVIEW

The damage inflicted upon Cambodia by the Khmer Rouge (1975-1979) was brutal, and its attempt to create a new agrarian society eradicated a generation of Cambodians. An estimated one to three million people were either murdered or died as a result of disease and starvation. Invasion by Vietnam ended the excesses of the Khmer Rouge, but led to a decade of civil war. In 1993, elections for the National Assembly were held and the monarchy was restored. The surrender of the last remnants of the Khmer Rouge in 1999 ushered in a post-conflict era with peace, greater political stability, reduced levels of violence and a growing economy.

Cambodia, roughly the size of Oklahoma, is home to almost 15 million people. According to the 2010 Global Hunger Index, it faces “alarming” levels of malnutrition and hunger. Over 70 percent of the total population is under the age of 35, and the population growth rate stands at 1.54 percent. Women comprise 55 percent of the adult aged population in Cambodia and 62 percent of adults who are engaged in agricultural production. Women also are owners or managers of 62 percent of all listed micro, small and medium enterprises. Income inequality, high unemployment, and conflicts over land and other natural resources all pose challenges to Cambodia’s economic development. Approximately 80 percent of Cambodia’s population lives in rural areas; and an estimated 70 percent of these people rely almost entirely on farming, fisheries, and forestry for their livelihoods. These rural communities depend on the country’s critical watersheds as well as Cambodia’s rich aquatic and terrestrial biodiversity, all increasingly under threat from illegal logging, evictions for economic land concessions, overfishing, and climate change. The 2011 Rule of Law Index ranks Cambodia last for effective regulatory enforcement, access to civil justice, absence of corruption, and property rights. Inadequate production and post-harvest management, limited adaptive research capacity, poor economic and political governance, and poor financial services all constrain the potential of the agricultural sector. In addition, fundamental improvements in health care and education are also still needed to secure, firmly and sustainably, a better future for the Cambodian people.

Despite these challenges, opportunities do exist, and Cambodia is well-poised to take advantage of them. While critical issues remain, the Royal Government of Cambodia (RGC) is concerned and making genuine efforts to reduce poverty and malnutrition by engaging closely with donors. The RGC has a positive history of collaboration with the international donor community on programs that promote agriculture, food security, and economic growth. Working closely with donors, the RGC developed its highly regarded and comprehensive Strategic Framework for Food Security and Nutrition (SFFSN); the Strategy for Agriculture and Water (SAW) 2010-2013 Investment Plan; and other key related analyses and strategies. By focusing on the recommendations of multilateral donors such as the Asian Development Bank (ADB) and the International Monetary Fund (IMF), the RGC is working to increase competitiveness and further diversify the Cambodian economy, especially its agriculture sector, in order to maintain the economic growth rates necessary to reduce poverty. In August 2010, the Prime Minister of Cambodia launched a major new rice export policy and agricultural development campaign, which includes a central focus on economic resilience through diversification of the agriculture sector. The RGC’s subsequent funding proposal to the Global Agriculture and Food Security Program (GAFSP) to improve food security and household nutrition was approved.

New opportunities also have emerged recently for reducing malnutrition in Cambodia. From 1994 to 2004, strong economic growth lifted 10-15 percent of Cambodia’s population out of poverty and malnutrition declined significantly. Still, while Cambodia experienced rapid economic growth from 2004

to 2008, malnutrition levels since 2005 have not improved significantly, with some measures showing deterioration. Cambodian children continue to suffer both long and short-term malnutrition. Preliminary data from the 2010 Cambodia Demographic and Health Survey (CDHS) show that stunting affects 40 percent of Cambodian children under five (down from 43 percent in 2005) and reflects chronic or long-term malnutrition. Furthermore, acute malnutrition, as indicated by wasting, is at 11 percent among children (up from eight percent) and 28 percent are underweight (stagnating since 2005). Deficiencies in iron, iodine, vitamins A and B12, and folic acid are commonly found among wasted and underweight children and are illustrated by a 55 percent rate of anemia among young children. However, preliminary CDHS results also show that anemia rates have dropped 6.8 percent in children. Remarkably though, under-five child mortality rates have dropped significantly—by 35 percent—since 2005. This dramatic drop demonstrates momentum for positive change that we have the opportunity to take advantage of now.

1.2 OVERCOMING FOOD INSECURITY

Cambodia's alarming levels of malnutrition and hunger reflect serious problems with all three of the classic aspects of food insecurity: availability of food, access to food, and utilization of food (i.e., dietary choice and water, health, and sanitation practices). Despite producing an overall national surplus of rice each year since 2008, at the household level Cambodians face poor production, storage, and availability of affordable rice and other foods. Poor storage and processing options also restrict the ability of farm households to maintain or increase the value of their production. Poverty faced by farmers, the rural landless, and the rural unemployed further constrains the ability of these households to purchase needed food. Patterns of malnutrition in Cambodia also strongly reflect seasonal fluctuations in the production of food and farmer income. A 2008 World Food Program study estimated 11 percent of Cambodia's total population to be chronically food insecure, with an added seven percent dropping into food insecurity during the lean seasons¹. Lastly, poor dietary choices by Cambodians at all income levels reflect traditional beliefs and poor knowledge of nutrition, water and sanitation needs, and proper child feeding practices.

The majority of Cambodia's agricultural production is rain fed and highly vulnerable to both flood and drought. Most rural Cambodians grow or catch their own food, but productivity is low, production is undiversified, and post-harvest losses are high. Despite these risks, most food insecure farming households in Cambodia rarely diversify production from wet season rice and fish. Together rice farming and fishing only generate food and cash during the same three to four months each year and thus during several months per year, farmers have little or no income for food or other expenses. Due to limited options for storage and the urgency to repay debt, food insecure households tend to sell around 60 percent of their rice (paddy) at low prices right after harvest. Farm families store the remaining 40 percent for home consumption but post-harvest losses are high due to poor on-farm storage conditions. Once this stock is depleted, they can only buy rice from the market at much higher prices. This leads to both food and income shortages that force the sale of assets for cash and urban labor migration that reduces the workforce needed to maintain farms. Further, poor households on average spend 70 percent of their income buying food and have little ability then to cope with illness, natural disasters, or other crises.

Female-headed households comprise almost a quarter of rural households (23 percent) and 69 percent of rural poor households. Overall household poverty increases the likelihood that male labor migration will take place and thus increases the number of poor, female-headed households. For these farm households, the labor constraint created by this shift decreases women's time to participate in training

¹ World Food Program. "Comprehensive Food Security & Vulnerability Analysis". 2008

or other activities designed to improve farm production and sales. Thus, activities that can reduce farm women's workload while also improving farm productivity and sales are key to achieving success among this segment of the population.

Studies routinely show families that work to maintain a diversified portfolio of production and income sources tend to be better able to withstand economic or climatic shocks to their farms and households. For example, households farming rice that also produce horticulture crops for consumption and sale, or engage in fish farming or non-farm income generation (e.g., local wage labor or sales of local wild products such as honey) are less seriously affected by extreme shifts in the price of rice. Horticulture production extends well into the lean season and becomes a supplemental source of household food and income when other resources needed to purchase food are limited. Thus in addition to strengthening the economy and reducing poverty, diversification is also critical for reducing malnutrition in Cambodia's rural areas. Improving domestic horticulture production offers the added benefit of offering all Cambodians locally produced fruits and vegetables at lower cost.

Low incomes and rising food prices limit food access and dietary choices for many rural households to rice and fish. Still, households from all income levels suffer significant levels of malnutrition. Stunting and malnutrition are endemic among Cambodian children, with deficiencies beginning when breastfeeding stops. Appropriate use of supplemental, weaning, or complementary foods for infants and small children as well as clean water and appropriate sanitation practices are not widespread. The United Nations estimates that up to 50 percent of malnutrition could be eliminated in places like Cambodia if water and sanitation issues were adequately addressed². USAID Cambodia has had success in making piped, potable and affordable water and latrines available through sustainable and economical service delivery by local private enterprises. However, convincing households to make the choice to invest even in affordable water and sanitation relies on educating them on the health, nutrition, and economic benefits these changes will bring to them.

1.3 GEOGRAPHIC FOCUS AND TARGET BENEFICIARIES

As shown in the CDHS, the Strategy for Agriculture and Water and the Strategic Framework for Food Security and Nutrition, there is wide variation in nutrition levels and food availability within Cambodia. Most of Cambodia's agricultural production is concentrated around the Tonle Sap Lake and the Mekong River. The Rural Tonle Sap region has the highest poverty rate of 45 percent (a third of Cambodia's total poor). As noted above, 62 percent of adults working in agriculture are women but more importantly, women provide the bulk of the labor and management for their farm households from rice seeding to vegetable sales. Interventions therefore will need to focus on achieving greater participation by women farmers. The Tonle Sap region also includes about a third of all food insecure households (one million people during the lean season) and shows the highest concentration of children suffering from malnutrition.

