

# SUMMARY OF STAKEHOLDER CONSULTATIONS AND ENGAGEMENT PLAN

**For Public-Social-Private Partnerships for Ecologically-Sound Agriculture and Resilient  
Livelihood in Northern Tonle Sap Basin (PEARL)**

Prepared by

FAO Project Formulation Team

March 2022

## List of Acronym

ARDB:	Agriculture and Rural Development Bank
AMK:	Angkor Microhenranhvatho Kampuchea
AC:	Agriculture Cooperative
ADB:	Asian Development Bank
CARD:	the Council for Agricultural and Rural Development
CF:	Community Forestry
CPA:	Community Protected Area
DP:	Development Partner
ESMF	Environmental and Social Management Framework
FAO:	Food and Agriculture Organization of the United Nations
FARM:	Options and Specifications for Farmer-led Agricultural Resilience Mechanism
GRET:	Groupe de Recherches et d'Echanges Technologiques
GCF:	Green Climate Funds
GDA:	General Directorate of Agriculture
GI:	Geographical Indication
HACCP:	Hazard analysis and critical control points
IFAD:	The International Fund for Agricultural Development
IFC:	International Finance Corporation
ICEM:	International Centre for Environmental Management
IFEA:	Integrated Finance and Economic Analysis
IPM	Integrated Pest Management
IRRI:	International Rice Research Institute
JICA:	Japan International Cooperation Agency
MAFF:	Ministry of Agriculture, Forestry and Fisheries
MoE:	Ministry of Environment, and key partners
MoWRAM:	Ministry of Water Resource and Meteorology
MoC:	Ministry of Commerce
MoWA:	Ministry of Women Affairs
MT	Metric Tonnes
NDA:	National Designated Authority
NGO:	Non-Governmental Organisation
PWG	Project Working Group (PWG)
PDAFF:	Provincial Department of Agriculture, Forestry and Fisheries
PDoC:	Provincial Department of Commerce
RGC:	Royal Government of Cambodia
SME	Small and Medium Enterprise
SOA:	Signature of Asia
USAID:	United States Agency for International Development
VC:	Value Chain

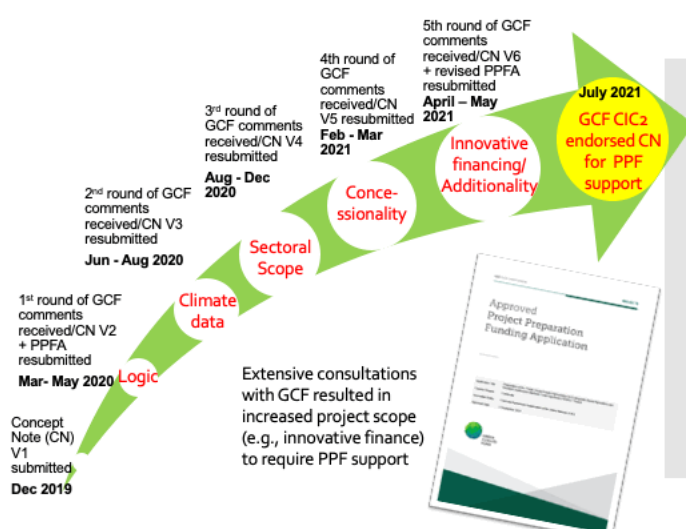
## Table Of Contents

INTRODUCTION	1
OVERVIEW OF STAKEHOLDER CONSULTATIONS	2
DETAILS OF STAKEHOLDER CONSULTATIONS	5
A Feasibility study of agricultural certification Schemes in the Northern Tonle Sap Basin (2018)	5
B Project formulation mission (2019)	5
C COVID -19 impact assessment on agriculture and food security (2020)	16
D Feasibility study on value-driven agricultural resilience study (2020)	17
E Feasibility study on climate rationale, crop-specific modeling, agrometeorological services capacity assessment, and adaptive action recommendations (2021)	17
F Feasibility study on innovative financing mechanism: Farmer-led Agricultural Resilience Mechanism (FARM) (2021)	17
G Feasibility study on catchment restoration planning (2021)	17
H Feasibility study on Integrated Finance and Economic Analysis (IFEA)	18
I Environmental and Social Management Framework (ESMF) and Gender Action Plan	30
J PEARL Project Working Group (PWG) (2021)	18
K 2 <sup>nd</sup> Project Formulation mission 2021	19
L National Validation Workshop	30
STAKEHOLDER ENGAGEMENT DURING PROJECT IMPLEMENTATION	31
M DISCLOSURE	31
N GRIEVANCE REDRESS MECHANISM	32
ANNEX 1 NATIONAL STAKEHOLDER VALIDATION COMMENTS AND RECOMMENDATIONS ON THE PEARL PROJECT	34

## INTRODUCTION

1. The initial conceptualization of the Public-Social-Private Partnerships for Ecologically-Sound Agriculture and Resilient Livelihood in Northern Tonle Sap Basin (PEARL) project began in 2017 through consultation between the FAO Representation in Cambodia, Ministry of Environment (MoE), Ministry of Agriculture, Forestry and Fisheries (MAFF) and several development partners, under the leadership of Cambodia's National Designated Authority (NDA) for the Green Climate Fund (GCF).
2. Based on the endorsement letter from the NDA, FAO began formulating the GCF Concept Note (CN) for the PEARL project in 2018 and, in parallel, initiated an initial feasibility study to identify climate-resilient and high-value crops and assess value chain development potential. A series of sub-national and national stakeholder consultations were carried out for the feasibility study and CN preparation.
3. Between 21 October and 1 November 2019, a project formulation team conducted a mission to present the CN to the key national stakeholders and ground-truth the project's approaches through field observations and consultations with sub-national stakeholders, including agricultural cooperatives (ACs) and unions, small to medium-sized enterprises (SMEs), local governments and microfinance institutions.

Figure 1: Steps towards CN Endorsement by GCF



4. FAO submitted the CN for the PEARL project to the GCF Secretariat in December 2019. After the first submission, five rounds of review comments were received from the GCF between March 2020 and May 2021, with each round requesting to strengthen a specific element of the CN (see Figure 1).

5. During this period until the GCF endorsement on the CN through the Climate Investment Committee 2 (CIC2) was received in July 2021, the project formulation team had consulted with various national and sub-national stakeholders to address the GCF

comments and significantly expanded the scope of the PEARL project through several additional feasibility studies to substantiate the feasibility of different elements. Concurrently, the project preparation facility (PPF) request was approved by the GCF to advance to the full project formulation stage.

6. Since 2018, FAO has completed a total of eight feasibility studies as listed below:
  - Study of Agricultural Certification Schemes in the Northern Tonle Sap Basin (2018);
  - COVID -19 Impact and Recovery Assessment (2019);
  - Value-driven Agricultural Resilience Study (2020);
  - Climate Rationale, Crop-specific Modeling, Agrometeorological Services Capacity Assessment and Adaptive Actions and Recommendations(2021 -22);

- Innovative Finance Mechanism: Farmer-led Agricultural Resilience Mechanism (2021-22);
  - Catchment Restoration Planning (2021-22);
  - Integrated Finance and Economic Analysis (IFEA) (2021-22); and
  - Environmental and Social Management Framework (ESMF), including a stakeholder engagement plan, an Indigenous Peoples Plan, and a Gender Action Plan (2022).
7. The experts, involved in these studies, extensively consulted with a wide range of stakeholders through face-to-face and remote meetings and interviews, as demonstrated in Table 1 below and later sections of this report. The stakeholder groups consulted include line ministries/agencies, NGO partners, development partners, provincial line departments, community groups, including ACs and unions, SMEs, community forests (CFs), and community protected areas (CPAs), and private sector partners (e.g., exporters/traders, processors, banks and insurance companies).
  8. To solicit input and strategic guidance from relevant national counterparts for the project formulation, FAO requested the NDA to establish a Project Working Group (PWG) in early 2021. The PWG was established in August 2021 to provide strategic directions, relevant technical guidance, and stakeholder engagement support to the project formulation team. The PWG was chaired by the NDA/MoE, and its members include representatives from the MAFF, Ministry of Water Resources and Meteorology (MWRM), Ministry of Commerce (MoC), Agriculture and Rural Development Bank (ARDB), Ministry of Women's Affairs (MoWA), and NGO partners.
  9. Throughout 2021, several other consultations took place between FAO and potential co-executing and implementation partners, who are also members of the PWG, to discuss the project's implementation arrangements and co-financing commitments.
  10. In December 2021, the project formulation team conducted a second mission for the stakeholder validation of the project. During the mission, stakeholders from the central and sub-national governments, ACs, local SMEs, other value chain operators, microfinance banks, and development partners were consulted. A national stakeholder validation workshop was held at Sokha Phnom Penh Hotel and Residence in Phnom Penh, Cambodia, on 16 December 2021. The project formulation team has since satisfactorily addressed the stakeholder feedback received during the validation workshop in the Funding Proposal package.

## OVERVIEW OF STAKEHOLDER CONSULTATIONS

11. Table 1 below provides an overview of the stakeholder engagement process with disaggregated figures of the types of stakeholder groups and individuals consulted since 2018.
12. Approximately 1,102 individual stakeholders, representing over 600 private and public entities and institutions, have been consulted (143 women and 966 men). The types of entities and institutions consulted include:
  - Government line ministries,
  - Provincial line departments,
  - Financing institutions,
  - NGOs and development partners,
  - Community-based organization (mainly CFs and CPAs)
  - ACs, farmers' associations, producer group, and unions,
  - Private sector (agricultural product suppliers, input supplier, wholesalers, millers, retailers, processors, etc.)

