



# USAID | CAMBODIA

FROM THE AMERICAN PEOPLE

H.E. Chin Bun Sean  
Senior Minister in Charge of Special Missions and  
Vice-Chairman of  
the Council for the Development of Cambodia (CDC)  
Phnom Penh, Cambodia

**Subject: Implementation Letter No. 3 under Development Objective Grant Agreement No. 442-DOAG-0301 between the United States of America and the Kingdom of Cambodia for Agriculture and Environment, dated March 30, 2016 (the "Agreement")**

Your Excellency:

The purpose of this Implementation Letter is to 1) increase the Grant amount set forth in Article 3, Section 3.1(a) and (b) of the Agreement as well as a corresponding increase to the Grantee's contribution set forth in Article 3, Section 3.2(b), 2) change the completion date of the Grant set forth in Article 4 (a) of the agreement, and 3) update the Amplified Descriptions contained in Annexes 1 and 2 of the Agreement. The Agreement is hereby amended as follows:

1. Article 3, Sections 3.1(a) and (b) are deleted in their entirety and replaced with the following:

(a) The Grant. To help achieve the Objective set forth in this Agreement, USAID, pursuant to the Foreign Assistance Act of 1961, as amended, hereby grants an amount to the Grantee under the terms of the Agreement not to exceed U.S. sixty-four million, seven hundred thousand, five hundred and thirty dollars (\$64,700,530), of which U.S. eleven million, three hundred ninety thousand, six hundred and ninety one dollars (\$11,390,691) are FY 2015 funds, U.S. eighteen million, three hundred and nine thousand, eight hundred thirty nine dollars (\$18,309,839) are FY 2016 funds, U.S. fifteen million, two hundred thousand dollars (\$15,200,000) are FY 2017 funds, and U.S. nineteen million, eight hundred thousand dollars (\$19,800,000) are FY 2018 funds (the "Grant").

(b) Total Estimated USAID Contribution. USAID's total estimated contribution under this Agreement to achievement of the Objective will be U.S. sixty four million, seven hundred thousand, five hundred thirty dollars (\$64,700,530) which will be provided in increments. Subsequent increments will be subject to the availability of funds to USAID for this purpose and may be provided by USAID upon written notice to the Grantee. The Parties agree that each such incremental contribution provided, if any, shall cumulatively increase the total amount of the Grant set forth in Section 3.1(a) and consequently may

increase the Grantee's contribution, if any, under Section 3.2. The Grantee further agrees to acknowledge by written notice to USAID each such incremental contribution, if any.

2. Article 3, Section 3.2(b) is deleted in its entirety and replaced with the following:

The Grantee's in-kind contribution to the shared objectives described in the Amplified Description will equal up to twenty-five percent of the total program costs used to support activities that substantially benefit the Grantee or entail direct and substantial involvement of the Royal Government of Cambodia in the administration, management, or control of the activities hereunder. The dollar equivalent amount of this contribution is estimated to be U.S. nineteen million, six hundred fourteen thousand, eight hundred thirty seven dollars (\$19,614,837), which includes U.S. three million, five hundred nine thousand, two hundred seventy nine dollars (\$3,509,279) with respect to USAID's FY 2015 grant, U.S. five million, five hundred seventy two thousand, five hundred and five dollars (\$5,572,505) with respect to the FY 2016 grant, U.S. four million, five hundred ninety one thousand, four hundred seventy dollars (\$4,591,470) with respect to the FY 2017 grant, and U.S. five million, nine hundred forty one thousand, five hundred eighty three dollars (\$5,941,583) with respect to the FY 2018 grant. This contribution amount shall be adjusted upon any increase in the amount of the Grant set forth in Section 3.1(a), and the precise amount of such adjustment shall be indicated in an Implementation Letter.

3. Article 4(a) is deleted in its entirety and replaced with the following:

The Completion Date, which is December 31, 2021, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all the activities necessary to achieve the Objective will be completed.

4. Annex 1, FY 2018 Agriculture Amplified Description, is supplemented by Annex 1 for FY 2015, FY 2016, and FY 2017, which are incorporated by reference. The Amplified Descriptions describe activities to be undertaken with funds obligated under the Agreement.
5. Annex 2, FY 2018 Environment Amplified Description, is supplemented by Annex 2 for FY 2015, FY 2016, and FY 2017, which are incorporated by reference. The Amplified Descriptions describe activities to be undertaken with funds obligated under the Agreement.