² There are multiple references on this point that diarrhea and water-borne worms are the cause of up to 50 percent of malnutrition worldwide. The most recent report describing this issue is the United Nations Environment Program (UNEP) report: Corcoran, E., C. Nellemann, E. Baker, R. Bos, D. Osborn, H. Savelli (eds). 2010. Sick Water? The central role of wastewater management in sustainable development. A Rapid Response Assessment. United Nations Environment Programme, UN-HABITAT, GRID-Arendal (Also see press release for the report at <http://www.unep.org/Documents.Multilingual/Default.asp?DocumentID=617&ArticleID=6504&l=en&t=long>) See also the 2008 WHO updated report WHO. 2008. The Global Burden of Disease: 2004 update. Geneva, World Health Organization.

On the positive side, the Rural Tonle Sap region has relatively high soil fertility (see Annexes A-C), an inland fish catch that constitutes 80 percent of the total for Cambodia, and two of the top 10 rice producing provinces. Feed the Future Cambodia (FTF-C) activities will focus on achieving results in four of the six provinces in this area: Battambang, Siem Reap, Kampong Thom, and Pursat.

Assessments are underway to further validate these choices and identify target populations and appropriate interventions within each selected province. Cambodia's major agricultural value chains were evaluated based on the scale of impact on target beneficiaries: share of diet, nutritional content, income potential, and technical improvement potential. Qualitative assessments such as impact on female farmers and potential benefits to natural resources conservation and adaptation to climate change were also considered.

I.4 CAMBODIA GOVERNMENT RELATIONS

The U.S. Congress lifted restrictions on working with the Royal Government of Cambodia on non-humanitarian assistance in 2007. As a result, U.S. Government relations with the RGC, particularly in the areas of economic growth and agriculture, are relatively new. FTF-C provides an opportunity to deepen U.S. Government collaboration with the RGC. In preparation for the development of the FTF-C program, the U.S. Government consulted extensively with all of the key ministries.

The Office of the Council of Ministers (OCOM) is the RGC executive body formed to prepare, facilitate, coordinate, unify, and guide all activities of individual ministries and localities. The OCOM serves as the U.S. Government's primary contact and bilateral assistance agreement counterpart. The U.S. Government in Cambodia manages on-the-ground implementation of programs. The OCOM requests ministries to appoint principal technical counterparts for each program to maintain open lines of communication with the RGC. Key ministry counterparts include the Ministry of Agriculture, Forestry and Fisheries (MAFF), Ministry of Commerce, Ministry of Environment (MOE), Ministry of Water Resources and Meteorology (MoWRM) and Ministry of Women's Affairs (MoWA). The RGC notes that it is grateful the United States is "back" and supporting Cambodia's agriculture sector—referencing extensive U.S. Government support for sizable agricultural programs in the 1960s. The RGC and civil society members alike praise the FTF-C program as one of the most forward-thinking development initiatives the United States has launched in Cambodia.

I.5 DONOR COORDINATION

The Council for the Development of Cambodia, which is part of the Ministry of Economy and Finance, is responsible for overall donor coordination. In order to further strengthen development cooperation, 19 Government-Donor Partnership Technical Working Groups (TWGs) meet on a regular basis to develop and monitor plans and set priorities for actions to be taken within their respective technical areas. TWGs comprise relevant donors and ministry counterparts from each development sector. The RGC, donors, and civil society coordinate food security activities through the TWGs for Food Security and Nutrition (TWG-FSN) and Agriculture and Water (TWG-AW). The U.S. Government consulted with all relevant donors during the development of its FTF-C program to ensure that new U.S. activities address gaps, build on existing programs, and do not duplicate efforts already underway. For example, AusAID's Cambodia Agricultural Value Chain Program is working to accelerate growth in the value of agricultural production and small farm incomes, working with FTF-C in one province.

Canada is finalizing its new multi-year agricultural value chain program and plans to include two FTF-C provinces. In both cases, these programs were modeled after USAID value-chain programs and are coordinating closely to ensure they work to fill gaps unfilled by FTF-C programs in each overlapping

province. At the November 2010 Food Security Policy Roundtable, U.S. Government, donor, and host country leaders discussed the results of a major food security policy stocktaking conducted by the International Food Policy Research Institute (IFPRI) and the Cambodian Development Research Institute (CDRI). Like the RGC, the donor community has expressed a desire for the United States again to take a leadership role in Cambodian agricultural development.

I.6 CROSS-CUTTING ISSUES

Cross-cutting issues addressed in the FTF-C and other U.S.–Cambodia programs include: Global climate change (GCC), health, water and sanitation, youth, civil society, capacity of public and private institutions, governance and rule of law, human rights, corruption, and gender equality. The 2010 Cambodia Gender Assessment noted that women are increasingly participants in farmer training programs and more than 62 percent of farmers are women. Women contribute a much higher percentage of labor at all levels in all aspects of agriculture. They seed, weed, and harvest rice; control all aspects of home gardens; and most often are the traders of their agricultural commodities. Very few women provide agricultural extension services; however, extension services are very limited in Cambodia and only one percent of all farmers have been visited by extension workers. In contrast to much of the developing world, Cambodian women often control and manage household finances though on average, women are paid 30 percent less than men for the same work. Further, they are still reported to have limited or no access to credit, high quality farming supplies, extension services, improved farming practices, or market information. FTF-C activities will take a multipronged approach to gender in all of our activities and will encompass programs that maximize women’s economic power, decision-making, access to resources (e.g. credit, training, etc.), and opportunity to increase household incomes. For example, horticulture has been selected as a focus value chain for its impact on women, given that over 80 percent of vegetable and fruit traders are females. Importantly, nutrition education will target both men and women.

Attention to natural resources management and GCC is key to maintaining or strengthening watersheds, fisheries, and other components of a healthy agrarian economy. With 70 percent of the populace under age 35, ensuring youth are incorporated into training and nutritional messages will be vital to the success of our investments. Improving governance is critical to growing and maintaining gains across all sectors. Making permanent improvements to food security requires improved production of both food and income. Better governance of the water, sanitation, health, and education sectors is necessary to food security and enhanced utilization of food. To sustainably achieve improved food production and income requires capacity building for both government and private-sector players in economic and natural resources governance skills, at both local and national levels. U.S. Government programs in Cambodia already engage in several activities that foster improved governance across the sectors critical to food security and will continue and expand such activities under FTF-C.

I.7 SUSTAINABILITY

Sustainability of the results achieved through FTF-C investments will rely on the skills of individuals, businesses and organizations that remain behind when donor assistance ends. Activities will strengthen, not undermine, existing private input or service providers. This will guarantee the results of U.S. investments continue to serve both leading enterprises and their farmer-clients at the end of the FTF-C program. Strengthening the skills of these enterprises to expand and improve their services and product lines will ensure these continue to be affordable and available to clients in the long run. FTF-C investments will also include one or more loan portfolio guarantees to jump start and foster increased lending by the private sector to farmers and agribusinesses. FTF-C will provide needed training to community based farmer groups, natural resource management groups, and business associations. FTF-C

will provide this training to these groups alongside their local government counterparts to increase constructive engagement among them and foster local solutions to emerging issues.

2 OBJECTIVES, PROGRAM STRUCTURE, AND IMPLEMENTATION

2.1 DEVELOPMENT OBJECTIVES

The development hypothesis guiding the FTF-C strategy rests on the benefits of diversification for managing risks faced by farmers and the extreme poor of Cambodia. Diversifying both farm production and sources and timing of income for rural households helps reduce hunger and poverty. Growing a diverse portfolio of crops reduces the impacts of crop-specific disease, drought or flood, and price fluctuations on each household. By reducing individual crop losses, diversification helps increase total farm production and evens out access to food and cash throughout the year. Diversification makes households less vulnerable to climatic or economic shocks such as flood, drought, or dramatic price increases for inputs such as seed and fertilizer. Lastly, diversification will give poor households more choices, and nutrition education will help Cambodians make the best choices for their families' diets.