Table 1 List of stakeholders interacted during the project consultation process

Consultation	Line ministry	Provincial Dept	Local authority	Financing Institution	NGO/DP	CBO (CF/CPA)	AC/Association /producer	Private Sector	Total institution	No. of people		
										Total	Female	Male
Feasibility Study of Agricultural Certification Schemes in the Northern Tonle Sap Basin (2018)	22				20		59	28	68	197	31	166
1 <sup>st</sup> Project formulation mission (2019)	2	18		3	2		42	5	27	72	20	52
COVID -19 impact assessment on agriculture and food security (2020)	10	19	19		21		243	66	378	378		378
Feasibility study on value driven agricultural resilience study (2020)	16					1	40	8	32	65	10	55
Feasibility study on climate rationale, crop-specific modeling, agrometeorological services capacity assessment, and adaptive action recommendations (2021-22)	27	9			35	26		29	65	126	19	107
Feasibility study on innovative financing mechanism (2021-22)				10			10			20	5	20
Feasibility study on catchment restoration planning (2021-22)		18			2	28			36	48	4	44
Feasibility study on Integrated Finance and Economic Analysis (2021-22)							37			37	18	19
Project working group (meeting) (2021)	13			3	19			1	18	36	4	32
Peer to peer exchange- Cambodia and Lao PDR on SAMIS and PEARL projects (2021)	11				7				4	18	2	16

Bilateral meeting on implementation arrangement and co-financing with MAFF (2021)	2				8				2	10	1	9
Bilateral meeting on co-financing with the Ministry of Environment (2021)	1				8				2	9	1	8
Bilateral meeting on co-financing with the Ministry of Water Resource and Meteorology (2021)	1				8				2	9	1	8
2 <sup>nd</sup> Formulation mission (2021)	9	21		15	16		31	13	51	105	20	85
Stakeholder validation workshop (2021)	22	10		6	17		9	3	40	67	12	55
Feasibility study on Environmental and Social Management Framework (ESMF) and Gender Action Plan (2022)												0
<b>TOTAL</b>	<b>136</b>	<b>95</b>	<b>19</b>	<b>27</b>	<b>163</b>	<b>55</b>	<b>461</b>	<b>153</b>	<b>725</b>	<b>1.109</b>	<b>143</b>	<b>966</b>

## DETAILS OF STAKEHOLDER CONSULTATIONS

13. Below are the summaries of activities with key stakeholder engagement processes since 2018. They are described in chronological order. It is essential to note that COVID-related restrictions had operated as a significant obstacle to stakeholder consultations and data gathering. The project formulation team and experts responsible for the feasibility studies had adopted several measures, including remote meetings to ensure all relevant stakeholders were consulted.

### A Feasibility study of agricultural certification Schemes in the Northern Tonle Sap Basin (2018)

14. The FAO-commissioned study by the Institut de Recherche et d'Application des Méthodes de Développement (IRAM) examined the project's target commodities' climate-resilient and high-value market development potential: organic rice in Preah Vihear and Oddar Meanchey, cashew in Kampong Thom and Preah Vihear and mango in Oddar Meanchey. Several certification options were explored for these value chains (GI, organic farming, GAP, etc.).
15. The study involved 129 individuals (31 females) through interviews and questionnaires, including 20 from NGOs and development partners, 22 from government agencies, 28 from the private sector, ten from agricultural associations/unions, and 49 from ACs and producer groups.

### B Project formulation mission (2019)

16. During the first project formulation mission from 21 October to 1 November 2019, the formulation team met with various stakeholders, including the representatives of relevant line ministries and their provincial departments, development partners, NGOs, ACs, agriculture associations/unions, input suppliers, traders and exporters, financing institutions, and insurance companies. A total of approximately 72 individuals (20 females) representing 27 entities in Kampong Thom, Preah Vihear, Siem Reap, Oddar Meanchey, and Phnom Penh were consulted on the project's value change and integrated landscape approaches, including issues such as agricultural certification options, financial and technological access, agricultural extension capacity, and observed climate impacts around the four target crops - cashew, mango, organic rice, and vegetables. Table 2 provides a list of stakeholder groups consulted and key discussion summaries.

Table 2: Stakeholders and key discussion points

No.	Organization/Entity	Commodity/ functionality	Geographical areas	Key Discussions
<b>Agriculture Cooperative</b>				
1	Phnom Santuk AC	Cashew	Kampong Thom	AC has 125 members (95 of them female) and has 1,534 shares at 50,000 Riel (US\$ 12.5) a share. Members can borrow up to 1 million Riel (US\$250) with an interest rate of 2% per month  80% of the members grow cashew, with GIZ's support 10 years ago to promote organic cashew production. But only a few members practiced organic practices.



				<p>Opportunities and challenges in organic cashew production include: farmers are interested organic cashew production; the increase of pest as increasing temperature; absence of extension services; GAP might be the area to add value on cashew and crop insurance may be supportive but farmers need to get more knowledge on insurance and the insurance policy should be in place.</p>
2	Klengpor AC	Cashew	Preah Vihear	<p>Non-organic production of 100 ha local variety and 107 ha M23 with 296 total members in 2016.</p> <p>AC plans to build a processing facility with a loan of US\$ 10,000 from Rural Development Bank with a 7% APR</p> <p>Opportunity:</p> <ul style="list-style-type: none"> <li>- Demonstration of near organic practices by champion farmers in Kampong Thom</li> <li>- Demonstration of the most effective application of agri-input (4Rs) through the promotion of GAP and IPM.</li> </ul> <p>AC is interested in accessing crop insurance.</p>
3	Krobao Prumtep AC	Rice (organic)	Preah Vihear	<p>30% of organic rice farmers transplant and the rest broadcast. 429 ha under contract farming with AMRU Rice, producing roughly 500 tonnes (300 tonnes of fragrant short-cycle rice, 200 tonnes of white rice).</p> <p>AC's microfinance scheme is based on its shares it sells to the members – 100 shares sold at US\$ 5 a share – each share qualifies the holder to borrow up to US\$ 50</p> <p>Challenges and opportunities: Pest management is becoming more difficult as organic farmers</p> <ul style="list-style-type: none"> <li>- Pest management is becoming more difficult as organic farmers</li> <li>- SRI, including transplanting, would increase yields, but labour shortages pose a challenge.</li> <li>- Mechanization would address the labour shortage, but shapes and sizes of paddy fields and cost and other related production skills a challenge.</li> <li>- They are interested in insurance, but no such product or information seems to be available.</li> </ul>

4	Preah Vihear Meanchey Union AC	Rice (organic)	Preah Vihear	<p>The union was established initially with 8 ACs with AMRU and SNV and Cambodia Organic Agriculture Association (CORAA) and now 23 ACs. Union runs its own microfinancing scheme with 20- 40 million Riel (US\$10-20k) per AC with an interest of 1.5% per month to provide cash advance to farmers during the harvest season. Union works with AMRU Rice, Signature of Asia (SOA) and Golden Rice.</p> <p>Opportunities and challenges include: short cycle varieties are less effect by climate change; Union is working with non-member to raise their awareness on organic farming and the impact of chemicals for organic farming. Most of farmers practiced near organic production.</p> <p>Farmers need: small-scale irrigation scheme, improved organic production knowledge, improved early warning systems, etc.</p>
5	Romodoul Samaky Meanchey Mulprey Pir AC	Rice	Preah Vihear	<p>60% of its members are engaged in contract organic rice farming with SOA and Golden Rice and mainly growing white (200 tonnes to SOA and some to Golden) and fragrant rice (200 tonnes to Golden) varieties.</p> <p>Observed climate change effects include the late onset of the wet season, heavy rain during the wet season, wet season becoming shorter, early onset of the dry season.</p> <p>Improvement needs:</p> <ul style="list-style-type: none"> <li>- SRI is difficult due to labour shortage, but mechanization such as transplanting machines would help increase production.</li> <li>- Upstream forest management and upper stream watershed management is useful as the AC has limited jurisdiction and capacity to manage such landscape-level impacts.</li> <li>- Crop insurance will be useful but not enough knowledge and awareness – no availability of such service to their knowledge.</li> </ul>
6	Eco Farm Group/ AC	Vegetables	Siem Reap	<p>There are 66 families initially. The group produces and sells 2-300 kg per day of leafy and green vegetables consistently throughout the year. Supply capacity is 4- 500 kg per day.</p>

				<p>Group produces and sells organic compost, organizes the weekend market, produces and sells vegetable seeds, handles collective sales and price negotiations.</p> <p>Challenges and opportunities</p> <ul style="list-style-type: none"> <li>- Climate change impacts on vegetable cultivation include a lack of water during the dry season and heavy and intense rains during the wet season.</li> <li>- Lack of funding prevents effective adaptation measures – pond development, solar water pump and tank, drip irrigation</li> <li>- Training of young future safe vegetable growers to expand networks of growers and secure their market outlets</li> <li>- Finding buyers that meet the production capacity</li> </ul>
7	O’Pork AC	Mango	Oddar Meanchey	<p>Keo Romeat is grown over 58 ha, but this year has increased to 100 ha as it is more profitable than other crops. AC provides microfinance (using 228 shares, 50,000 Riel per share), and supply purchase credits.</p> <p>Organic conversion is feasible if the price were at least twice as much, most members would go for it, as long as the necessary technical support is provided under solid contract farming agreements.</p> <p>Organic production, relying on one cycle production, makes farmers more resilient as the climate-related impact on mangos is much less in the natural cycle.</p> <p>Improved IPM and knowledge of agricultural chemical use - Some hormone, particularly from Viet Nam, shortens the life of trees – typically 20-25 years, but some dies after 3 years of hormone application.</p> <p>Crop insurance is an interesting idea – but more needs to be understood.</p>
8	Vegetable farmers	Vegetables	Preah Vihear	<p>Ponds are commonly used and also wells with water pumps and tanks are used to water/irrigate the crops. Some technical and technological support has been provided by SNV’s Chain and IFAD’s ASPIRE projects</p> <p>Challenges and opportunities:</p>

				<ul style="list-style-type: none"> <li>- Lack of access to technologies and materials to build shaded vegetable beds, raised beds, drip irrigation/sprinkler systems, water tanks, etc.</li> <li>- Eager to access tourist destinations like Siem Reap (100km) and urban centers and develop agritourism opportunities.</li> </ul>
<b>Agriculture Association</b>				
9	Keo Romeat Mango Association	Mango	Oddar Meanchey	<p>Established in 2018, with 30 members, the AC aims to find direct buyers to avoid selling to middlemen at low prices.</p> <p>Since establishment, members have met only once, and not being able to find direct buyers.</p> <p>AC is not working, with no management structure or finance.</p> <p>Processing facilities would help increase the local retention of profits; currently, middlemen take the mangoes to Thailand to be sold as Thai products.</p>
10	Prasat Balang Organic Cashew Association	Cashew	Kampong Thom	<p>AC has 1,500 members with 20,000 ha, with 80 % of its members growing only cashew and 20% growing both rice and cashew. About 10,000 ha are applied organic cashew production. About 80% of farmers grow M23 variety.</p> <p>The members are mainly selling their raw cashew to collectors without any value recognition for their nearly organic production methods. AC provides loan to members and credit support from HEIFER.</p> <p>AC has lack of practical knowledge to cope with climate change impacts. They need technical and financial support, as well as market development assistance to move to full organic production.</p>
11	Mreach Ponleu Thmey Cashew Association	Cashew	Kampong Thom	<p>160 members with 370 ha in total for cashew production (average 5 ha per member). AC provides microfinance, sell supplies, buy and sell cashew nuts from its members to buyers.</p> <p>Members produce 80% local and 20 % M23 varieties with regular use of herbicides.</p> <p>Received external support from USAID (market access), cashew technical inputs from HEIFR, and saving group from AFD.</p>