Except as amended herein, the terms and conditions of the Agreement shall remain in full force and effect. Please indicate your agreement with this Implementation Letter by signing and returning two original copies to USAID at the address specified below. USAID will countersign and return one fully signed original.

No. 1, Street 96, Phnom Penh, Cambodia.

Veena Reddy

Veena Reddy  
Mission Director  
USAID/Cambodia

Date: 13 Sep 2019

Sean B. Chin

Chin Bun Sean  
Senior Minister in Charge of  
Special Missions and Vice-Chairman of  
the Council for the Development of  
Cambodia (CDC)

Date: 15 August 2019

PHOENIX FUNDS AVAILABLE (Commitment)	
Amount: <u>US\$ 19,800,000.00</u>	
13 SEP 2019 <i>[Signature]</i>	
Requested By: <u>VR</u>	On <u>9/13/19</u>
Reviewed By: _____	On _____
Submitted By: _____	On _____
Document Type: <u>CO</u>	

*[Handwritten initials]*

## **I. Introduction**

This Annex describes the food security and agriculture activities to be undertaken and the results to be achieved with the funds obligated under this Development Objective Grant Agreement (DOAG).

USAID developed a Country Development Cooperation Strategy 2014-2020, which aims to accelerate Cambodia's transformation to a democratic and prosperous country. USAID programs under Development Objective 3 "Sustainable and Resilient Pathways out of Poverty Strengthened" support the Royal Government of Cambodia (RGC) to reduce the number of people living in poverty, increase production, and improve nutrition outcomes.

## **II. Background**

Cambodia's growing economy and its real GDP growth continue to be driven by strong and persistent growth in the agriculture sector along with resilient exports, recovering construction, and growing tourism sectors. While economic growth has reduced the proportion of Cambodians living in poverty, the majority of households have only shifted out of poverty by \$0.30 a day, hovering just above the poverty line. In addition, over one third of Cambodians are still food deprived and more than 32% of children, from all income brackets, are stunted. Agricultural productivity growth in Cambodia is limited by the poor use of fertilizers, limited access to improved technologies and improved practices, insufficient irrigation systems, inadequate rural roads, limited access to credit, lack of access to markets, and limited use of research.

An estimated 80% of Cambodians live in rural areas; 70% rely on agriculture, fisheries, and forestry. Use of irrigation is limited as annual rains alone historically provided the moisture needed for more than 85% of all rice production. However, shifts in rainfall and flooding patterns resulting from climate change threaten traditional agricultural production practices and rural livelihoods. Cambodia is at a crossroads where its agriculture production methods and markets need to be modernized and diversified to continue to support the large number of people relying on agriculture as their main source of income.

### **A. Strategic Alignment with Government Strategies**

The activities outlined in this document align to the Royal Government of Cambodia's (RGC) Rectangular Strategy-Phase 4. Under this strategy, the RGC aims to further strengthen public institutions, namely "the structure of the organization, sets of formal and informal rules of law, human resources, means and financial resources which determine work principles and attitude, be it political, economic or social spheres, within the framework of democratic process and the rule of law that are fully legitimate in order for us to proceed with development by sustaining high economic growth; promoting socio-economic structural change; creating quality jobs for the youth, responding effectively to the expectations of the people, especially addressing the

gradually increasing needs of the people, including access to quality public services, be it physical infrastructure, education, healthcare or other basic services; ensuring social security and welfare of the people; ensuring income security especially for the vulnerable groups; ensuring balanced and lower development gap between urban and rural areas; remaining flexible and vigilant with regional and global developments; taking full advantages of technological development and digitalization especially in the context of the fourth industrial revolution; and lastly; stepping up the effectiveness of the protection and conservation of the environment, natural resources, ecosystem, biodiversity, forest and wildlife sanctuaries as well as adaptation to climate change.”<sup>1</sup>

USAID’s programs under this DOAG will contribute to helping advance the goals identified under the RGC’s national strategies.

### **B. Support of Technical Working Groups (TWGs)**

In coordination with the RGC and other donors on food security and agricultural development issues, USAID actively participates in the following TWGs:

- Social Protection, Food Security and Nutrition;
- Agriculture and Water; and
- Fisheries.