Other U.S. Government FTF programs will contribute to the goals outlined therein the FTF-C strategy. The USAID Regional Development Mission for Asia (RDMA) and Bureau for Food Security (BFS) have activities ongoing in Cambodia that will align with the FTF-C development objective. Other U.S. agencies active in the Cambodian agriculture and rural development sectors such as the U.S. Department of Agriculture (USDA), State Department, and Peace Corps, among others, are also aligning with the FTF-C development objective where appropriate.

2.2 FOCUS AREA INVESTMENT

FTF-C's primary goal is improved food security and results achieved will rely on upgrading or expanding three major value chains: rice, fish, and horticulture (Figure 1). The three sub-components of FTF-C's strategy will focus on enhanced productivity in rice, fish, and horticulture (3.1.1); improved rural incomes (3.1.2); and improved nutritional knowledge and practice (3.1.3). FTF-C will focus on increasing access to inputs, credit, and irrigation; disseminating best practices in farming and natural resource management; reducing post-harvest losses; expanding household storage and improved water and sanitation; and delivering nutrition education. Preliminary estimates suggest that through FTF in Cambodia, over the next five years:

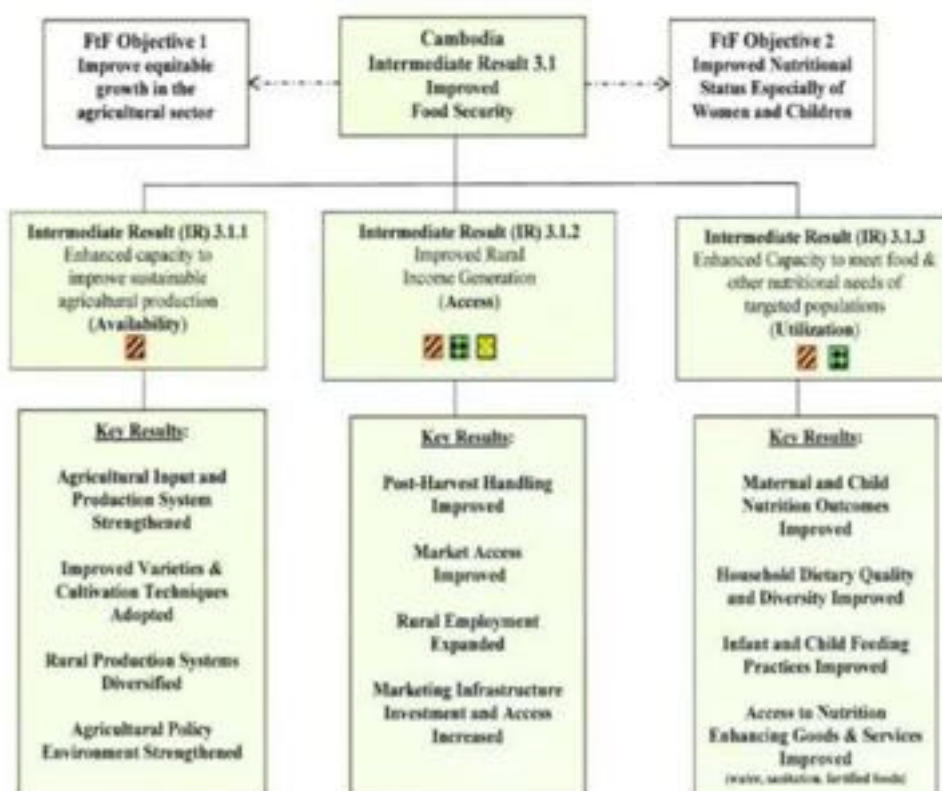
- An estimated 138,000 vulnerable Cambodian women, children, and family members—mostly smallholder farmers—will receive direct, targeted assistance to escape hunger and poverty.
- More than 89,000 children will be reached with services to improve their nutrition and prevent stunting and child mortality.
- Significant numbers of additional rural populations will achieve improved income and nutritional status through strategic policy engagement, institutional investments as well as leverage of U.S. Global Climate Change Initiative and other resources.³

³ Disclaimer: These preliminary targets were estimated based on analysis at the time of strategy development using estimated budget levels and ex-ante cost-beneficiary ratios from previous agriculture and nutrition investments. Therefore, targets are subject to significant change based on availability of funds and the scope of specific activities designed. More precise targets will be developed through project design for specific FTF activities.

The secondary, but critical focus area for FTF-C (but funded by GCC and also achieving GCC specific results) corresponds to the Mission goal of “Improved Natural Resources Management and Resilience to Climate Change.” Mission programs focusing on adaptation to climate change and equitable natural resources management also contribute immediately and significantly to food security. Investments will improve the ability to adapt to climate change through improved agricultural and fisheries management techniques; community-based natural resource management of forests, fisheries, water resources, and protected areas; and ecosystem services. Although this component will be entirely funded through the GCC, it will be integrated within FTF-C activities.

FTF-C will continue to work with the RGC, civil society, and the private sector. USAID/Cambodia’s programs to improve the economic enabling environment will strengthen the skills of the Cambodian public and private sector for work on national-level policy and research. FTF-C activities will build capacity at the national level to support the agricultural and climate change interventions required for success through activities supporting informed economic decision making and enhanced national/economic diversification. Accurate, evidence-based and economically sound decision-making and policy development are critical to long-term success and sustainability of results achieved in Cambodia under FTF-C, GCC and/or GHI.

Figure I. Feed the Future Key Results



2.3 IMPACT INDICATORS

FTF-C will be responsible for data collection for several types of indicators for the FTF and GCC frameworks. These include:

1. FTF Indicators;
2. Foreign Assistance Framework Indicators;
3. Biodiversity Indicators;
4. GCC Indicators; and
5. Custom Indicators for specific project management needs.

In addition to these, the USAID/Cambodia Office of Public Health and Education will also collect data against nutrition and health indicators for their GHI strategies that will contribute to broader FTF-C results. These indicators include data on infant and young child feeding, micronutrient supplementation, and training of health outreach volunteers and health providers on nutrition.

Cambodia Specific Indicators

In addition to these FTF specific impact indicators, FTF-C will also measure impact using indicators related to the integrated FTF and GCC goals. As part of the Country Development Cooperation Strategy (CDCS) process and development of new FTF-C and GCC activities, the U.S. Government is developing the Performance Monitoring and Evaluation Plan (PMEP) that will accompany this integrated program and will validate these and broader FTF indicators. New activities under FTF-C will also be expected to achieve results against one or more of these specific indicators of success. The USAID FTF Strategy will use a two-phased approach to pilot and evaluate several intervention models during the first phase of key programs. The most successful approaches will then be scaled up and expanded in the second phase.

2.4 ALIGNMENT OF GOALS AND RESULTS WITH ROYAL GOVERNMENT OF CAMBODIA PRIORITIES

As part of its efforts to encourage economic growth, generate employment, and reduce poverty and hunger, the RGC adopted the Rectangular Strategy in 2004 to achieve its priority political and economic goals. Two strategic documents guide all food security, agriculture, and nutrition programs related to this Strategy. The first, the Strategic Framework for Food Security and Nutrition (SFFSN) 2008-2012 was developed by the RGC in broad consultation with development partners and non-governmental organizations (NGOs). The objectives of the SFFSN are as follows:

- “Increase in food availability from own agriculture and livestock production”
- “Increase in food access by increasing income”
- “Improved food use and utilization”
- “Improved social safety nets and enhanced capacities to cope with risks and shocks”
- “Enhanced institutional and policy environment”

The second document guiding food security is the joint RGC-TWG 2007 Strategy for Agriculture and Water. The United States was not directly involved in the development of these strategies, but is currently an active member of both working groups. The development goals of the SAW are also in alignment with the USAID FTF Strategy (and aspects of GCC) and explicitly include goals targeting hunger and poverty in Cambodia:

1. Agricultural systems and community arrangements that enable poor and food insecure
2. Cambodians to have substantially improved physical and economic access to sufficient, safe and nutritious food at all times to meet their dietary needs and food preferences for an active and healthy life.
3. Agriculture and agri-business that make effective use of inputs and market opportunities, are steadily intensifying and diversifying production, and deliver full benefits to farmers, rural communities, and other stakeholders.
4. Sustainable and pro-poor management of water resources, water management facilities, water-related hazards, and land resources that is integrated, efficient, and carried out in a river basin context.