				<p>AC members are not interested in reducing the current level of chemical input as it increases the labour cost.</p> <p>Climate change is the main issue for cashew production.</p> <p>Crop insurance is an exciting concept and farmers would like to take part in, but no information available.</p>
12	Sambo Cashew Association	Cashew	Kampong Thom	<p>Association buys raw non-organic cashew nuts (93% M23), and processes. It packages them, but it has stringent selection criteria for their size and aesthetics but less on production methods.</p> <p>380 households across Prasat Balang, Prasat Sambo Districts form the association with each household with 1-5 ha of cashew plantation.</p> <p>Full organic conversion is not attractive and too costly to be justified as there is a little price difference between non-organic and organic products.</p> <p>Challenges and opportunities include</p> <ul style="list-style-type: none"> <li>- Difficulty of meeting international processing and hygiene standards</li> <li>- GI may be an area to be explored, but capital support is needed from external support, but not enough about it is known at the moment.</li> </ul>
13	Cashew Nuts Association of Kampong Thom (CAT)	Cashew	Kampong Thom	<p>CAT has 193 farmers covering 2,000 ha of non-organic cashew production. Main buyers are from China, Viet Nam, India and Japan.</p> <p>CAT provides technical and market access services to its members but no financial services. They want external support (\$100,000) in building its warehouse for storage and dry processing to increase its members' profitability</p> <p>Limited support from the PDAFF has been observed, with minimal trust and reliance on extension services.</p>
<b>Financial Institution/MFI</b>				

14	Angkor Microhenranhvatho Kampuchea (AMK)	Micro-finance (group loan, family loan, SME Value chain loan)	Phnom Penh	<p>AMK is a micro-financing bank dedicated to agriculture and works with several NGOs and UN organizations like UNICEF, WFP. The average borrowing amount of \$ 1,000 per farmer with a 1.5% monthly interest rate. AMK lending to Agribuddy (supplier/guarantor), SeasonFresh (mango buyer).</p> <p>AMK runs a mobile app called "Tonelsap App" which provides essential crop cultivation tips to farmers.</p> <p>For the PEARL project to work directly with AMK, the project would have to act as a guarantor or find a partner like Agribuddy or SeasonFresh to work with</p>
<b>Insurance Company</b>				
15	Forte Insurance	Crop insurance	Phnom Penh	<p>Forte has been providing crop insurance with experience on rice and rubber on a pilot basis since 2014.</p> <p>Its products include crop insurance based on weather-indices, satellite-based yield forecasting (GIZ -MAFF project, RIICE: Remote sensing-based information and insurance for crops in emerging economies with a focus on rice).</p> <p>Their private sector partner includes AMK (agriculture microfinance bank) and Agribuddy (supplier/guarantor for farmers) and ADB via \$ 3 million pilot insurance programme.</p> <p>Challenges are farmers have less trust due to their limited knowledge on insurance; unregulated supply including seeds, pesticides and other to make premium quality of product difficult.</p>
<b>Private Sector</b>				
16	SeasonFresh Co. Ltd.	Mango	Phnom Penh	<p>SeasonFresh is a mango trading company that works across the country to buy mangoes from producers and provide agricultural input (fertilizers, hormones) to support production.</p> <p>Purchased 100,000 tonnes last year across the country, expanding to Kampong Thom, Preah Vihear, with an aim to increase an annual volume by 10 to 20%.</p>

				<p>To support farmers to stabilize the supply and quality of mangoes, the company is piloting the promotion of CamGAP with farmers in Kampong Speu Province.</p> <p>SeasonFresh exports 300-500 tonnes per day mainly to Thailand and Viet Nam, high-quality ones (20% of its total volume) to China, and less than 1% to France and the Middle East.</p> <p>Challenges and opportunities:</p> <ul style="list-style-type: none"> <li>- Farmers often apply an excessive volume hormone as many believe the higher volume would result in the higher yield – similarly lack of knowledge on fertilizer and pesticide application.</li> <li>- GI mangoes might be difficult because of mangoes in Cambodia have minimal geographical specificity.</li> <li>- FeasonFresh is also looking into establishing a partnership with Forte for insurance as they work directly with farmers to ensure their product quality and conditions</li> </ul>
17	Kosal Farm Co.Ltd.	Cashew, pine apple, coffee	Preah Vihear	<p>Operation has grown from 20 ha to 50 ha for cashew and additional 20 ha for mango and pepper, etc. in Kampong Thom. Conversion into organic product took 4 years.</p> <p>The trade-off between certified and non-certified cashew production linking with market price. No necessary enabling conditions for GAP or certified products due to emerging challenges mainly imposing procedure, high cost and complex requirements to be followed. In addition, the price of certified and non-certified products is very small different.</p>
18	AMRU Rice Co. Ltd.	Rice (SRP and organic)	Phnom Penh and Kampong Thom	<p>AMRU works with IFC, IRRI, Cambodian Agricultural Research and Development Institute (CARDI) to promote production practices congruent with the Sustainable Rice Platform (SRP).</p> <p>Quality control for SRP relies on the AC to organize sampling bags by farmers, carry out a performance review by a committee in each AC to ensure adherence to the SRP criteria.</p> <p>Climate change has affected nearly 40% of AC AMRU works within Kampong Thom due</p>

				<p>to droughts – AMRU is looking into ways secure water sources with ACs.</p> <p>AMRU sees mechanization, land-levelling, hydro-met forecasting and advisory services coupled with relevant capacity and skills development as potential areas that could be supported by projects.</p>
19	Specialized Cambodian Produce (SPC) Co. Ltd.	Cashew	Phnom Penh	<p>SCP is a Cambodian company established in 2016 for processing cashew nuts in Kampong Thom.</p> <p>For the 2018 season, SCP can process 15 MT of kernels per month, which represents a total supply of 900 MT of raw cashew but. They hope to increase its processing capacity to 100 MT of raw cashew per month. Demand 1,200 MT of Raw Cashew Nut is equal to about 200 to 250 MT Kernels per year.</p> <p>SPC has no direct cooperation with AC or NGO/DP/RGC. SCP Khmer works with Intertech's lab test in Vietnam (cost of testing USD 1,300 a sample) – no certificate.</p> <p>Challenges include fluctuations in price, quality of raw cashew nut, supply based on seasonal.</p>
20	Agribuddy	Private sector – supplier/guarantor	Phnom Penh	<p>The aims of Agribuddy is to boost the economic conditions and quality of life for smallholders operating in Cambodia</p> <p>In 2019, Agribuddy access loan over 3.7 mills from AMK for over 9,000 farmers (rice 60%, cassava 20%, and corn 20%) in 7 provinces such as Kampong Thom, Siem Reap, Oddor Meanchey, Banteay Meanchey, Pailin, Pursat, and Battambang province to buy for agri-inputs.</p> <p>In 2018, Agribuddy in collaboration with Forte Insurance Company to provided agri-insurance to 99 rice farmers, and in 2019 is increased to about 500 rice farmers.</p> <p>Agribuddy develops a credit scoring and distribution system that connects financial institutions to rural credit customers for better ROI and now Agribuddy has tied up with ACLDA Bank to use the credit scoring system to enable ACLEDA Bank to lend to farmers at reasonable rates of interest through field network of Agribuddy.</p>
<b>Government Agencies</b>				



21	Ministry of Agriculture, Forestry and Fisheries (MAFF).	Central ministry	Phnom Penh	<p>PEARL's priority crops should be aligned with the priority crops under the GDA's Master Plan – the selected crops are on the list.</p> <p>MAFF urges that the focus on the selected crops must be narrow enough to deliver real results – a broad approach would not work when dealing with value chains as they are complex.</p> <p>MAFF's agricultural insurance programme will aim at meeting the ASEAN standards and develop several pilots and PEARL could provide valuable support.</p> <p>Traceability and safe food issues are also crucial for MAFF and PEARL should ensure to work on these.</p>
22	Ministry of Environment (MoE)	Central ministry	Phnom Penh	<p>NDA and other senior officers expect the project to also address environmental conservation and support protected area landscapes (including buffer zones, biodiversity dependent communities, upstream-downstream issues).</p> <p>Commodities that the project focuses on should be selected carefully based on a robust assessment of regional and global commodity market trends ( good to focus on cash crops but also some focus on rice should be maintained).</p>
23	Provincial Department of Commerce (PDoC), Oddar Meanchey	Sub-national Government	Oddar Meanchey	<p>8,000 ha of mango plantations produce 94,542 tonnes of fruits through 2 production cycles. More mango plantations are expected to become harvestable in the coming years. Mango production in the province generally requires a relatively low amount of chemical input.</p> <p>PDoC supports the establishment of farmers' associations – currently only one in Anlong Veng where there has been negotiation with Kunming Province, China, to sign a contract farming agreement for both raw and processed mangoes – but import and export regulations for fresh mangoes between the two countries are being reviewed since there is no processing facility locally.</p> <p>To build a facility that can process 8 tonnes per day while meeting HACCP standards would cost US\$ 500,000 minimum, not including the price of land acquisition.</p>

				Keo Romeat would be suitable for GI, but its branding impacts both positive and negative must be studied carefully in developing a book of specifications.
24	Provincial Department of Agriculture, Forestry and Fisheries (PDAFF), Oddar Meanchey	Sub-national Government	Oddar Meanchey	<p>The province produces several crops, including 90,000 tonnes of rice, 60,000 tonnes of cassava, 90,000 tonne of mango and 10,000 tonne of cashew. Mango farm in ODM in 2019 is 8,529 ha; organic rice production is not possible due to poor soil fertility.</p> <p>PDAFF wants to help establish mango and cashew ACs to ensure capacity to process mangoes locally and negotiate contract farming agreements to collectively set prices is an essential strategy.</p> <p>Market development is an important issue that has not been adequately addressed</p> <p>Opportunity: for landscape restoration and livelihoods support for communities adjacent to forests and protected areas and boost mango production in collaboration with Agribuddy.</p>
25	Provincial Department of Agriculture, Forestry and Fisheries (PDAFF), Preah Vihear	Sub-national Government	Preah Vihear	<p>Organic rice in the province is Ecocert certified for the US and EU markets. Through contract farming, 5,341 organic farmers are belonging to 34 ACs with over 12,000 ha producing nearly 200,000 tonnes of rice.</p> <p>Potential entry point for PEARL:</p> <ul style="list-style-type: none"> <li>- As Stueng Sen as a vital artery of organic rice farming in the province, landscape-level watershed management including natural canal development, emergency pond and pollution buffers, upstream forest management.</li> <li>- Development near organic cashew – buyers like Santana and champions like Kosal Farm are based in the province – PDAFF plans to set up contract farming with Santana.</li> <li>- Vegetables (e.g., beans, pumpkin) are also emerging areas.</li> </ul>
26	Provincial Department of Agriculture, Forestry	Sub-national Government	Kampong Thom	Cashew is one of the main crop in Kampong Thom with the total area of 70,000 ha of cashew plantations and area is increasing

	and Fisheries (PDAFF), Kampong Thom			<p>year by year. 550,000 tonnes of raw cashew nuts are harvested annually.</p> <p>Pest management is a critical challenge, but no systematic approach has been introduced</p> <p>Challenge is price fluctuations with middlemen, which make farming unsustainable, lack of processing facilities,</p> <p>The tendency toward organic cashew production is slow progress, but the idea to promote GI in the province is good especially making unique cashew in the province for instance promoting branding aspect.</p>
<b>Development Partners/ NGOs</b>				
27	World Conservation Society (WCS)	Natural resource conservation and livelihoods	Phnom Penh	<p>WCS's on-going support for community Protected Areas (CPAs) in Preah Vihear would be a useful vehicle for PEARL to deliver upstream forest landscape restoration and management.</p> <p>Although WCS currently does not operate in Oddar Meanchey, its implementation infrastructure can easily be replicated in Oddar Meanchey as WCS works closely with the Regional Department of Environment, Provincial Department of Environment, and Office.</p> <p>WCS has excellent working arrangements with the Ministry of Environment, as supporting CPAs is one of MoE's top priorities.</p>