As appropriate and possible, USAID will participate in other TWGs that are relevant to achieving the goals under this DOAG. Examples include the private sector development and gender TWGs.

### **III. Funding**

USAID investments of an estimated \$32,870,390 in food security and agriculture programs are planned using FY 2015-2018 appropriated funding to achieve this Development Objective, including \$11,100,000 in new FY 2018 funds. Currently, funds under this Development Objective include congressionally-mandated earmarks and thereby can only be directed to food security and agriculture programs.

The RGC contribution reflects the MAFF in-kind contributions to the shared objectives of the program. The contribution will be approximately 25% of the total program costs used to support activities that substantially benefit the Grantee or entail direct and substantial involvement of the RGC in the administration, management, or control of the activities hereunder. The dollar equivalent amount of this contribution would not exceed U.S. \$3,346,577 for FY 2018 funds.

Changes may be made to the financial plan by representatives of the Parties without formal amendment of the Agreement, if such changes do not cause USAID’s contribution to exceed the amount specified in Article 3, Section 3.1 of the Agreement.

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<sup>1</sup> Cambodia Rectangular Strategy-Phase 4, pp. 1-2.

The financial plan for this program is set forth in the table below.

Description	Year (FY 2015)	Year (FY 2016)	Year (FY 2017)	Year (FY 2018)	Grand Total
Agriculture/food security	6,312,861	5,707,065	7,934,355	10,039,730	29,994,011
<b>Sub-total:</b>	<b>6,312,861</b>	<b>5,707,065</b>	<b>7,934,355</b>	<b>10,039,730</b>	<b>29,994,011</b>
<b>Administration Cost:</b>	<b>447,690</b>	<b>602,774</b>	<b>765,645</b>	<b>1,060,270</b>	<b>2,876,379</b>
<b>Total Estimated USG Contribution</b>	<b>6,760,551</b>	<b>6,309,839</b>	<b>8,700,000</b>	<b>11,100,000</b>	<b>32,870,390</b>
<b>Total Estimated RGC Contribution</b>	<b>2,104,287</b>	<b>1,902,355</b>	<b>2,644,785</b>	<b>3,346,577</b>	<b>9,998,004</b>

#### IV. Results to be Achieved

Programs supported by USAID under this DOAG help contribute to the Joint Monitoring Indicators (JMIs) and other government indicators identified by each of the TWGs in which USAID is an active member. The most relevant JMIs include:

- Enhanced agricultural productivity and diversification and improved water resource development and management (JMI TWG-Agriculture and Water);
- Management, conservation, and development of sustainable fisheries and forest resources to contribute to ensuring people's food security and to socio-economic development in order to enhance people's livelihoods and the nation's prosperity (JMI TWG-Fisheries); and
- Food Security and Nutrition status and social protection system for the poor, food insecure and vulnerable people in Cambodia are improved through effective coordination and delivery system at national and sub-national level (JMI TWG-Social Protection and Food Security and Nutrition).

Relevant *illustrative* indicators include:

- Prevalence of poverty reduced by 25%; and
- Prevalence of stunted children under five years of age reduced by 20%.

#### V. Activities

All activities will align with the technical areas detailed below:

##### A. Food Security and Agriculture

Feed the Future (FTF) programming focuses on supporting key agricultural value chains, such as rice, fish, and horticulture. Project efforts will include a focus on enhancing productivity in key value chains; improving rural incomes; and, improving nutritional knowledge and practice. In close coordination with the RGC Ministries at the national, provincial, district, and commune levels, USAID will focus on: increasing access to high-quality agricultural inputs and credit; increasing and improving opportunities for value addition on various agricultural commodities; expanding and strengthening market linkages along commercially viable agricultural value chains; improving food safety and sanitary and phytosanitary regulation and implementation; improving water and sanitation; increasing the human and institutional capacity in the agriculture sector; and, delivering nutrition education. These activities will raise and diversify household incomes, and expand and diversify rural diets thereby reducing poverty, malnutrition and stunting rates.