3 CORE INVESTMENT AREAS

3.1 OVERVIEW

As noted above, the SFFSN and SAW outline the RGC's priorities for achieving food security and adequate nutrition for the Cambodian people. These strategies, and their cross-cutting objectives, guided the development of the 2010 FTF-C Implementation Plan and this strategy. The United States will work with the RGC, civil society, and the private sector on all core investment areas. Core FTF-C areas will be addressed through ongoing programs as well as new FTF-C activities through local NGOs. FTF-C specific investments will contribute to poverty reduction as well as improved food security. However, supporting programs, such as those in GCC, microenterprise development, macroeconomic policy, financial services, and health, will also contribute to broader poverty alleviation goals. FTF-C specific investments will fall into three areas corresponding both to the rural focus of this program and the three classic conditions needed to achieve food security:

- (3.1.1) Enhanced capacity to improve sustainable agricultural production (availability);
- (3.1.2) Improved rural income generation (access); and
- (3.1.3) Enhanced capacity to meet food and other nutritional needs of targeted populations (utilization).

Across all core investment areas, FTF-C will support activities that ensure the following key issues are prioritized and maintained as critical both to short-term success and long-term sustainability of results:

- **Capacity of Public and Private Institutions:** Strengthening national and local ability to manage and resolve challenges related to food security and adapt to global climate change is fundamental to FTF-C. Cambodian private, public and civil society institutions are characterized by relatively young professionals with limited technical and managerial experience and weak institutional capacity. While this situation limits Cambodia's ability to respond to critical development issues, the RGC has begun devolving limited authority and financial resources to

Development Councils at the provincial, district, and commune levels. This presents an important opportunity to engage community groups, the private sector, and government on development activities, and all FTF-C activities will be expected to take advantage of this opportunity.

- **Beneficiary Targeting:** FTF-C programs will be required to ensure that activities increase the participation of women, youth, and the extreme poor in rural growth and increase their representation as beneficiaries of the program. To ensure improved food security, it is essential to affect the poorest segment of society – those living in extreme poverty. The strategy further defines this sub-group as female-headed households, indigenous groups, rural landless-unemployed, and those living in remote areas. These segments of society are difficult to integrate into economic activities and as a result are often not targeted adequately. FTF-C will conduct analyses and identify options to affect more directly the food security of Cambodia's women, youth, and extreme poor.
- **Natural Resources Sustainability:** For core investments to make a lasting impact, the natural resources base on which they rely must survive. A healthy natural resource base is essential for agrarian livelihoods. The floodplains of the Tonle Sap constitute a highly productive freshwater ecosystem. Its seasonal flood-recession cycle deposits rich sediment that fertilizes vast flood plains and creates seasonal habitat that sustains one of the world's most productive freshwater fisheries. The upland forests (e.g., the Cardamom Mountains) mitigate flooding and siltation, and maintain the stream flows feeding the Tonle Sap. Recognition of two things is key to the long term success of any efforts FTF-C may undertake. First, the economic value of these key natural resources must be understood by target populations and government. Second, the external and environmental costs to society and downstream communities of various development options also must be recognized by beneficiaries and decision makers.

In order to achieve each of the three core goals, programs within each FTF core investment area must work to achieve specific conditions. Each condition, (e.g., improved seed varieties are adopted) in turn is built through a variety of targeted interventions (e.g., seed demonstration plots). Outlined below is a brief synopsis of these conditions and the types of interventions FTF will use. U.S. core investments under each of these will also target research activities that can further support programs in Cambodia.

3.2 FOOD AVAILABILITY

Sustainable Agricultural Production

In Cambodia, low agricultural productivity is associated with small farm sizes, limited access to irrigation, reliance on rain-fed agriculture, decreasing fish populations and fish size, and expensive and scarce agricultural credit. Under this FTF-C core investment area, we will seek to establish four key conditions necessary to achieve sustainable agricultural production.

3.2.1 A Sound Agricultural Input and Production System

Despite significant progress in enhancing agricultural yields over the last several years, current yields of rice, fish, and other crops in Cambodia are significantly lower when compared to those in neighboring countries. Agricultural production systems are characterized by a lack of modern on-farm technologies and high production costs (energy, fertilizers, and credit). In addition, inputs such as animal feed are frequently adulterated, and seed material is of poor quality or not right for Cambodia's soils. Critical inputs such as fertilizers and pesticides are unavailable or used incorrectly. Moreover, the reliance on

rain-fed agriculture, poor water resource management, and the presence of pests and diseases makes agricultural production extremely risky.

U.S. core investments will assist agribusinesses to provide more affordable quality products and services, including those associated with seeds, fertilizers, plant protection and animal health. These core investments will support improved farm management practices such as soil and water conservation and management that increases the efficiency of agricultural inputs (such as fertilizer). Financial strategies (e.g., loan guarantees, supplier credit, and forward contracting) and technologies that reduce risk will allow farmers and local agribusinesses to become more innovative, leading to increased production and reduced labor/input costs.

3.2.2 Adoption of Improved Varieties and Cultivation Techniques

Cambodian farmers use self-retained seed from the previous season's crop. When stored in poor conditions, seeds lose their quality, reducing germination rates and overall crop quality. At present there is only one government entity (Cambodia Agriculture Research and Development Institute) that is responsible for such activities, and only one commercial seed producer. Both organizations face budgetary and human resource constraints. Given the lack of viable input suppliers and limited research and development capabilities in Cambodia, there are few alternatives to farmer-retained seeds.

In many countries, agricultural extension services are a primary source of information and skill building. In Cambodia, a 2008 study showed that only one percent of all farmers had been visited by an agricultural extension agent (nearly all of whom were men) and only 10 percent of those visited were women⁴. At least one NGO has trained women as volunteer extension agents; however, given the issue of rural women's time and funding constraints, such efforts are unlikely to show significant impact. MAFF has used a very different approach to closing this gap. It supports the use of an SMS text-based mobile telephone system through the Cambodia Agriculture Market Information Project (CAMIP), which provides market information for producers and entrepreneurs in the high value vegetables and fruit industry. It has not expanded into other value chains as yet, and it is unclear how effective it has been nor how extensively it is used by either men or women.

FTF-C broadly defines the term "agricultural extension services" to go well beyond the traditional definition as those provided only by government agricultural officers directly to farmers. Extension can just as easily and more sustainably be provided to farmers by the private sector as part of delivery of agricultural supplies and services by local agricultural enterprises. Government extension services still have a key role to play in providing oversight and quality control. Freed of this larger training function, these RGC officials are increasingly able to use their limited resources to help a larger number of farmers obtain high quality services at affordable prices from their local, private agricultural service and supply centers. FTF-C will also explore whether the model—taken from the health sector here—for the RGC to contract extension services out to NGOs and other enterprises (international and local) is something that would be sustainable in the long run.

FTF-C will support the development and introduction of seed varieties that are high yielding, drought and flood tolerant, have high market value and are adaptive to Cambodia's important agro-ecological zones. FTF-C will also work with government and private-sector partners to make appropriate on-farm technologies (e.g., improved seed storage or labor-saving technologies) more widely available to both

⁴ Ministry of Women's Affairs (MoWA), 2008, "A Fair Share for Women: Cambodia Gender Assessment," Phnom Penh: MoWA (as cited in the USAID/Cambodia 2010 Gender Assessment).

female and male farmers and expand both private and public extension services for farmers and other rural producers.

3.2.3 Diversified Rural Production Systems

Rural households engaged in agriculture demonstrate little diversification and are heavily dependent on rice production as a major source of income and food. When the price of rice drops or rainfall is untimely, on-farm income diversification will help reduce the risk to farmers of income shortfalls, improving their resilience to both price shocks and climate variations. Diversifying rural production systems is critical for enhancing food availability and improving income flows. Diversification into higher value products such as vegetables, fruits, aquaculture, and small livestock can offer significant financial gains and increase demand for local on-farm jobs.

Cambodia is producing limited but growing amounts of high value crops such as vegetables (e.g., sweet corn and eggplant), fruits, and tree nuts. Food from forests and fisheries is also important for diversification. When households are not able to produce enough food for their own needs, they depend on wild forest products (e.g. honey, mushrooms, wild fruit, and roots) and fisheries for additional food and income. Households' access to such common property resources are tenuous, often seasonal, and combined with over exploitation and mismanagement, resulting in serious threats to this source of food and livelihoods.

Analyses will identify the optimal mix of crops to increase food availability and nutrition as well as household income. The analyses should inform other activities such as improving market access for producers and linking markets to other value chain members. Activities will work towards sustaining common property resources to improve both food security and livelihoods.

3.2.4 Strengthened Agricultural Policy Environment

A mature regulatory environment is necessary for investments by the private sector, donors, and government entities to help address food security issues. USAID/Cambodia in conjunction with USDA, U.S. Embassy Political and Economic Section, and key donors will continue to provide unified comments to the RGC on various draft laws and regulations related to the agriculture, animal health, environment, and food security sectors and urge the RGC to improve access to agricultural inputs. FTF-C will continue support to activities that assist in key policy reforms needed to achieve its goals.