## C COVID -19 impact assessment on agriculture and food security (2020)

17. FAO conducted the study in collaboration with the MAFF and the Council for Agricultural and Rural Development (CARD) in 2020. The objectives of the study were to 1) analyze critical challenges, issues, and concerns for the agriculture sector and food security during and after the COVID-19 crisis, b) evaluate the impacts of the COVID-19 pandemic on the agriculture sector and food security under key themes and c) offer immediate, medium- and long-term policy responses for the agriculture sector and food security during and after the COVID-19 outbreak.
18. The study involved 378 stakeholders across 14 provinces (29 government representatives, 21 development partner representatives, 66 private sector representatives, 19 local authority representatives, and 243 farmers).

#### **D Feasibility study on value-driven agricultural resilience study (2020)**

19. This FAO-commissioned study by the International Centre for Environmental Management (ICEM) examined current knowledge gaps and market-driven opportunities along the PEARL project's target value chains, with an aim to identify public and private investment gaps and needs for improved agricultural production and distribution systems to develop a reliable supply of safe, climate-resilient agricultural products in Cambodia.
20. The study involved 65 individuals through interviews and questionnaires, including 16 government representatives, one private sector representative, four wholesalers/middlemen, 39 farmers, one agricultural association representative, and four input supplier representatives.

#### **E Feasibility study on climate rationale, crop-specific modeling, agrometeorological services capacity assessment, and adaptive action recommendations (2021)**

21. The objectives of this study were to 1) examine and identify the observed and forecasted impacts of climate change on the project's four target value chains and 2) assess the existing capacity gaps and needs for providing highly tailored and crop-specific agrometeorological information and the last mile services. The study facilitated technical discussions with MoWRAM and GDA/MAFF (approximately eight experts) on crop modeling to establish specific parameters for rice and vegetables. Also, two separate surveys were conducted. The first survey focused on the MoWRAM and its provincial department's capacity gaps and needs, and the second survey focused on climate change impacts along the four value chains and opportunities for enhanced resilience to climate change. Participants were selected according to their involvement in specific value chain activities. About 118 individuals ( 17 females), representing 63 entities, participated in the survey. They represented government line ministries, provincial line departments, NGOs, development partners, ACs, inputs suppliers, wholesalers, financing institutions, etc.

#### **F Feasibility study on innovative financing mechanism: Farmer-led Agricultural Resilience Mechanism (FARM) (2021)**

22. This study examined and identified options and specifications for the Farmer-led Agricultural Resilience Mechanism (FARM). The objective of FARM is to provide interest-free credits to legally registered ACs, associations, unions, and producer groups, including CFs and CPAs in the NTSB, for procuring technologies and infrastructure assets essential for adopting climate-resilient and high-value agriculture. The FARM will also ensure that such technologies and assets are chosen and used in a gender-responsive, inclusive and equitable manner. The study consulted approximately 20 individuals (5 females), including ten representatives from the ARDB and private financial institutions and ten from ACs and SMEs.

#### **G Feasibility study on catchment restoration planning (2021)**

23. This study identified suitable forest restoration areas and specific types of restoration activities in different land-use categories, including potential CPAs and CFs to be engaged by the project based on their catchment restoration potential and governance capacity.
24. The study team conducted a series of consultations with key stakeholders, including the Provincial Department of Environment (PDoe), Forestry Cantonment (FC) officers, CPA and CF committee members, and NGOs, to shortlist CPAs and CFs in the NTSB provinces. The study team analyzed the potential CPAs and CFs by taking into consideration: i) demographic information (population,

percentage of ethnic people, ID poor, income level, occupation); ii) forest cover information (category, riparian, biodiversity corridor, upper catchment); iii) potential restoration areas; and iv) governance capacity (e.g., management plans). A total of 48 individuals were consulted, and they represented CPAs and CFs, MAFF and MOE and their provincial departments, and NGOs like the Wildlife Conservation Society (WCS).

## H Feasibility study on Integrated Finance and Economic Analysis (IFEA)

25. The study examined the project's feasibility from the financial and economic perspectives by providing a sensitivity analysis of critical elements. The study involved 37 farmers ( 18 females) from Tbong Khom, Banteay Meanchey, Battambang, Kampong Thom, Preah Vihear, Prey Veng, Tbong Khmum, Kampong Cham, Siem Reap, Prey Veng and Kandal provinces through interviews and surveys.

## I PEARL Project Working Group (PWG) (2021)

26. The PWG was established to provide strategic guidance and directions to the project formulation team under the leadership of the NDA. The PWG is co-chaired by representatives of the NDA and FAO Cambodia. The PWG comprises technical focal points from key government and non-government institutions.
27. The members of the PWG represent:
  - Ministry of Agriculture, Forestry, and Fisheries (MAFF)
  - Ministry of Environment (MoE)
  - Ministry of Water Resources and Meteorology (MWRM)
  - Ministry of Commerce (MoC)
  - Agriculture and Rural Development Bank (ARDB)
  - Ministry of Women's Affairs (MoWA)
  - Others - non-state executing partners (i.e., WCS and GRET).
28. The PWG met on 25 August, 2 September, and 22 September 2021. Several technical discussions concerning implementation arrangements and co-financing were held with individual members on a bilateral basis as a follow-up to the decision of the third PWG meeting.
29. Key areas of discussion:
  - Review of PWG terms of reference;
  - Review of PEARL project preparation status and submission timeline;
  - Technical feedback on the project's results framework;
  - Data and information access by the FAO project preparation team; and
  - Review of roles and responsibilities, implementation arrangements, and co-financing proposals.
30. As part of the PWG's work, a virtual peer-to-peer exchange meeting between Cambodia and Lao PDR was organized to share knowledge and lessons learned among key individuals involved in the SAMIS project and formulation of the PEARL project on 8 September 2021. The meeting focused on institutional arrangements for generating climate information and translating it into agrometeorological advisories and the last mile services. Eighteen participants joined the meeting, including 3 MAFF representatives, 3 MoWRAM representatives from Cambodia, five from the Department of Meteorology and Hydrology and Ministry of Agriculture in Lao PDR, and seven project formulation team members.

31. Other meetings include:

- Bilateral meeting on implementation arrangement and co-financing with the MAFF in November 2021 (10 participants from MAFF, project formulation team, and FAO Country Office);
- Bilateral meeting on co-financing with the MoE in November 2021 (9 participants (one female) MoE, project formulation team, and FAO Country Office); and
- Bilateral meeting on co-financing with the MoWRAM in December 2021 (9 participants (one female) MoWRAM, project formulation team, and FAO Country Office).

## J 2<sup>nd</sup> Project Formulation mission 2021

32. The 2nd project formulation mission took place between 7 -21 December 2021.

33. The objectives of the mission were to 1) finalize the project's key design elements through the stakeholder validation of the funding proposal, including its climate rationale, logical framework, budget, co-finance, implementation arrangements, and innovative financial mechanism, and 2) consult with the intended local beneficiaries, MoE, MAFF, MoWRAM, MoC, ARDB, NGO partners, and other relevant stakeholders to solicit final input to the project design.

34. The project formulation team met and discussed with a total of 105 representatives (20 females) from 51 institutions and entities, including 15 from financial institutions, 21 from provincial line departments, nine from line ministries, nine from NGOs, seven from development partners, 31 from ACs/associations/unions, 13 from other private sector entities. Table 3 provides a list of stakeholder groups consulted and key discussion summaries.

Table 3: Stakeholders and key discussion points

No.	Organization/Entity	No. of person met	Geographical areas	Key Discussions
<b>Agriculture Cooperative</b>				
1	AMK	2	Phnom Penh	<p>AMK's portfolio</p> <ul style="list-style-type: none"> <li>- It deals with 380,000 accounts – 12,000 in Odor Meanchey, 14,000 in Preah Vihear, 27,000 in Siem Reap</li> <li>- Most micro-lending is unsecured (60%) and with 12 to 24 months terms following harvest cycles.</li> <li>- Micro-lending in two categories – 1) individual or households and 2) Group "Village Bank", which involves 20-30 members and a member-elected president for a collective guarantee system (not ACs) and individual member access decisions. Micro-lending is between USD 1,000 and 2,000 (in some cases USD 5,000). Medium sized lending from USD 50,000 up USD 200,000 for SMEs - some are for solar panels, solar water pump and biogas facility.</li> </ul>

				<p>Challenges:</p> <ul style="list-style-type: none"> <li>- Working with ACs has not been too successful with AMK because of their limited transparency and accountability in their governance arrangements to ensure an adequate level of financial control. Thus, it is carefully to consider who to target, considering the challenge with ACs.</li> </ul>
2	MoWRAM	2	Phnom Penh	<p>Discussed how MoWRAM's concerns regarding its role and responsibilities in the project could be addressed.</p> <p>The project formulation team explained that the concern regarding the changes to the results framework was a misunderstanding caused by the way the information was presented during the previous meeting.</p> <p>The project formulation also explained that the contractual limitations under the LOA restrict the range of activities MoWRAM would be able to execute directly hence the budget size; however, FAO's TA budget under Component 1 would direct the majority of its support to MoWRAM.</p> <p>The project formulation suggested MoWRAM staff to sit with the team to identify specific capacity needs to ensure TA activities are fully geared towards meeting the needs.</p>
3	Ministry of Commerce (MoC)	3	Phnom Penh	<p>The project formulation team introduced the project and highlighted potential areas of collaboration – GI and market development.</p> <p>MoC indicated that GI would concern their Intellectual Property Department and need a specific feasibility analysis to determine potential products hence suggested proceeding carefully.</p> <p>AIMS suggested that key areas of collaboration between AIMS, ASPIRE, SAAMBAT and PERL projects should be identified to ensure complementary and additionality –key areas should include climate resilient production (AC and farmers' knowledge of climate risks, and climate-smart practices) and capacity development of private and public extension services while AIMS, ASPIRE and SAAMBAT focus on market, IT and infrastructure.</p>