USAID will work with farmer organizations, the government, private sector suppliers and market agents to strengthen the horticulture value chain, and identify systems that can become sustainable and scalable in the future. This component will strengthen market linkages and coordination; increase the capacity of individuals, businesses, and farmer organizations to participate in the market; and work with public and private entities to create a more enabling environment for investment in the agriculture sector. USAID will support financial strategies (e.g., loan guarantees, supplier credit, and forward contracting) and technologies that will reduce risk to allow farmers, farmer organizations, and local agribusinesses to become more innovative, leading to increased production and reduced labor/input costs.

In order to increase the opportunities for poor rural households to generate needed cash income, USAID will include activities focused on expanding rural off-farm jobs and sales, strengthening post-harvest systems, improving market access, and making targeted investments in marketing infrastructure. Efforts will have a special focus on women, youth, and the poor.

USAID also may include improving post-harvest handling, establishing product standards and quality, and increasing government and private-sector capacity to adhere to international quality standards. Related activities will work with various stakeholders at different links in the value chain (producer groups, haulers, and millers' associations) to assist producer groups, farmer organizations and cooperatives, as well as processors and end-users involved in post-production, trade activities and forward contracting with farmers.

On nutrition, USAID brings a food-based, agricultural, environmental, and private-sector approach to targeted nutrition and hygiene messaging and education to change key dietary practices. With limited nutrition funding, agricultural education and messaging through food security activities must be used to increase awareness of food-based approaches to nutrition and foster improved dietary choices. USAID activities promoting diversified agricultural production are being informed and guided by the need to improve household dietary diversity and dietary choices by farming households and others in their rural communities. Combining agricultural messaging for crop diversification and related farming practices with nutrition and dietary

messaging that targets farm managers and decision-makers (often women) will help increase the effectiveness of such messaging.

In coordination with the public sector interventions being promoted under USAID’s health and education activities, the USAID agriculture activities will expand the use of these goods and services through sustainable, private-sector service-provider approaches. In many areas of Cambodia, the water and sanitation sector provides an instructive example of this two-pronged approach. Assisting the private sector to provide water services or cost-effective latrine sales is highly effective in providing sustainable and long-term solutions that significantly reduce disease-related malnutrition. Conversely, there are still areas of the country that will require a more public health-based approach to provision of water and sanitation services.

USAID, in conjunction with the U.S. Department of Agriculture, the U.S. Embassy, and key donors, will continue to provide unified comments to the RGC on various draft laws and regulations related to the agriculture, animal health, environment, and food security sectors and urge the RGC to improve access to agricultural inputs. FTF programming will continue support to activities that assist in key policy reforms needed to achieve its goals.

USAID will work closely with the headquarters office to leverage additional assistance in the area of research, innovation, and technology sharing through the Innovation Labs in partnership with the Royal University of Agriculture (RUA) and the General Directorate of Agriculture. This will be done through collaborations between RGC academics, the government, private entities and U.S. universities.

The table of activities outlined in the FY 2015, FY 2016, and FY 2017 Amplified Descriptions are incorporated herein by reference.

The following Agriculture activities to receive FY 2018 USAID funds under the Agreement may include:

<u>Activity Name</u>	<u>Description</u>	<u>Implementing Partner</u>
<i><u>Integrated Nutrition, Hygiene and Sanitation (NOURISH)</u></i> <i><u>Estimated FY 2018 funding \$1,500,000</u></i>	The NOURISH activity will address causal factors of chronic malnutrition in Cambodia, including poverty, lack of access to quality nutrition services, poor sanitation, and behaviors that work against optimal growth and development.	Save the Children
<i><u>Harvest II</u></i> <i><u>Estimated FY 2018 funding \$3,800,000</u></i>	This activity will work to strengthen market linkages, expand and develop businesses engaged in the agriculture sector, and improve the policy environment for better citizen and private sector engagement.	Abt Associates Inc.
<i><u>FTF Rice Field Fisheries</u></i>	This activity will support sustainable	The WorldFish