3.3 FOOD ACCESS

Increase and Diversify Rural Income Generation

In order to increase the opportunities for poor rural households to generate needed cash income, FTF-C will expand off-farm jobs and sales, strengthen post-harvest systems, improve market access, and make targeted investments in marketing infrastructure. Non-farm self-employment is important for all Cambodians. However, more women than men (83 percent and 76 percent, respectively) are self-employed in farm and off-farm labor and in both formal and informal enterprises. According to several studies, women are listed as owners of the majority of micro, small or medium enterprises. Most of these firms (over 95 percent) have less than 10 employees, and the most informal and smallest self-employed businesses were women-owned.

3.3.1 Strengthened Post Harvest Systems

Agricultural production is often constrained by poorly developed or nonexistent post-harvest systems, including handling, packaging, and transportation of agricultural products, which leads to a large amount of spoilage and reduction in product quality. Activities will focus on reducing crop spoilage and linking producers and fishermen to existing processing industries through local public-private partnerships. FTF-C will also focus on fostering development of post-harvest processing enterprises, improving product quality, and increasing government and private-sector capacity to adhere to international quality standards.

3.3.2 Improved Market Access

In Cambodia, producers have limited access to markets. Low education and social status of producers contributes to limited knowledge about market conditions and consumer tastes and preferences. An inability to produce sufficient quantities of crop varieties on a consistent basis and poor distribution channels are aggravated by poor coordination of value chain activities and weak market links between farmers and buyers. The limited presence of farmer cooperatives, associations, commodity marketing groups, and provincial chambers of commerce exacerbate this situation. These types of organizations, when they do exist, are typically ineffective and lack the ability to advocate for the sector as a whole.

Given the geographic dispersion and poor coordination among producers in Cambodia, linking producers together and to markets will be a priority. FTF-C will support activities that work with value chain groups at different links in the chain (e.g. producer groups, haulers, millers' associations, etc.) to assist producer groups as well as enterprises involved in post-production and trade activities. Forward contracting with buyers will allow farmers to access product-specific, quality inputs (e.g., a particular grade and variety of eggplant seed), extension services, and markets. There are few contract farming operations in Cambodia. They report varied levels of success, but most operations only use commune-level farmer associations to provide support to a broad group of farmers. Better linking commercial marketing firms to farmers provides an opportunity to bring agriculture into the formal sector and will create opportunities to grow both new and existing operations.

3.3.3 Expanded Rural Employment

An important source of income for the rural poor is wage labor from off-farm activities. Roughly 85 percent of Cambodians are employed in informal enterprises usually associated with agricultural production, housing and construction, and services such as transportation and agribusinesses. These jobs are usually short-term, have limited security, and can result in long periods of unemployment in rural areas. For rural households, with no access to land or other productive assets, erratic and seasonal employment in farms or rural microenterprises is often the sole means of purchasing food.

The landless account for roughly 20 percent of rural households and are among the most vulnerable to food insecurity. The high rates of unemployment are the result of the limited number and ability of private-sector entities to absorb large numbers of unskilled workers. However, producers with diversified crop schemes and related agribusinesses involved in high value activities often lead to higher income and increased demand for workers. FTF-C will support activities that help diversify employment opportunities for on-farm and postproduction enterprises, as well as non-agricultural but rural enterprises, with a special focus on women, youth, and the landless poor.

3.3.4 Increased Investment in Marketing Infrastructure

Profits from agricultural activities are generally low given poor transportation networks and limited infrastructure in rural areas to support market activities. While many roads are significantly improved in recent years as a result of donor investments, remote rural roads are often in a state of disrepair and few are paved, making it difficult and costly for rural producers to transport goods to market during certain times of the year. Production inputs such as water and electricity are prohibitively expensive and limit the competitiveness of rural enterprises. In addition, existing infrastructure does not support post-harvest value chain activities. The lack of storage and cold chain facilities results in rapid product degradation, lower gross margins, and significant food spoilage.

Activities will support small-scale transportation technology (e.g., small motorcycle-powered refrigeration transport -- “cooler tuk tuks”), food storage and processing facilities, alternative energy sources, and market infrastructure. FTF-C will also emphasize partnerships between the local public and private-sector entities, including cost sharing.

3.4 FOOD UTILIZATION

Meeting Nutritional Needs

As noted above, the Global Hunger Index labels Cambodia as “alarming,” with a rank of 100 out of 118. The index ranks countries by combining three indicators: level of child malnutrition, rates of child mortality, and the proportion of people who are calorie deficient. Malnutrition among Cambodia’s urban and peri-urban poor as well as the rural poor is widespread. It is most acute among children under five years of age and among pregnant and nursing women. Under this FTF-C core investment area, we will use a combination of resources from the agriculture, economic growth, health, and environment sectors to achieve key results in the following key areas.

3.4.1 Improve Maternal and Child Nutrition Outcomes and Infant and Child Feeding Practices

Fifty-four percent of under-five mortality is associated with malnourishment. However, in Cambodia, as elsewhere, access to food (whether grown, given, or bought) is not the only important factor in nutrition. Other important causes of malnutrition include lack of access to health care and nutritional services and the way children are cared for and fed. For example, it is common for very young children to only be fed rice when being weaned; therefore, changing the social norms and beliefs regarding feeding practices of young children will be critical.

Based on recommendations of the USAID nutrition assessment in May 2010, FTF-C interventions using agriculture or other non-health resources are being designed that will supplement and complement the Office of Public Health and Education’s (OPHE’s) existing health portfolio. Given limited nutrition health funding, FTF-C agriculture investments will include funding for nutrition specific programs, be designed in collaboration with OPHE, and use existing local partners working in FTF-C target provinces and districts (or local partners willing and able to expand into these areas).

OPHE’s nutrition-related activities currently target infant and young child feeding practices, micronutrient supplementation for women and children (including vitamin A, iron, and micronutrients), food fortification, and point-of-use clean water treatment. Also, the U.S. Peace Corps program in Cambodia has recruited 22 health and nutrition education volunteers. The first volunteers arrived in Cambodia July 2011, and they were deployed after receiving orientation and training on FTF-C objectives and essential nutrition education and messaging.

Though not FTF-C core funding investments, OPHE funds maternal and child health programs that support the RGC's national vitamin A campaign, the distribution of iron and folate for pregnant women and new mothers, community nutrition education programs through health outreach volunteers, and a complementary feeding program. OPHE will begin funding a campaign led by UNICEF to encourage appropriate complementary feeding choices by parents for weaning their young children. OPHE has also successfully piloted programs in iron fortification of fish and soy sauce which will be scaled up through the award of a Global Alliance for Improved Nutrition (GAIN) grant to one of the U.S. Government's local implementing partners, the Reproductive and Child Health Alliance (RACHA).

3.4.2 Improve Household Dietary Quality and Diversity

Not only will FTF-C build on existing health, water and sanitation, and nutrition programs, it will bring a food-based, agricultural, environmental, and private-sector approach to targeted nutrition messaging and education to change key dietary practices. With nutrition funding limited, agricultural education and messaging through FTF-C core investments must be used to increase awareness of food-based approaches to nutrition and foster improved dietary choices. FTF-C programs promoting diversified agricultural production are being informed and guided by the need to improve household dietary diversity and improve dietary choices by farming households and others in their rural communities. USAID's HARVEST program staff includes a nutritionist working closely with the agriculture team to explore creative ways to improve dietary choices and promote dietary diversity for farmers and their families. Combining agricultural messaging for crop diversification and related farming practices with nutrition and dietary messaging that targets farm managers and decision-makers (often women) will help increase the effectiveness of such messaging.

3.4.3 Improve Access to Nutrition Enhancing Goods and Services

The recommendations in the FTF strategy to link agriculture, nutrition, and health include expansion of access to potable water and sanitation, use of iodized salt, malaria and deworming treatments, vitamin supplementation, fortified and/or complementary foods, and growing those enterprises providing these goods and services. FTF-C will expand the use of these goods and services through both health-based and sustainable, private-sector service-provider approaches. In many areas of Cambodia, the water and sanitation sector provides an instructive example of this two-pronged approach. Assisting the private-sector to provide water services or cost-effective latrine sales is highly effective in providing sustainable and long-term solutions that significantly reduce disease-related malnutrition. Conversely, there are still areas of the country that will require a more public health-based approach to provision of water and sanitation services.