				MoC and AIMS also suggested identifying specific districts where these initiatives could establish practical collaboration arrangements.
4	Ministry of Environment	4	Phnom Penh	<p>MoE representative raised an issue regarding the signing of the project agreement, based on the Government's experience with the ADB GCF project – suggested to explore a solution with MAFF as it is the PMU host how best to secure a quick signature.</p> <p>GCF requires a letter from the Ministry of Justice to sign the letter during the contractual agreements.</p> <p>Discussed on the PEARL's implementation arrangements diagram that needs to reflect the latest updates concerning MoC and ARDB.</p>
5	IRAM	1	Phnom Penh	<p>The discussion was about the envisaged implementation arrangements with the three NGOs who are supposed to engage in the project implantation and the contractual arrangement.</p> <p>AFD funded regional feasibility study (Lao, Cambodia and Myanmar) on GI rice would provide a solid base for the PEARL project (expected 2023).</p> <p>The project formulation team proposed to organize a meeting with all three NGOs (IRAM, GRET and WCS) to be able to discuss generally on their roles, implementation arrangement and coordination.</p>
6	Ministry of Agriculture, Forestry and Fisheries	2	Phnom Penh	<p>The discussion was over the organization of PEARL's validation workshop scheduled on 16 December 2021 and clarified the roles and responsibility of actors including MAFF in the workshop.</p> <p>The project formulation team asked for updates on the progress on preparing a co-financing letter from the MAFF side, and stressed that a breakdown co-finance budget would be useful to confirm the overall commitment.</p> <p>MAFF indicated that it was working on a co-financing letter, for which would be based on the detailed breakdown, which would be shared with the FAO team for review and comments.</p>



7	ARDB	5	Phnom Penh	<p>ARDB is a state-owned bank to support agricultural value chain and a commercial bank since 1990 with the working capital of USD 300 million in working capital. It provides credits to agricultural value chain actors with 10 provincial offices (Kampong Thom, Odor Meanchey, Preah Vihear) and Siem Reap is in a plan for 2022.</p> <p>ARDB is still in early stage of putting together an accreditation application, and Green Finance Unit will be a stand-alone department, and has a plan to launch a special mechanism for promoting climate resilience through lending.</p> <p>ARDB indicated that for FARM mechanism, it would like to be considered a responsible institution as it is expanding its outreach capacity through multiple channels (ARDB provides loans to farmers for as little as USD 500).</p> <p>The project formulation team would assess further the capacity of MFIs in the country to make a decision.</p>
8	ACLEDA Bank Plc.	5	Phnom Penh	<p>ACLEDA holds 417,668 loan accounts across the country (all provinces and districts), and of which 163,419 loan accounts are for agricultural related customers. 24% of agricultural account holders are female and 19 % are male.</p> <p>Among the four PEARL provinces, ACLEDA has the largest number of agricultural accounts (16,971), followed by SR, PV and OM.</p> <p>ACLEDA indicated that farmers are looking for easy access to working capital without complicated processes, which the project team should keep in mind of designing any financial products.</p> <p>FAO team and ACLDA team discussed the possibility of using the trust fund product to set up FARM accounts, and the ACLDA team suggested FAO circle back with them with more details to go further.</p>
9	UNDP	2	Phnom Penh	<p>UNDP reported that they had been in discussion on an IFAD GCF project under development targeting CN submission in Q1 2022 (\$150m) called Climate Adaptive Irrigation and Sustainable Agriculture for Resilience (CAISAR)</p>

				UNDP SAP REDD+ project (FAO EE) aiming to be submitted in Q1 2022
10	SeasonFresh	1 ( woman)	Phnom Penh	<p>The recent challenges facing mango farmers in the project target areas, including COVID related market shrinkage, and increased pest and diseases due to increased rain events during the dry season.</p> <p>SeasonFresh indicated the need for farmers in Odor Meanchey to have access to a proper processing facility (e.g., hot water treatment for meeting SPS measures, etc.) increase value addition export capacity and such facility would cost up to \$500,000, thus pooled investment would be necessary among ACs and private sector partners.</p> <p>SeasonFresh suggested that forming a union of cooperative would be a solution as with the unions of vegetable farmers, which have managed to invest USD 100,000 or more collectively into value addition processing capacity.</p>
11	FORTE	3	Phnom Penh	<p>FORTE has been piloting a number of piloting activities with different partners since 2015:</p> <ul style="list-style-type: none"> <li>- Weather index crop insurance (WICI) 2015-2017</li> <li>- Soil moisture index insurance (SMII) 2018-2019</li> <li>- Yield index insurance 2020-2021</li> <li>- Weather index crop insurance (WICI) 2021</li> </ul> <p>FORTE is now developing insurance parameters to offer their policies to mango and cashew producers, and vegetables are also being slated as the next area for the company. FORTE has installed their own weather stations to experiment with the index-based insurance.</p> <p>FORTE is still motivated to work on index crop insurance. Experience so far is that the costs are prohibitively high, need to be subsidized by grant finance</p> <p>For mango insurance, FORTE is working with five provinces, including Kampong Thom, Preah Vihear and Kampong Speu. Despite barriers and inconclusive pilots.</p>
12	WCS	1	Phnom Penh	WCS does not currently have any plan to be accredited under the GCF, and it plans to work with other accredited NGOs like CI and FFI.

				<p>WCS has undergone a HACT micro-assessment in other countries like Myanmar to operate as a delivery partner under a UNDP/GEF project, but Rob is unsure if that has been done in Cambodia.</p> <p>WCS has led NGO consortiums in the country, but USD 6 million over eight years may not justify the cost.</p>
13	Visit AMRU Factory, Kampong Thom	3	Kampong Thom	<p>AMRU has now expanded beyond rice to cover cashew, mango and vegetables, through its sister company, Cambodian Agriculture Cooperative Cooperation PLC (CACC).</p> <p>AMRU is looking into the possibility of GI registration for organic rice from Preah Vihear and Kuleen area in Siem Reap.</p> <p>AMRU works with 60 ACs (10,000 smallholder farmers), mainly for rice through organic certification and Sustainable Rice Platform (no premium earning).</p> <p>AMRU team described three key critical areas in which farmers in general (multiple crops) need support: 1) lack of organic fertilizer; 2) lack of postharvest storage capacity; and 3) lack of resilient seed technologies.</p> <p>AMRU also stressed that production is only one aspect of value chain development; therefore, the project should also look into market development to have a comprehensive approach.</p>
14	ECOFARM AC	5 women	Siem Reap	<p>ECOFARM is more ready to scale up their business than FUDAC. ECOFARM has a total 108 members (81 female). It has 67 members producing vegetables under the Participatory Guarantee System (PGS). Their key business activities include purchase and sale of vegetable, quality rice seed, compost, milling and selling rice.</p>
15	FUDAC AC	8 (3 women)	Siem Reap	<p>FUDAC has 145 members (84 female), and their main business activities include supply of agricultural inputs, credit, purchase and sale of vegetable and chicken, and compost. In terms of expanding the business taking into consideration of climate resilient technologies and assets, both ACs wish to acquire rice milling facility, drying facility, vegetable packaging facility and means of transports.</p>

16	Sambo Agriculture Cooperative	4 (1 women)	Kampong Thom	A member of the Sambo Agricultural Cooperative becomes a champion woman entrepreneur. In 2020, she has set up a modern cashew processing facility, with support from the HARVEST II, and Japanese company Top Planning. The products have been successfully exported to Japan. This processing facility has created several jobs for the members of the Sambo Agricultural Cooperatives and also purchase the cashew from this AC members (33 households) cultivating on 344 ha. This business model is a promising model the project could consider to support a group of ACs to co-invest in such facilities for an economy of scale.
17	Prasat Balaing Organic Cashew Nut Association	6 (2 women)	Kampong Thom	Prasat Balaing Organic Cashew Nut Association in Kampong Thom, which was registered at the Ministry of Interior in 2019. This association has 300 members including 120 females. However, this association does not have any business activities. The activities of the associations were purely on the sharing of knowledge and information among members. The association has been expecting to receive external supports especially the Ministry of Commerce in order to promote organic cashew production. However, since it has not received any supports, most of the farmers have now turned into using chemical inputs.
18	Santuk Agriculture Cooperative	5 (1 woman)	Kampong Thom	Santuk AC has 147 members (65 females), cultivating 514 ha of cashew. The AC main business activities include buying and selling cashew from members, small-scale processing of cashew for local markets, and credits. The ACs and associations also discussed the climate risks for cashew especially during the flowering and harvests. Due to high humidity and rain at the harvest, the loss can be up to 20% at first harvest (Jan/Feb), 5% at second harvest (March/April) and 20-40% at third harvest.
19	AMRU rice milling factory	2	Kampong Thom	AMRU rice milling factory in Kampong Thom to quickly understand the processing capacity and its operations. The factory has a milling capacity of 50-70 tones/day, and drying

				capacity of 1500t/day. AMRU is one of the potential private sectors the PEARL will be working with.
20	Provincial Dept of Agriculture Forestry and Fisheries, Kampong Thom	6 (men)	Kampong Thom	<p>There are 75 ACs in the province are supported by PDAFF. Major barrier to improved economic situation is the sale of raw cashew to the farm gate to middlemen. Farmers need cash urgently and can't wait to find a better price or collectively negotiate/ add value through processing or drying</p> <p>PDAFF suggests that ACs should be clustered into Unions to achieve economies of scale and work collectively to improve processing.</p> <p>Barriers to improve value chains are Barriers to improved VCs:</p> <ul style="list-style-type: none"> <li>○ Seasonal migration, men leave to find work elsewhere meaning women, elderly are working the farms</li> <li>○ Lack of HR in extension services, currently only 4 PDAFF extension providers for the whole province</li> <li>○ Long-term planning non-existent</li> </ul> <p>PDAFF requests significant activities around business literacy and entrepreneurship training for the ACs, wants them to become SMEs</p>
21	Provincial Dept of Water Resource and Meteorology, Kampong Thom	4	Kampong Thom	<p>5 existing weather stations, but some are out of service due to a server issue – data must be collected manually</p> <p>PDoWRAM clear that they would like to develop their own app targeting climate services rather than partnering with an existing one</p> <p>3 sites for new stations identified</p>
22	GRET	4 (2 women)	Phnom Penh	<p>In term of budget size and the project duration GRET is flexible and suggested that in addition to the business planning and certification support, they would be able to provide support to the demonstration activities.</p> <p>GRET requested more detailed activities and budget information to begin a specific contractual discussion.</p>