<p><u>(RFF) II</u></p> <p><u>Estimated FY 2018 funding \$2,018,124</u></p>	<p>management practices for freshwater fisheries in four provinces of the Great Lake. Research-based best practices will increase biodiversity and enhance the productivity of Cambodia's freshwater fisheries.</p>	<p>Center</p>
<p><u>Small Project Assistance (SPA-V)</u></p> <p><u>Estimated FY 2018 funding \$25,000</u></p>	<p>Under a country-level Memorandum of Collaboration between Peace Corps and USAID, the U.S. government allocates funding each year for Peace Corps volunteers to undertake FTF activities in rural schools. The activities implemented by Peace Corps volunteers address locally identified development priorities such as nutrition, water and sanitation, and food security in hard-to-reach areas of Cambodia. Peace Corps volunteers are implementing small activities to improve awareness among youth about nutrition to help adopt better health behaviors.</p>	<p>Peace Corps</p>
<p><u>Sustainable Intensification Innovation Lab - Center of Excellence for Agriculture Research and Capacity Building</u></p> <p><u>Estimated FY 2018 funding \$300,000</u></p>	<p>In partnership with RUA, the Sustainable Intensification Lab established a Center of Excellence to increase the research and institutional capacity of RUA students, faculty and facilities. This activity provides opportunities for research collaboration with U.S. universities and coordination among USAID Innovation Labs, the RGC University system and other USAID programming.</p>	<p>Kansas State University</p>
<p><u>Water, Sanitation, and Hygiene Project</u></p> <p><u>Estimated FY 2018 Funding \$500,000</u></p>	<p>WASH programs will contribute to increasing access to water, sanitation and the adoption of key hygiene behaviors as stipulated by the USG WASH earmark guidelines.</p>	<p>TBD</p>
<p><u>Improved Agriculture Competitiveness</u></p> <p><u>Estimated FY 2018 Funding \$1,671,606</u></p>	<p>The activity seeks to increase the competitiveness of Cambodia's agriculture sector by strengthening its capacity to meet domestic and foreign demand for key agricultural crops. The activity will partner with the private sector and other stakeholders to improve the competitiveness of Cambodia's agriculture sector.</p>	<p>TBD</p> <p>This activity will be implemented through a new program and/or adding funds to an existing program.</p>
<p><u>Local Organizations – Movement Towards Self-</u></p>	<p>This activity will provide technical assistance to local organizations working in the</p>	<p>TBD</p>

<u>Reliance</u>  <u>Estimated FY 2018</u> <u>funding \$125,000</u>	agriculture sector to strengthen their organizational and technical capacity in order to effectively manage funding and develop strategies to become self-reliant.	
<u>Greening Prey Lang</u>  <u>Estimated FY 2018</u> <u>funding \$100,000</u>	This activity focuses on the Protected Area Management of Prey Lang. Interventions will target the sub-national level, but will also include strategic investments at the national level with various ministries and institutions. This comprehensive activity will focus on factors influencing biodiversity conservation, initiatives that strengthen the governance and policies, and improving livelihood opportunities.	Tetra Tech ARD

**B. Additional Support**

This Amplified Description may be changed upon written consent between the MAFF and USAID to, among other things, add additional activities without formal amendment of this Agreement, provided that such changes are within the limits of the definition of the Objective in Article 2, Section 2.1.

**VI. Program Management**

All activities will be designed in coordination with the relevant RGC counterparts and with appropriate consultations with stakeholders. Program design will include a provision for a management structure, chaired by the MAFF or co-chaired by the MAFF and USAID, that will, inter alia, endorse an annual work plan and budget and monitoring of the program activities.

**VII. Roles and Responsibilities of the Parties**

**A. MAFF**

The MAFF will serve as the RGC lead partner for USAID in the implementation of activities, including, but not limited to the inter-ministerial and inter-departmental coordination, provision of competent technical staff and provision of workplace for the staff. Consistent with the laws of the Kingdom of Cambodia and the policies and procedures of the RGC, the MAFF will:

1. Facilitate the official approval at all levels necessary within the RGC for implementing program activities;
2. Facilitate the necessary documentation, if required, for USAID implementing partners to carry out the work described herein;
3. Coordinate communications with the appropriate RGC authorities that the activities of USAID implementing organizations should receive support to carry out the work

described herein;

4. Participate in the monitoring and evaluation of projects, including site visits;
5. Facilitate the official permits, visas, and any other permissions described in Article 6 of the Agreement;
6. Facilitate the exemptions described in Annex 3, Article B, Section B.4; and
7. Undertake other activities as required by the program.