4 MONITORING AND EVALUATION

4.1 OVERVIEW

The U.S. Government maintains a strong internal monitoring and evaluation (M&E) system for all its development programs implemented in Cambodia. The U.S. amended its existing Economic Growth Assistance Agreement (AsAg) with the RGC in September 2010 to include FTF and GCC activities. The AsAg guides collaboration between the U.S. and the RGC as well as monitoring and evaluation of activities. Under this agreement, implementing organizations are required to report on program activities to the concerned RGC ministries and consult with them at regular intervals on performance and progress toward program objectives. FTF-C will also continue to work with the RGC and other donors through the TWG-FSN and TWG-AW (and other TWGs such as Forestry and

Environment) to ensure that performance indicators are evaluated and provided to them appropriately and on an annual basis.

4.2 MALNUTRITION AND AGRICULTURE

The CDHS is conducted every five years and is funded in part by USAID. Preliminary national findings for the 2010 CDHS were released in April 2011. Provincial-level data will be needed to confirm preliminary baselines established for planned FTF-C activities. Comprehensive data on child malnutrition and poverty rates nationally and at provincial levels will be available in September 2011. Monitoring progress on malnutrition and poverty indicators on a yearly basis will require development of small, stratified random sampling and/or development of effective proxy indicators to monitor target beneficiaries. However, at the end of the five-year program, the 2015 CDHS will be conducted and can be used to verify any proxy measures used.

Under the TWG for Food Security and Nutrition, FTF-C will also have access to the Cambodian Food Security and Nutrition Information Management Task Force and the related Food Security Data Analysis Team (FSDAT). FSDAT provides the Task Force with regular analysis of health and agricultural statistics and household surveys (e.g., CDHS). Under these mechanisms, FTF-C will be able to request specific analyses be conducted and participate in and co-fund portions of broader data collection efforts initiated by the RGC and other donors.

4.3 MONITORING AND EVALUATION PLAN

FTF-C awards will be expected to include a central M&E system in order to track the overall progress made towards achieving each project's main objectives of improving food security, reducing poverty, and/or combating climate change. Furthermore, a dynamic monitoring and reporting system is required to meet the demands for regularly scheduled and ad hoc information and reports on project activities.

In addition to project-level impacts, M&E systems should be capable of evaluating each project's impact at the level of the ultimate end user and beneficiary. The project will adopt indicators in its Performance Monitoring and Evaluation Plan (PMEP) that quantify and are able to attribute specific contributions to their objectives. In fact, many U.S. indicators concentrate only on outputs, such as "hectares cultivated using improved production technologies," "families and households benefited," or "jobs created." While these measures assess the level of effort of U.S.-supported activities, they do not measure beneficiary or overall project-level impact. Project implementers will be expected to tell a more complete story about how the project affects its target population and allow for real-time adjustments to their work based on these findings.

Finally, the M&E information produced by projects will also contribute to disseminating and advancing knowledge, successes, and lessons learned about innovative development strategies and their impacts. For this purpose, implementing partners, when feasible, will be responsible for organizing public events and producing publications (in both English and Khmer) during the lifetime of the project. Special attention will be dedicated to producing reader-friendly or radio-based accessible information catering to beneficiary communities about the impact of programs and highlighting other core messaging (e.g., dietary choices or potable water).

All awards made under FTF-C, depending on each project's level of effort, will:

- Monitor and evaluate the project impact on beneficiaries, communities, and local organizations (including baseline surveys and mid-term and final impact evaluations);

- Monitor and evaluate program implementation progress and achievement of intermediate-level results using select standardized U.S. performance indicators (the Framework) towards achieving program-level specific goals;
- Verify and review the results of collected data and analysis thereof;
- Verify compliance of the project with Section 216 of the Foreign Assistance Act;
- Deliver complete information on the status and progress of FTF-funded activities; and
- Disseminate project information and progress to interested parties including relevant U.S. Government agencies and the RGC.

The M&E program and PMEP shall allow for tracking and documenting implementation progress against jointly agreed-upon annual and end-of-program performance indicators and related targets and benchmarks. Data will be disaggregated by gender, youth, and poverty indices. Indicators will include such measures as demonstrated improvements in agricultural productivity and food availability, rural incomes and employment, access by rural women entrepreneurs to credit, or comparative rates of employment for women, youth and the ultra-poor.

4.4 USAID FORWARD AND PROCUREMENT REFORM

USAID/Cambodia is using a multipronged approach to meet the USAID Forward objectives related to procurement reform. Importantly, in mid-2009, USAID/Cambodia conducted an extensive analysis of the local NGOs working in the food security and climate change sectors. While the U.S. Government is working directly with NGOs in the health sector, this is not the case in other sectors. These assessments showed that there are extremely limited numbers of NGOs in the food security and climate change sectors, and among those, a limited capacity to directly receive funds. As such, planning for all FTF-C and GCC programming includes the components necessary to build the capacity of local partners. Strengthening the ability of Cambodian partners to effectively monitor and evaluate success (or failure) of their programs should provide a positive benefit in the long run. Ensuring that Cambodian and donor resources are more effectively spent will increase the likelihood that the goals of eradicating hunger and poverty will be met and sustained.

5 FINANCIAL PLANNING

5.1 OVERVIEW

The FTF-C Multi-Year Strategy 2011-2015 is based on the assumption that overall U.S. resources for Cambodia will remain stable or decline slightly from FY2011 figures. While FTF-C resources will still focus on four target provinces in the Rural Tonle Sap region of Cambodia, activities will be further adjusted within each province to sharpen the focus to achieve the greatest results during the life of FTF programming.

USAID/Cambodia currently funds the following mechanisms that support FTF-C:

- I. Helping Address Rural Vulnerabilities and Ecosystem STability (HARVEST): reflecting an integrated FTF and GCC program, the projected five-year budget includes FTF, GCC, microenterprise, and biodiversity funding;

2. Micro, Small and Medium Enterprise Program (MSME): in the final year of its successful program helping rural enterprises improve and diversify rural incomes in key value chains such as aquaculture (fisheries) and swine in target provinces and includes FTF, economic growth, and biodiversity funds;
3. OPHE Maternal and Child Health nutrition education programming: implemented through two local Cambodian NGOs and UNICEF across 11 provinces;
4. Development Credit Authority (DCA): a collaboration with Thaneakea Phum (Cambodia) Ltd. to issue approximately \$2.71 million in loans over the next four years to underserved farmers and micro, small, and medium agricultural enterprises operating in the provinces of Battambang, Kampong Thom, Pursat, and Siem Reap;
5. WorldFish Rice Field Fisheries Enhancement Project: seeks to develop a set of sustainable rice field fisheries management and enhancement practices and to promote best practices for scale out to 1200 Community Fish Refuges;
6. Co-funding of the first agricultural census for Cambodia;
7. Peace Corps Small Project Assistance program (SPA): grants support small activities of nutrition volunteers.

USAID and the Bureau for Food Security (BFS)

It should be noted as well that FTF also provides centrally managed funds to various research mechanisms such as the Collaborative Research Support Programs (CRSPs) and International Agricultural Research Centers (IARCs). While these programs have operated somewhat independently in the past, USAID Cambodia is working closely with BFS and these partners to ensure alignment of these funds, and research activities toward impact in FTF-C focus provinces. For example, the Horticulture, the Sustainable Agriculture and Natural Resources Management (SANREM), and Integrated Pest Management (IPM) CRSPs are focusing new activities toward target provinces and have agreed to require mission clearances on proposed work prior to award of new sub-grants under this CRSP.

U.S. Funding Toward Feed the Future Goals in Cambodia

While U.S. FTF-C funding is specifically directed to the four target provinces, there are a host of other ongoing activities targeting food insecurity and poverty throughout Cambodia that are funded by other U.S. agencies. USDA provides funds to the World Food Program (WFP) to implement the McGovern-Dole International Food for Education and Child Nutrition program and is working in the non-FTF provinces of Kampong Chhnang and Kampot. While USDA's current Food for Education award does not target FTF focus provinces, new awards in out years may be designed with FTF-C focus provinces in mind. The U.S. Department of Labor (USDOL) funds a program addressing child labor in agriculture (including the two FTF-C provinces of Pursat and Siem Reap) by providing educational opportunities for children, and training and assistance to agricultural livelihoods for families and communities. The U.S. Department of State's Humanitarian Mine Action Program also benefits the agriculture and food security sectors in Cambodia. U.S.-supported clearance efforts facilitate the return of land previously littered with landmines and "explosive remnants of war" (i.e., cluster bombs) to productive use for agriculture and other endeavors. FTF-C's Battambang province is a key target of this ongoing work.