				In term of micro assessment requirement, GRET has undergone HACT micro-assessment for UNICEF this year and that FAO will study the assessment in details.
23	Focus group discussions with PDAFF, PDoE of Kampong Thom, Preah Vihear, Siem Reap and Odor Meanchey	9	Phnom Penh	<p>Current agro-met services:</p> <ul style="list-style-type: none"> <li>- disseminated through social media (Facebook and Telegram) is widespread, and the internet and email are not effective, more crop specific information that incorporate climate information into agricultural advisory services are much needed, not just weather forecasts.</li> <li>- climate service products are currently too general to be useful for specific crops, e.g., different levels of rainfall information are needed for different stages.</li> <li>- How climate information could be packaged to meet different needs in different areas</li> <li>- Key extension service sources include peer-to-peer, input suppliers and buyers, but difficult for PDAFF to engage with private actors to harmonize knowledge and approach.</li> </ul>
24	Focus group discussions with 8 representatives of agriculture cooperatives and associations	8 (2 women)	Phnom Penh	<p>Climate-resilient practices and technologies</p> <ul style="list-style-type: none"> <li>- The agriculture cooperatives at the moment require a lot of support along the value chain especially physical infrastructure, processing facilities like storage for rice, cashew, etc.</li> <li>- ACs have different capacity, different financial literacy and so they might have challenges in the trust fund.</li> <li>- In term of producing organic product for both domestic and export, ACs need also certification for their products and strengthening AC capacity. At present, ACs have no capacity yet for export, but essentially, they wanted any support that can leverage local market.</li> <li>- The question is whether AC has institutional capacity, resource, technical expertise or not. AC has only production capacity for domestic supply for instance semi-process product ( rice, cashew, vegetable, etc.).</li> <li>- PEARL's Climate resilience business planning: There will be the need to</li> </ul>

				<p>identify AC capacity to be able them to start their business plan.</p> <p>Discussed about online survey and assessment of climate change on 4 value chains taking into account from different field experiences along the value chains including at cultivating, storing, packaging, processing, selling, etc.</p>
25	ADB	1	Phnom Penh	<p>ADB colleague shared the experiences from 2 different ADB funded projects namely Tonle Sap Poverty Reduction and Smallholder Development -Additional Financing Project (TSSD phase) and Rice Commercialization project</p> <ul style="list-style-type: none"> <li>- TSSD Phase II was presented – \$4.3 million from ADB grant, ADB loan of \$45 million and IFAD loan of \$10 million and government co-finance of \$11.4 million.</li> <li>- 70 communes around the Tonle Sap Lake, Siem Reap and Kampong Thom are relevant ones.</li> <li>- Commune block grants, rural infrastructure of DRR, support Livelihoods Improvement Groups (LIGs), 702 new in addition to 1,200 LIGs with a national level union - Farmers Livelihood Improvement Association (FLIA), DRR support at commune level.</li> <li>- Product differentiation – domestic, import, near organic or intense chemical – is challenging as products become mixed up at the retail level.</li> </ul>
26	Kosal Farms	2	Phnom Penh	<ul style="list-style-type: none"> <li>- Kosal Farm has been working with cashew, mango, coconuts, pineapples, coffee and coconuts, but cashew has been the primary focus as the local production capacity for cashew is higher.</li> <li>- Organic certification still remains challenging due to increased pest and diseases, certification costs, and limited market demand, thus GAP might be a better option from the cost-benefit perspective. So they are seeking ways to address pest and diseases in a sustainable manner (e.g., use of smoke on flowers to repel insects, improve soil microorganism, etc.) and also to explore adaptive options (e.g., intercropping, shade production and wind breaks</li> <li>- Kosal Farm will be able to provide a support letter indicating their intention to collaborate with the project.</li> </ul>

27	IRAM and GRET	3 (2 woman)	Phnom Penh	<p>NGO team raised their concern regarding the interdependency of their deliverables on activities implemented by MAFF, MoE and MOWRAM. FAO team highlighted that the budget was designed to avoid such a risk, but FAO team will check again.</p> <p>NGO team also indicated that the budget might be grossly underestimated while FAO team agreed to share the detailed budget with them in order for them to provide detailed feedback and suggestions</p> <p>FAO team also proposed that project will consider shifting the focus to unions to increase the economies of scale and reduce the transaction costs to make the NGO partners activities more implementable.</p> <p>FAO team will look into the possibility of adding a sub-contracting risk assessment to the existing HACT micro assessment report on GRET.</p>
28	ADB	2	Phnom Penh	<p>ADB supports about 80 agriculture cooperatives where many of them are well function so there is the need to carefully select the ACs. Selection criteria will need to clearly apply to ensure sustainability.</p> <p>Sustainable agriculture cooperative requires both land and capital. If they are not able to access of finance for their investment on their land, then they will not able to move forward. If PEARL would be able to show the economic benefit not focusing just only for capacity building and technical assistance, the it will be good.</p> <p>Business plan: is important to ensure the project success so the AC members will have to earn income and to pay the salary for those who employed by the AC..</p> <p>Crop insurance: It is vital to consider about crop insurance, but the question is whether the government has had crop insurance policy or other legal procedure or not.</p>
29	JICA	2 (1 woman)	Phnom Penh	<p>Japan's Ministry of Foreign Affairs is interested in Cashew production in Cambodia but there is no expectation from Japanese support to scale up cashew value chain.</p>



				<p>JICA agreed to share the draft raw cashew nut value chain in Kampong Thom.</p> <p>JICA VC expert in Japan HQ is developing a Raw Cashew Nut quality standard – we should look into this and understand relevance. JICA suggested that this expert could contribute to VC work under PEARL – perhaps this could be a doorway to more comprehensive collaboration</p> <p>Agromet service: JICA supports MoWRAM directly for observing Tonle Sap River Basin but not specifically for climate resilience aspect. JICA does not program regarding the agromet but focusing on irrigation facility (irrigation scheme) to control flood.</p>
--	--	--	--	--

## K National Validation Workshop

35. The validation workshop was organized jointly by FAO, MoE, and MAFF. The objectives of the workshop were to 1) review and validate the PEARL project's results and resources framework with national and sub-national stakeholders; 2) update the stakeholders on the project preparation progress and expected submission and approval timeline, and 3) seek feedback from the stakeholders on the proposed project implementation arrangements and co-financing commitments.



36. Sixty-seven national and subnational stakeholders (12 females) attended the workshop. They represented ACs, MoE, MAFF, MoWRAM, and their provincial departments. The others represented USAID, UNDP, IUCN, JICA, WCS, GRET, IRAM, FAO, and the private sector, including AMK, ACLEDA bank, ARDB, Natural Garden, SeasonFresh, Kosal Farm, and FORTE Insurance.

37. Annex I provides a list of comments and suggestions received during the validation workshop and describes how the project formulation team has addressed them in the Funding Proposal.

## L Environmental and Social Management Framework (ESMF) and Gender Action Plan

38. ESMF sets out key principles, rules, guidelines, and procedures to assess site-specific environmental and social risks and impacts and prepare a risk management framework to address such risks and impacts at project inception. ESMF identifies a broad range of measures and plans

to reduce, mitigate and/or offset adverse risks and impacts, and suggests the costs of such measures and specific institutional arrangements within the project. The feasibility study team developed an Indigenous Peoples Plan (IPP), a gender action plan, and a stakeholder engagement plan. The ESMF process involved 1,102 individual stakeholders, representing over 600 private and public entities and institutions, have been consulted (this includes 143 women and 966 men).

## STAKEHOLDER ENGAGEMENT DURING PROJECT IMPLEMENTATION

39. Stakeholder engagement during the project implementation will be led by the Project Management Unit (PMU) per FAO's relevant stakeholder engagement guidelines. To ensure full and effective participation by all stakeholders and minimize any unintended negative social and environmental impacts, the PMU will implement the Gender Action Plan (GAP) (Annex 8) and Indigenous Peoples Plan (IPP) as part of the Social and Environmental Management Framework (ESMF) (Annex 6). The PMU will also prepare and operationalize Social and Environmental Management Plans, targeting activities of the project with notable risks.
40. Guided by these guidelines and action plans, the PMU will establish a stakeholder engagement framework with clear processes and procedures at the project inception stage. These procedures and processes will govern how the project will inform, identify and engage with stakeholders at national, provincial, district, and community levels, and information disclosure and grievance redress mechanisms, as described below. All involved parties, including co-Executing Entities (co-EEs) and Implementation Partners (IPs), are expected to follow the stakeholder engagement framework with the dedicated processes and procedures when planning activities and engaging with stakeholders during the project implementation. The PMU will also raise the awareness of the framework, processes, and procedures among all relevant stakeholders to ensure full and effective stakeholder engagement from both sides.
41. FAO, as the AE, together with the Project Steering Committee (PSC), will monitor the guidelines' and action plans' implementation status and, as necessary, guide the PMU towards improvement. The PMU will include stakeholder engagement as a progress reporting criterion when preparing its quarterly progress and annual project performance reports.
42. Furthermore, FAO will use an independent interim evaluation as an opportunity to assess the project's performance and effectiveness in stakeholder engagement by collecting feedback from the project's co-EEs and IPs and intended beneficiaries. Corrective measures may be introduced, as necessary, for the remainder of the project. Similarly, the project's independent final evaluation will be used to document any lessons learned and best practices in stakeholder engagement to inform the formulation of exit strategies and action plans.

## M DISCLOSURE

43. Disclosure of relevant information related to the project is part of the process that is essential for ensuring full and effective stakeholder engagement and transparency and accountability of the project. FAO will promptly disclose information in an accessible and culturally appropriate manner, paying due attention to beneficiary groups' specific needs (i.e., literacy, gender, languages, accessibility of information, and connectivity).
44. For this purpose, the FAO Country Office and PMU will disclose all relevant information concerning the project's social and environmental risks and the progress of risks management actions by establishing a dedicated information portal and, through other mediums, meeting the specific beneficiaries' needs. These information disclosure channels will also be made available and accessible through the project's co-EEs' and IPs' web portals and other communication channels.