## **B. USAID**

In achieving results of this Agreement, USAID will:

1. Provide, through USAID implementing organizations, appropriate technical assistance to implement the program;
2. Contribute towards the achievement of the RGC strategies;
3. Share performance reports on program activities to the MAFF as appropriate and on a timely basis;
4. Consult with the MAFF and other relevant RGC entities at regular, mutually-agreed-upon intervals, or at the request of the RGC, on progress towards the achievement of the: a) program's objective; b) performance of obligations under this Agreement; and c) performance of USAID implementing organizations and other matters related to this Agreement; and
5. Participate and contribute to the food security and agriculture-related TWGs and their sub-TWGs and all other TWGs as appropriate.

## **VIII. Monitoring and Evaluation**

Routine monitoring will focus largely at the implementing mechanism level and track required indicators. USAID's implementing organizations will use their own monitoring and evaluation systems to regularly collect data against these indicators. Given that there are multiple implementing mechanisms under this Agreement, USAID will ensure that all are working to achieve the complementary objectives and contribute to both technical areas and the RGC's JMIs. Indicators, baselines, and targets should, as far as possible, be drawn directly from RGC's own results frameworks and policy objectives.

## **IX. 1994 Framework Bilateral**

All assistance provided under this Agreement by USAID and its implementing organizations shall be entitled to all diplomatic, tax and other privileges and benefits set forth in the Economic, Technical and Related Assistance Agreement between the Government of the Kingdom of Cambodia and the Government of the United States of America dated October 25, 1994.

**DOAG No. 442-DOAG-0301**

**Annex 2: FY 2018 Environment Amplified Description**

**I. Introduction**

This Annex describes the environment activities to be undertaken and the results to be achieved with the funds obligated under this Development Objective Grant Agreement (DOAG).

USAID developed a Country Development Cooperation Strategy 2014-2020, which aims to accelerate Cambodia's transformation to a democratic and prosperous country. USAID programs under Development Objective 3 "Sustainable and Resilient Pathways out of Poverty Strengthened" support the Royal Government of Cambodia (RGC) to reduce the number of people living in poverty, reduce the vulnerability of people and landscapes to the effects of a changing climate, and support Cambodia to meet its international commitments to reduce greenhouse gas (GHG) emissions, especially from deforestation and forest degradation.

**II. Background**

Cambodia's rich biodiversity results from having some of Southeast Asia's largest tracts of forest and the largest inland body of water in the region, the Tonle Sap River and Lake. Some of the largest areas of tropical forests in Cambodia include the Prey Lang forest in the north, the Central Cardamoms forest, and the Eastern Plains forests. These forests contain biologically unique landscapes, are areas of significant cultural heritage, provide critical water management for agricultural land and fisheries, moderate the impact of droughts and floods, and are home to some of the poorest Cambodian households. The Mekong and Tonle Sap river system is the second most biodiverse inland water system in the world, second only to the Amazon. The key ecological services provided by forest watersheds such as water regulation, carbon sequestration, and fertile soil are still undervalued. In Cambodia, increased pressure on forest and river resources continue to threaten endangered species, including elephants, clouded leopards, banteng wild cattle, and Asiatic black bears. Rapid human expansion into biologically sensitive areas is putting pressure on the remaining natural habitats supporting these and other rare species that are of local, national, and international importance. In addition, Cambodia faces some of the highest rates of deforestation in the world from land-use change and illegal logging. Cambodia's forests and watersheds are critical to its national development, to sustainable economic growth, and to protecting its rich biodiversity.

**A. Strategic Alignment with Government Strategies**

The activities outlined in this document align with the Royal Government of Cambodia's (RGC) Rectangular Strategy-Phase 4. Under this strategy, the RGC aims to further strengthen public institutions, namely "the structure of the organization, sets of formal and informal rules of law, human resources, means and financial resources which determine work principles and attitude, be it political, economic or social spheres, within the framework of democratic process and the rule of law that are fully legitimate in order for us to proceed with development by

sustaining high economic growth; promoting socio-economic structural change; creating quality jobs for the youth, responding effectively to the expectations of the people, especially addressing the gradually increasing needs of the people, including access to quality public services, be it physical infrastructure, education, healthcare or other basic services; ensuring social security and welfare of the people; ensuring income security especially for the vulnerable groups; ensuring balanced and lower development gap between urban and rural areas; remaining flexible and vigilant with regional and global developments; taking full advantage of technological development and digitalization especially in the context of the fourth industrial revolution; and lastly; stepping up the effectiveness of the protection and conservation of the environment, natural resources, ecosystem, biodiversity, forest and wildlife sanctuaries as well as adaptation to climate change.”<sup>1</sup>

USAID’s programs under this DOAG will contribute to helping advance the goals identified under the RGC’s national strategies noted above and others as deemed appropriate by the RGC.