Other Donor Funds

Cambodia has a large pool of bilateral and multilateral donors who have worked in the Cambodian agriculture and food security arena far longer than the U.S. Government. USAID/Cambodia's economic growth value-chain work however has positively informed the work of several donors that have expanded this model in their own agricultural value-chain programs. In the FTF-C focus provinces, U.S. partners are working closely with other donors such as the FAO and Australia to ensure that efforts are mutually reinforcing. Specific and exact levels of donor funding or planned funding, however, are not available in many instances. Also their project boundaries or funding windows are not concurrent with those of the United States. It should be noted that the Danish International Development Agency (DANIDA), a key player in agriculture and food security in Cambodia, has announced plans to close its programs.

Global Agriculture and Food Security Program (GAFSP)

As noted above, in June 2011, Cambodia was awarded Global Agriculture and Food Security Program (GAFSP) funds totaling \$39.1 million. These funds will support increased productivity and diversity of agriculture in selected highly food-insecure and economically depressed areas. The RGC submitted its proposal with support from the FAO. Funding for this project will be channeled through the ADB. The RGC GAFSP concept, entitled "Reducing Global Risk and Vulnerability through Improving Food Security and Household Nutrition in Cambodia," was designed specifically to implement the Food Security Pillar of the RGC's Strategy for Agriculture and Water (SAW). In support of ADB and RGC efforts, FTF-C will identify opportunities to support and increase the RGC's capacity to implement evidence-based food security programs.

Other Sources

Ongoing FTF-C programs routinely work to engage the private sector to support and invest in the development of rural Cambodia. Improving the ability of the private sector to link up and work directly with farmer-clients has been shown repeatedly in the developing world as critical to maintaining the results of development interventions. When farmer training is included as part of the routine sales and services provided by lead enterprises (input suppliers and farmer associations), development interventions are made sustainable. When development programs partner with local buyers to train farmers to meet market grades and standards; local buyers also learn how to become better market facilitators and trainers of their client-farmers. Such cost-sharing arrangements (in cash or in-kind) for training materials, supplies, staff, and venues thus benefit both donors and local buyers. FTF-C will also continue to work to increase appropriate regional investment in Cambodian agriculture such as the provincial trade and investment missions completed with Singapore in 2010 and 2011.

6 MANAGEMENT

6.1 INTERAGENCY COORDINATION

FTF-C currently takes place predominantly through the interagency working group for environment, health and education (also known now as the Lower Mekong Initiative (LMI) working group) chaired by the Director of OPHE. The FTF Interagency Working Group chaired by USAID's FSE Director will also work to ensure a coordinated interagency approach to food security and FTF programming for Cambodia. The group will meet quarterly (and on an ad hoc basis as needed) and will include a core team of USAID FSE and USAID OPHE, Peace Corps, and U.S. Embassy Political and Economic Section in Phnom Penh. Virtual or visiting members will represent USDA, USAID's Asia Regional Office (RDMA),

USAID's Bureau for Food Security (BFS) and Economic Growth, Education and Environment (E3), USAID's Asia Bureau, and the U.S. Geological Survey (USGS) (especially as GCC work expands). Both the Food Security and LMI working groups will ensure that bilateral efforts in food security are complementary to regional programs managed by USAID RDMA, BFS, Forecast Mekong managed by USGS, and the U.S. Lower Mekong Initiative.

6.2 PEACE CORPS

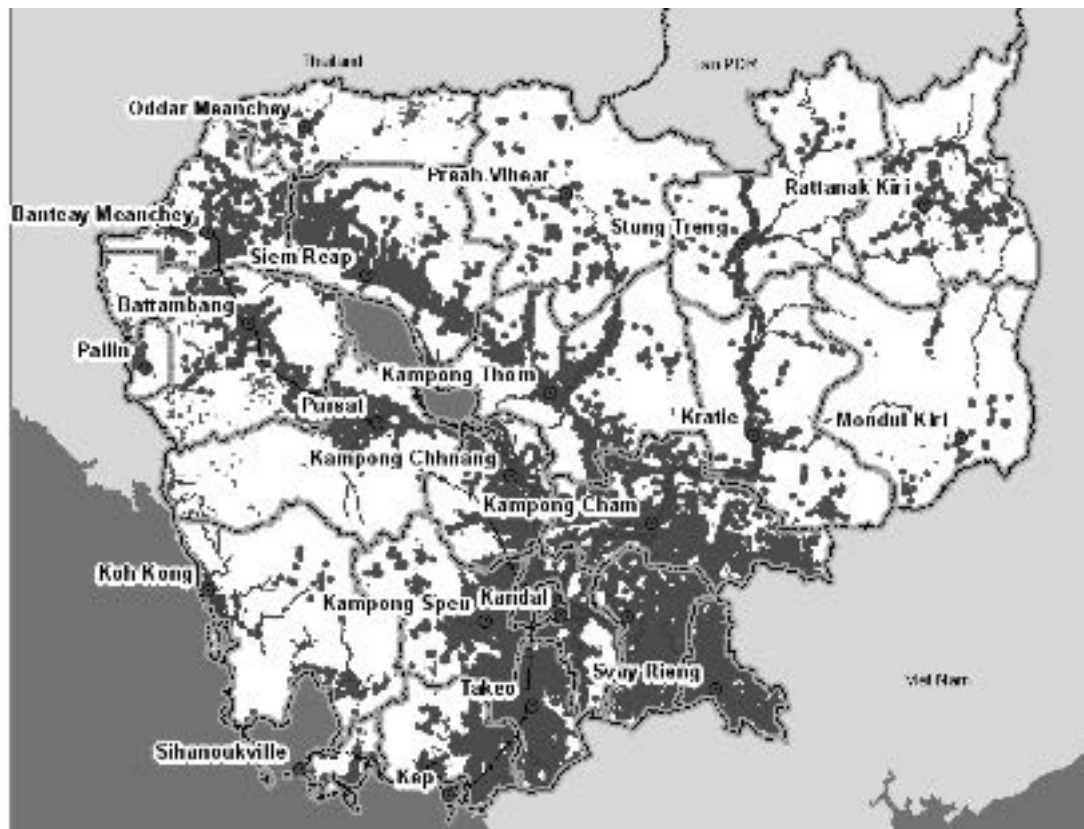
In support of FTF-C nutrition education needs, U.S. Peace Corps/Cambodia has recruited 22 health and nutrition education volunteers. These volunteers arrived in Cambodia July 2011 and were deployed after receiving orientation and training on FTF-C objectives and essential nutrition education and messaging. While volunteers were placed all across Cambodia, these sites include FTF-C focus provinces, and volunteers will work in coordination with other ongoing FTF-C activities where possible. Also FTF-C staff will provide Peace Corps staff in Phnom Penh with technical guidance for their new nutrition and health training manuals for their new health and nutrition volunteers.

6.3 U.S. DEPARTMENT OF AGRICULTURE

USDA regional staff provides coverage for Cambodia from Vietnam, overseeing USDA food aid and technical assistance work related to animal health and sanitary and phyto-sanitary (SPS) issues.

7 ANNEXES

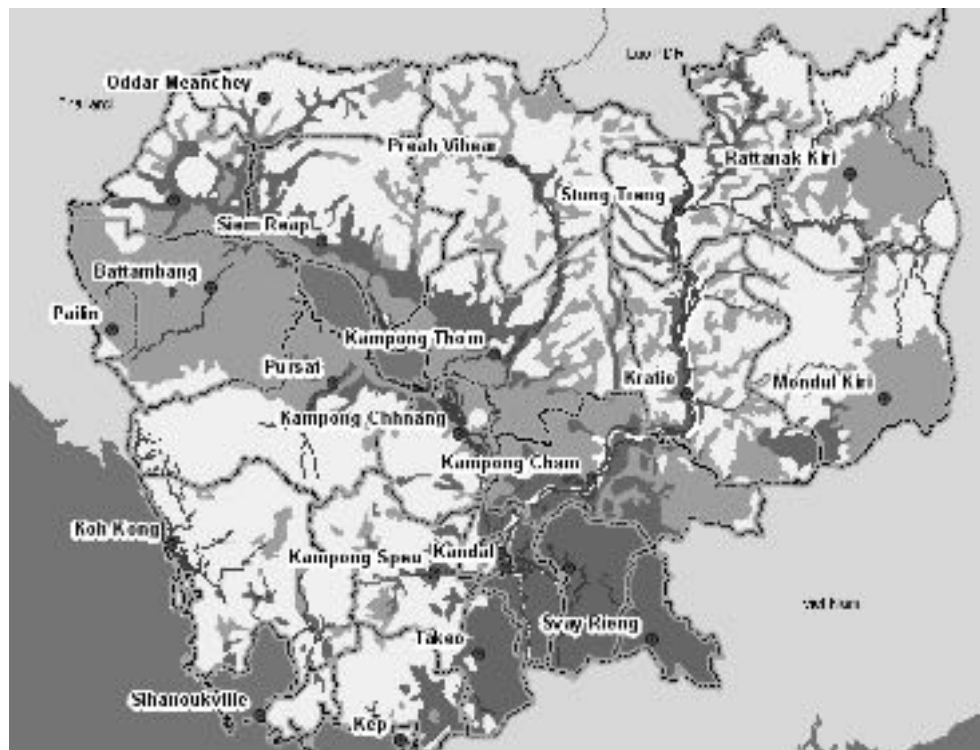
ANNEX A. FIVE KEY GEOGRAPHIC AND POPULATION ZONES OF CAMBODIA