45. FAO adopted the Environmental and Social Management Guidelines and the Compliance Reviews Following Complaints Related to the Organization's Environmental and Social Standards Guidelines at the corporate level. These two sets of guidelines became institutional building blocks in FAO's approach to achieving inclusive, resilient, and sustainable development. They present the information and tools that the FAO headquarters and decentralized offices require to identify and manage environmental and social risks in the Organization's strategies, policies, field programmes, and projects.

#### N GRIEVANCE REDRESS MECHANISM

46. Stakeholders involved in FAO activities have a right to exercise their opinions, whether positive or negative. Addressing grievances early and effectively mitigates, manages, and resolves problems and prevents escalation.
47. FAO will establish a dedicated grievance redress mechanism to receive and address complaints related to implementing the project activities in a timely and culturally appropriate manner. At the corporate level, FAO has established an Independent Accountability Mechanism with the Office of the Inspector General that sets out a system as a supplemental means of redress for concerns of affected parties as specified in the 'Compliance reviews following complaints related to the Organization's Environmental and Social Standards guidelines.'
48. Guided by these principles and mechanisms, FAO will facilitate the resolution of concerns of the project's beneficiaries and partners regarding alleged or potential violations of FAO's social and environmental commitments. Concerns must first be addressed at the closest appropriate level, i.e., at the PMU level or the FAO Country Office level, and if necessary, at the Regional Office level. If a concern or grievance cannot be resolved through consultations and measures at these levels, a complaint requesting a Compliance Review may be filed with the Office of the Inspector-General (OIG) per the Guidelines.
49. At the project level, the PMU will establish a grievance mechanism. Contact information and information on the process and procedures for filing a complaint will be widely disseminated to all partners and beneficiaries through all relevant activities. Awareness-raising materials will be prepared and distributed to include the necessary information regarding the contacts and the process for filing grievances. The PMU and PSC will be responsible for addressing incoming grievances, and if resolutions cannot be reached, the complainants will be advised to bring the matters to a higher level, as described next.
50. The following nine steps describe the process through which a complainant can seek to address their complaint.
1. The complainant files a complaint through one of the channels of the grievance mechanism, which will be set up (email address, telephone number(s), contact person, or physical address) at the project's inception.
  2. This will be sent to the PMU, where the Safeguards Specialist, who also acts as the Grievance Redress Focal Person, will assess whether or not the complaint is eligible. The confidentiality of the complaint must be ensured throughout the process.
  3. Eligible complaints will be addressed by the PMU Safeguards Specialist together with the Project Coordinator of the PMU. The Project Coordinator will be responsible for recording the grievance and how it has been addressed if a resolution was agreed upon.
  4. If the situation is exceptionally complex or the complainer does not accept the resolution, the complaint must be escalated to a higher level (i.e., to the FAO Cambodia Representation) until a solution or acceptance is reached.

5. If the situation is still not resolved, the grievance will be escalated to the FAO Regional Office for Asia and the Pacific.
6. If the situation is still not resolved, the grievance will be escalated to the FAO Office of the Inspector-General.
7. For every complaint received, written proof of receipt will be sent within seven (7) working days; afterward, a resolution proposal will be made within ten (10) working days.
8. In compliance with the resolution, the person in charge of dealing with the complaint may interact with the complainant or call for interviews and meetings to better understand the situation.
9. All complaints received, their response and resolutions must be duly registered.

51. The project will employ the following four levels of Grievance Redress Mechanism:

- **Level 1:** The complaint can directly contact the PMU either in writing or orally. At this level, received complaints will be registered, investigated, and solved by the PMU.
- **Level 2:** The assistance of the FAO Cambodia Representative is requested if a resolution was not reached and agreed upon at Level 1.
- **Level 3:** If necessary, the FAO Cambodia Representative will request the advice of the Regional Office to resolve a grievance or will transfer the resolution of the grievance entirely to the regional office if the problem is highly complex.
- **Level 4:** Only on particular situations or complex problems the FAO Regional Representative will request assistance from the FAO Inspector General, who pursues specific procedures to resolve the issue.

## Annex 1 National Stakeholder Validation Comments and Recommendations on the PEARL Project

The following comments and recommendations were collected during the National Stakeholder Validation Workshop on 16 December, 2021. Please refer to the National Stakeholder Validation Report for complete details.

Validation Comment/Recommendation	FAO/Project Formulation Team Response
<b>General Feedback</b>	
1. The project strongly refers to agricultural smallholders as its key beneficiaries; however, how does the project define smallholders? Also, there have been numerous interventions for smallholders by different funded projects, but what smallholders mean or how they are defined has been unclear.	<ul style="list-style-type: none"> <li>During the validation workshop, MAFF acknowledged the lack of definition for smallholders, but that should not spot projects like PEARL from supporting farmers with relatively limited resources. The project follows this direction.</li> </ul>
2. In the case of CPAs, farmers have cultivated different crops, including cassava, and he proposed that the project consider cassava as one of the agriculture commodities. The project should also consider supporting the development of non-timber forest products (NTPFs) under its intervention in watershed management.  3. The project should consider the possibility of including cassava into the project as it has been expanding rapidly and has become an essential crop of the sector and a large proportion of farmers grow cassava in different geographical areas.	<ul style="list-style-type: none"> <li>FAO/project formulation team acknowledges the importance of cassava in the sector; however, the difficulty of including cassava in a GCF project must be noted because of its linkages with land conversion/degradation/emissions and other negative impacts/images, just like palm oil. For the time being, until these negative impacts are fully addressed through land planning and production measures, cassava remains outside the project scope.</li> </ul>
4. The project must clarify the role of NGO partners, including IRAM, in the project. When will the project formulation team decide the specific roles and responsibilities of the NGO partners?	<ul style="list-style-type: none"> <li>FAO/project formulation team initiated a process to flesh out the operational details (i.e., their roles and responsibilities) with the NGO partners immediately after the validation workshop. Contractual agreements with the NGO consortium will be signed around the time of the GCF Secretariat's final endorsement.</li> </ul>
5. In terms of the private sector engagement in the project, it would be good to consider the linkage between producers and buyers/private sectors in leveraging market access for farmers (selling agriculture products). To get an effective result, the	<ul style="list-style-type: none"> <li>FAO/project formulation team acknowledges the importance of this issue. The target beneficiary groups have now been expanded to include agricultural unions, and specific champion small and medium-sized enterprises (SMEs) will be engaged to support the project,</li> </ul>

project approach should focus on a collective base, not individual farmers.	particularly under business planning and certification implementation (i.e., Sub-components 2.1 – 2.3).
6. Regarding Activity 2.1.1, there is possible to include safe products via CamGAP mechanism or not.	<ul style="list-style-type: none"> <li>FAO/project formulation team confirms that CamGAP is an integral part of the project, particularly under Sub-component 2.2.</li> </ul>
7. USAID has a similar project, namely HARVEST 2, implemented in provinces around the Tonle Sap Lake. The project has identical outputs/deliverables as PEARL; he asked if HARVEST and PEARL seek collaboration and synergy.	<ul style="list-style-type: none"> <li>FAO/project formulation team notes this concern and highlights that the project formulation team had already contacted the USAID regional team in Bangkok for coordination between the project and USAID's next phase initiative, beginning sometime in 2022.</li> </ul>
8. The project should consider that organic rice production has hardly expanded in terms of area coverage, based on the MAFF/GDA field experience. In this regard, he suggested that the team consider changing its focus from organic rice to quality rice (refers to SRL or GAP).	<ul style="list-style-type: none"> <li>There is room for expansion and flexibility during the implementation stage, for instance, adding SRP or GAP, while strongly underscoring the project's key focus on premium earning capacity. The current limit to organic rice production expansion is also well acknowledged, and the project will explore the possibility of establishing a GI brand for organic rice. SRP and GAP are currently non-premium earning standards. Nevertheless, CamGAP, the Cambodian version of GAP, is already part of the project scope.</li> </ul>
9. AMK is using Tonle Sap App to obtain weather information, and the App is very useful for disseminating information widely. How does the project intend to transfer relevant weather information to farmers? Tonle Sap APP should be considered a key tool for that purpose.	<ul style="list-style-type: none"> <li>FAO/project formulation team will include an activity to support wider use and functional enhancement of the existing agro-met user interface tools, including Tonle Sap App and EcoKaskur. This is now described under Activity 1.1.2.</li> </ul>
10. In terms of strengthening the dissemination of agro-met services, MAFF has been working with UNDP via the provision of ToT training to beneficiaries. The project has been implemented in Battambang and Kampong Speu provinces, and it has also been expanded to other provinces to enhance farmers' understanding of weather information and its application. FAO has also supported MAFF via the Department of Plant Protection to disseminate weather information. The project should build on these existing activities.	<ul style="list-style-type: none"> <li>This information is noted in the baseline/parallel investments list, annexed to the Master Feasibility Study Report (Annex 2). The necessary coordination will be ensured at the project's inception and during its implementation.</li> </ul>

11. The collection of insurance premiums ( i.e., \$10 per household) is often a challenge as it lacks a localized mechanism, which works as a barrier to promoting agricultural insurance. Also, insurance providers should consider insuring farmers' unions. E.g., Without the union, organic rice certification infrastructure would not be guaranteed after a bad harvest year, so ensuring their business continuity through insurance would also be critical.	<ul style="list-style-type: none"> <li>FAO/project formulation team notes the importance of this issue. While developing a specific insurance product to support agricultural unions in bad harvest years might be beyond the capacity of the project, this is reflected in the baseline information and targets under Sub-component 2.2. and in Activity 2.2.2</li> </ul>
12. The project should consider the absorption capacity of individual cooperatives, thus suggesting instead working with the existing union for organic rice and establishing new ones for other crops to support cooperatives in an aggregated manner.	<ul style="list-style-type: none"> <li>This is noted, and the project has now expanded its scope to target agricultural unions. Under Sub-components 2.1 – 2.3, the project will work directly with an agricultural union(s), where strategic to address the issue of absorption capacity and ensure economies of scale while reducing transaction costs.</li> </ul>
13. The project should also consider the need for having reliable agro-met information sources and finer-scale data for the insurance industry by having a denser network of stations.	<ul style="list-style-type: none"> <li>While the full scope of this request may only be achieved under a specially dedicated project, the PEARL project has reconfigured its Component 1 budget to double the number of new stations from four to eight.</li> </ul>
<b>Specific Feedback on Component 1</b>	
14. Indicator 1/Target 1: Additional 4 stations should be a mid-term target, not the final target.	<ul style="list-style-type: none"> <li>This has been done. And, the number of new stations has been increased to 8 from 4, based on several recommendations, including the one above, as well as based on the recent capacity mapping study conducted by the project formulation team.</li> </ul>
15. Indicator 1/Target 1: Do the existing weather stations have the evapotranspiration sensors? Whether to add additional sensors should be based on an assessment of the necessary data parameters. Sensors/devices that offer rainfall information to farmers are the primary importance.	<ul style="list-style-type: none"> <li>FAO/project formulation team has prepared the Mapping of Cambodia's Agrometeorological Services. Based on this study, there are several challenges, including the lack of agro-met specific climate information, and institutional coordination issues, while the existing general capacity of meteorological observation and forecasting is well noted. The study recommends increasing the number of stations and upgrading sensors for serving the intended purpose.</li> </ul>
16. Indicator 2/Target 2: Regarding the number of station managers trained (i.e., mid-term 50 - final 150), the group suggests changing this to, i.e., mid-term 150 - final 50, as the	<ul style="list-style-type: none"> <li>This has been reflected: a total of 100 station managers, data analysts, and system administrators trained by mid-term, and an accumulative total of 150 station managers,</li> </ul>