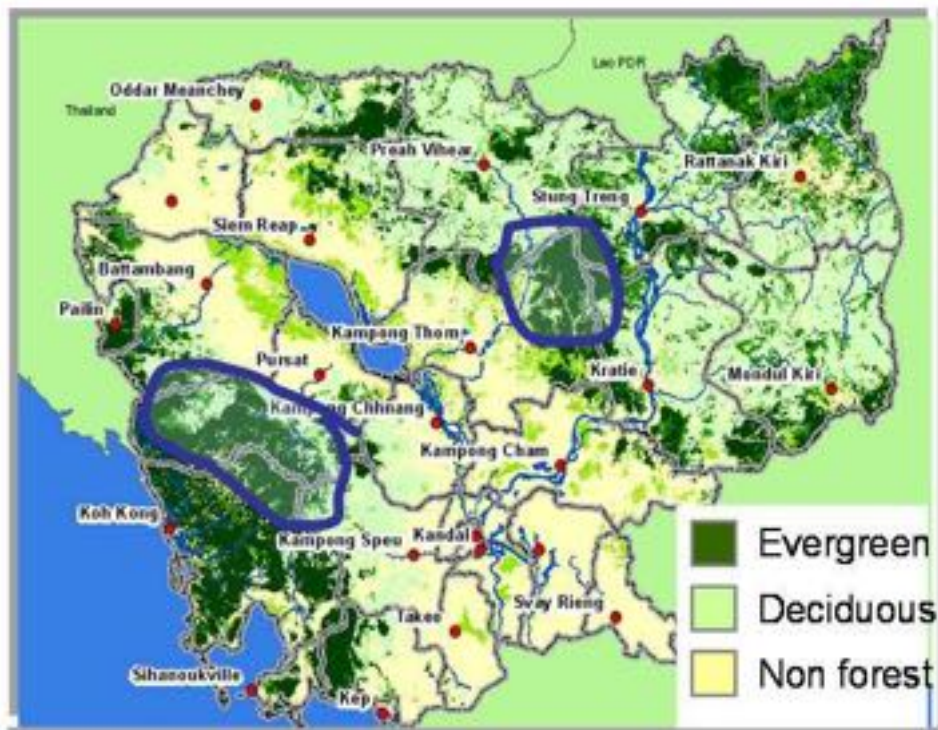
ANNEX B. FOCUS AREA: HIGHEST SHARE OF FOOD INSECURITY IN CAMBODIA



ANNEX C. FOCUS AREA: HIGHEST SOIL FERTILITY AND WATER AVAILABILITY



**ANNEX D. GLOBAL CLIMATE CHANGE INITIATIVE AND BIODIVERSITY AREA:
FLOODED, EVERGREEN AND DECIDUOUS DRY FORESTS IN THOSE SAME
PROVINCES**



ANNEX E. FOOD SECURITY-RELATED TECHNICAL WORKING GROUPS

Technical Working Group on Food Security and Nutrition (TWG-FSN)

The Technical Working Group on Food Security and Nutrition (TWG-FSN), which is co-chaired by the Council for Agricultural and Rural Development (CARD) and Ministry of Planning (MoP); and co-facilitated by World Food Program (WFP) and the Food and Agriculture Organization (FAO), was established in December 2004.

TWG-FSN Operating Framework

The TWG-FSN, whose members of TWG-FSN are from relevant line ministries, donor agencies and NGOs, is responsible for the formulation of national policies and strategies with regard to food security and nutrition in Cambodia. The TWG-FSN will support medium-to-long-term policy formulation; sector planning and activity prioritization aligned to wider policy dialogues. The TWG-FSN will help identify, prioritize and fund innovative approaches and outstanding issues at the national policy level in this regard. The decision making process will also be assisted and facilitated by the TWG-FSN. The key functions of the TWG-FSN include: a) to coordinate; b) to share information among government ministries, donors and other organizations; c) to monitor and provide feedback on progress towards national strategies and policies such as the National Poverty Reduction Strategy (NPRS), the Cambodian Millennium Development Goals (CMDGs) and the Rectangular Strategy; and d) to formulate policies and strategies.

Technical Working Group on Agriculture and Water (TWG-AW)

An agreement was reached in September 2003 to create a joint Government-donor technical level working group on agriculture and water (as it relates to agriculture), called the Technical Working Group on Agriculture and Water (TWG-AW).

The need for a forum for stakeholders to work together to progress agricultural development in Cambodia had been acknowledged in high-level policy dialogue platforms (including Consultative Group meetings and Government-Donor Coordination Committees for example). It had also been reflected in the Rectangular Strategy, which included promotion of agricultural development as a priority area in the Government's efforts to reduce poverty. The “Operating framework”, endorsed in October 2004, is the basic document describing the TWG-AW mandate, objectives, organization and relationship with other dialogue forums. It can be summarized as presented below.⁵

TWG-AW Operating Framework

The principal function of the group is a supportive and collaborative role in assisting the government to progress agricultural development in Cambodia. The TWG-AW provides a mechanism at technical level for Government-donor coordination in the agriculture sector that includes water resource management. The working group will aims to:

- Identify sector priorities,
- Harmonize activities,
- Improve the utilization and mobilization of resources, and
- Support efforts to strengthen the agricultural sector's capacity to contribute to economic growth and to include the poor in this process.

⁵ http://www.twgaw.org/doc/Operating_Framework_TWGAW_EN.pdf

In this respect, the TWG-AW provides a link between high-level policy dialogue and field implementation/project work. It helps translate high-level policy goals (formulated in the Second Socio-economic Development Plan (SEDPII)/NPRS/Rectangular Strategy and similar documents) into sector-related programs and projects, and, conversely, ensures identification of policy goals that are realistic. This will help all stakeholders to fully participate in the agriculture-related development dialogue. In the context of the TWG-AW, agriculture comprises the production, processing and marketing of food and industrial crops as well as livestock and poultry.

Agriculture-related water resource management is mainly related to irrigation but in principle also includes water saving techniques and more efficient use of water in crop production.

Main TWG-AW objectives and functions:

- Information sharing among Government and donors
- Development and prioritization of sector policies
- Promoting a sector-wide development approach
- Coordination
- Addressing common areas regarding technical and administrative issues
- Facilitation of NPRS/National Strategic Development Plan (NSDP)/CMDG/Rectangular Strategy and Cambodia Group (CG) Meetings policy dialogue

TWG-AW membership

The main active members of the TWG-AW are:

- For the Government: the Ministry of Agriculture, Forestry and Fisheries (MAFF) and the Ministry of Water Resources and Meteorology (MoWRM). Several other ministries or institutions are also represented, such as Ministry of Rural Development, Ministry of Economy and Finance, Ministry of Land Management, Urban Planning,
- For the donors: AusAID, AFD (French Agency for Development), World Bank, ADB, European Commission, CIDA/CCO, JICA, GIZ, FAO, WFP, USAID. Observers from the civil society (NGOs, private sector) may also be invited to participate.

Organization

The TWG-AW is managed by two Co-Chairs held by a MAFF and a MoWRM representative, assisted by two Vice Co-Chairs. Assistance to the Co-Chairs is provided by two co-facilitators representing the donor group. In addition, a full time secretariat supports the TWG-AW activities.

Joint Monitoring Indicators (JMIs)

As stated above, one of the functions of the TWG-AW is to facilitate the policy dialogue between the government and the External Development Partners at the national level. It is thus responsible for providing regular information on some of the JMIs identified in the Consultative Group process.

The updated information on these JMIs is provided by the TWGAW through its regular reports to the Government-Donor Coordination Committee.