majority of them should be trained early, not when the project is about to end.	data analysts, and system administrators trained by the end of the project.
17. Indicator 2/Target 2: Regarding the number of station managers, data analysts, and system administrators from MoWRAM and MAFF, the group proposes to delete FFS from the final target.	<ul style="list-style-type: none"> <li>There is no mention of FFS in this context.</li> </ul>
18. Indicator 4/Target 4: Regarding the number of extension officers trained in accordance with the SOP- extension officers (40-60% women), it might be difficult to get a large number of women to participate in the training. Nonetheless, we should aim to achieve this high level of women's participation, provided their availability. The distribution between the mid-term and final targets should instead be 500 at mid-term and 200 at final.	<ul style="list-style-type: none"> <li>This has been reflected in the targets and assumptions. Since training 500 officers in the first 4 years might be a challenge. The mid-term target has been changed to 300 officers, and the project aims to train an accumulative total of 500 officers by the end of the project over its lifetime.</li> </ul>
19. Indicator 5/Target 5: Regarding the number of private extension service providers trained in accordance with the SOP, the number of private extension service providers should be 400 at mid-term and 150 at final term instead.	<ul style="list-style-type: none"> <li>This has been reflected in the targets and assumption. Similar to above, the mid-term target has been changed to 250 officers, and the project aims to train an accumulative total of 400 officers by the end of the project over its lifetime.</li> </ul>
20. General: the group suggests adding D.P.s and NGOs in extension training (i.e., in the commune extension).	<ul style="list-style-type: none"> <li>This has been reflected throughout the logical framework.</li> </ul>
21. Indicator 7/Target 7: Regarding the mid-term and final targets – respectively, 15 % and 25% of TOT training curricula and methods especially tailored for female and other minority farmers and value chain actors, putting the percentage (15-25%) is not appropriate. The group thus suggests deleting the percentages. Instead, the targets should consider specific training curricula/methods to be based on the need of target population and regions/locations.	<ul style="list-style-type: none"> <li>This indicator has now been removed.</li> </ul>
<b>Specific Feedback on Component 2</b>	
<b>Sub-component 2.1:</b>	
22. Should not only focus merely on organic products but also consider expanding more GAP or good products with minimum requirements to meet health standards.	<ul style="list-style-type: none"> <li>Please see FAO/project formulation team's responses to Comments 6 and 8.</li> </ul>
23. Before applying a specific certification system, there should be a cost and benefit analysis in place. That will incentivize the value chain actors to understand better the certification and their decision as to whether they should go ahead with the certification scheme or not for their premium products.	<ul style="list-style-type: none"> <li>This has already been addressed under Activity 2.1.1, particularly assessing the feasibility aspects at the start of this activity, given that market trends shift quickly. As also stated in response to Comment 8 above, the project will maintain a degree of flexibility in selecting</li> </ul>



	<p>which certification schemes to target until inception/early implementation for this reason.</p>
<p>24. Add more subsidies for producers who apply/follow specific standards and guidelines.</p>	<ul style="list-style-type: none"> <li>• This has been indirectly addressed under Activity 2.1.1, in which the number of cooperatives, associations, producer groups, and agricultural unions the project will support in climate-resilient business development has been reduced to a total of 124 from the original 250. The initial target was too ambitious and may not have been realistic (e.g., several development partners have suggested reducing the initial target based on their recent experiences). This change has increased the budget for business plan development from USD 4,400 to USD 17,000 per beneficiary body, enabling much more tailored and context-specific planning support.</li> <li>• Also, it has been highlighted that business plans will be linked to Commune Development and Investment Plans (CDPs and CIPs), as suggested by several sub-national government officials during the consultation process prior to the validation workshop.</li> <li>• With this change, the innovative financing mechanism under Sub-component 2.2 will also offer a higher level of financial support to each beneficiary body (please see the response to Comment 29 below).</li> </ul>
<p>25. Ensure policy assurance on the standard quality of seeds (i.e., providing good quality seeds is critical)</p>	<ul style="list-style-type: none"> <li>• This is already addressed under Activity 2.3</li> </ul>
<p>26. Consider guidelines/instructions for seed selection that is matched with market demand.</p>	<ul style="list-style-type: none"> <li>• This is already addressed under Activity 2.3</li> </ul>
<p>27. Consider guidelines/roadmaps on land suitability for a variety of crops.</p>	<ul style="list-style-type: none"> <li>• This is already addressed under Activity 3.2.1 on LAMS, under which the project aims to improve predictive models for crop suitability. However, it is also noted that this activity will not fully address this concern, and a parallel finance would be required to address this fully. The project will work closely with co-EEs to leverage such support.</li> </ul>
<p>28. Develop standardized online certification systems/traceability (user-friendly) tools accessible by individual producers. For instance, the Cambodia Agriculture</p>	<ul style="list-style-type: none"> <li>• This has been added to Activity 3.1.1</li> </ul>

Cooperative Alliance (CACA) and Union of Agriculture Cooperative (UAC) have applied an online system.	
<u>Sub-component 2.2</u>	
29. USD 40,000/A.C. as an indicative grant for business plan implementation (operation and processing facilities) is insufficient. Reduce the number of A.C.s to increase the amount of finance available for potential A.C.s to ensure they can cover both operational and investment ( processing facility) costs. Target A.C.s with good operational capacity.	<ul style="list-style-type: none"> <li>As stated in response to Comment 24, the revised number of target beneficiaries has enabled the project to increase the ceiling to USD 50,000 per beneficiary group. In addition, an agricultural union or a group of cooperatives/associations can access a larger amount by pooling funds (e.g., a group of 10 cooperatives can access up to USD 500,000).</li> </ul>
30. Insurance should cover both disaster and price fluctuation/ inflation (loss of profit).	<ul style="list-style-type: none"> <li>During the implementation, specific details will be worked out; however, these aspects are already part of the current insurance scope.</li> </ul>
<u>Sub-component 2.3</u>	
31. For the clearinghouse mechanism, YouTube, Facebook, and App are user-friendly.	<ul style="list-style-type: none"> <li>This is noted.</li> </ul>
<u>Sub-component 2.4</u>	
32. Should add community fisheries (CFis) and the C.F.s and CPAs as the target beneficiaries, as CFis are also around the Tonle Sap Lake, and they are also dependent on crops.	<ul style="list-style-type: none"> <li>This may be considered at the project's inception.</li> </ul>
<u>General</u>	
33. Certification Programs do not cleanly fit into the baseline, mid-term and final targets - each example has different challenges - needs to be clarified.	<ul style="list-style-type: none"> <li>This has been clarified and addressed in Sub-component 2.1 and Activity 2.1.2. The revised targets are to provide supplementary guidelines and training materials to intergrade climate and sustainability considerations fully. It had never been the project intention to revise the official guidelines and processes.</li> </ul>
34. Working with organizations on certification, insurance, and financial mechanisms will have challenges, especially around absorptive capacity and financial viability - consider working through unions to reach economies of scale and viability.	<ul style="list-style-type: none"> <li>This has now been reflected. Supporting the existing and establishing new agricultural unions have been included across the project, particularly under Sub-activity 2.1.1.5, which has been added.</li> </ul>
35. Improve existing systems, do not create another stand-alone system for the clearinghouse mechanism.	<ul style="list-style-type: none"> <li>This is noted. A note has been added to Activity 2.3.1 to underscore that the clearinghouse will build on the existing system with a focus on improving the accessibility and consistency of information.</li> </ul>
36. Clarification of curriculum development recommends supporting collective	<ul style="list-style-type: none"> <li>This is noted in all relevant assumption sections across the logical framework.</li> </ul>

understanding across ministries rather than siloed training.	
37. Where is diversification?	<ul style="list-style-type: none"> <li>This is not about agricultural diversification; instead, it is diversified agricultural livelihoods. The necessary clarification has been made in the document.</li> </ul>
38. Where is the coordination of existing projects already working on these issues?	<ul style="list-style-type: none"> <li>This is currently underway.</li> </ul>
<b>Specific Feedback on Component 2</b>	
Sub-component 3.1	
39. Consider reflecting the term “food security” in the result statement	<ul style="list-style-type: none"> <li>This has been addressed in Sub-component 3.1.</li> </ul>
40. Add more indicators to support the four commodities/crops under PEARL E.g., <ul style="list-style-type: none"> <li>- Creating an agriculture insurance program in coordination with the private sector, and</li> <li>- Developing a policy on State-supported incentives for farmers through, e.g., i) a sub-decree on resource management in CPAs and ii) strengthening/fostering the state land registration system.</li> </ul>	<ul style="list-style-type: none"> <li>Agricultural insurance is already one of the indicators under Sub-component 2.2.</li> <li>State-supported incentives might be considered during the implementation, but the focus of this project is mainly on the use of premium value chains to shift agricultural practices. The project, therefore, may look to its parallel co-financiers to address these legal reform-related challenges.</li> </ul>
41. The indicator on the number of financial institutions adopting the financial scorecard is OK. However, to be able to implement the indicator, the group suggests adding key documents to be in place. E.g., having an MoU with banking institutions to establish loans without collateral. In this sense, particularly for medium and large-scale farmers who have good loan track records, the scorecard may be able to enable their increased access to loans without collateral.	<ul style="list-style-type: none"> <li>This has been addressed in Sub-component 3.1 and Sub-activity 3.1.2.2.</li> </ul>
42. Regarding the indicator on public-private sector forums for the NTSB established to forge effective PSPPs to support farmers and local value chain actors - limited involvement of private sector actors in the existing public forum mechanisms at the provincial and district levels forge effective PSPPs: the group proposes to shift the description “limited involvement of private sector ” to the baseline description. The group also proposes to put a SWOT analysis in the mid-term target.	<ul style="list-style-type: none"> <li>This has been addressed in Sub-component 3.1</li> </ul>