### **B. Support of Technical Working Groups (TWGs)**

In coordination with the RGC and other donors on environment issues, USAID actively participates in the Forest Reform and Climate Change TWGs.

As appropriate and possible, USAID will participate in other TWGs that are relevant to achieving the goals under this DOAG. Examples include the Private Sector Development, Fisheries, and Gender TWGs.

### **III. Funding**

USAID investments of an estimated U.S. \$31,830,140 in environment programs are planned using FY 2015-2018 appropriated funding to achieve this Development Objective, including \$8,700,000 in new FY 2018 funds. Currently, funds under this Development Objective include congressionally-mandated earmarks and thereby they can only be directed to environment-related programming.

The RGC contribution reflects the MoE’s in-kind contributions to the shared objectives of the program. The contribution will be approximately 25% of the total program costs used to support activities that substantially benefit the Grantee or entail direct and substantial involvement of the RGC in the administration, management, or control of the activities hereunder. The dollar equivalent amount of this contribution would not exceed U.S. \$2,595,006 for FY 2018 funds.

Changes may be made to the financial plan by representatives of the Parties without formal amendment of the Agreement, if such changes do not cause USAID’s contribution to exceed the amount specified in Article 3, Section 3.1 of the Agreement.

The financial plan for this program is set forth in the table below.

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<sup>1</sup> Cambodia Rectangular Strategy-Phase 4, pp. 1-2.

Description	Year (FY 2015)	Year (FY 2016)	Year (FY 2017)	Year (FY 2018)	Grand Total
Environment	4,214,977	11,010,451	5,840,055	7,785,018	28,850,501
<b>Sub-total:</b>	<b>4,214,977</b>	<b>11,010,451</b>	<b>5,840,055</b>	<b>7,785,018</b>	<b>28,850,501</b>
<b>Administration Cost:</b>	<b>415,163</b>	<b>989,549</b>	<b>659,945</b>	<b>914,982</b>	<b>2,979,639</b>
<b>Total Estimated USG Contribution</b>	<b>4,630,140</b>	<b>12,000,000</b>	<b>6,500,000</b>	<b>8,700,000</b>	<b>31,830,140</b>
<b>Total Estimated RGC Contribution</b>	<b>1,404,992</b>	<b>3,670,150</b>	<b>1,946,685</b>	<b>2,595,006</b>	<b>9,616,833</b>

#### IV. Results to be Achieved

Programs supported by USAID under this DOAG help contribute to the Joint Monitoring Indicators (JMI) and other government indicators identified by each of the TWGs in which USAID is an active member. The most relevant JMI is:

- Sustainable forest management and conservation contributed to poverty alleviation and macroeconomic growth.

Relevant *illustrative* indicators include:

- Number of hectares of biological significance and/or natural resources under improved natural resources management as a result of USG assistance;
- Number of metric tons of GHG emissions reduced, sequestered, and/or avoided;
- Number of people with improved economic benefits derived from sustainable natural resource management and/or biodiversity conservation as a result of USG; and
- Increase income levels of target community due to economically viable alternative livelihood activities.

#### V. Activities

All activities align with the technical areas detailed below and other RGC objectives as they arise:

##### A. Environment

Forest conservation is critical to maintaining the forest watersheds upon which lowland agriculture depends. Thus, conserving existing forest resources is not at odds with improving existing agricultural lands and production, but is an essential part of it.

Improved forest conservation and governance will help mitigate climate change and encourage low GHG emission development. USAID supports the Enhancing Capacity for Low Emission Development Strategy (EC-LEDS) program by enhancing the capacity of the government and forest managers to manage forests sustainably; facilitating constructive dialogue among the government, civil society, the private sector, and communities; and, increasing opportunities for gaining equitable economic benefits from the sustainable management of forests. All EC-LEDS activities will be coordinated with the appropriate RGC institutions and will continue to build upon Cambodia's Climate Change Strategic Plan, the National Green Growth Road Map, the National Green Growth Strategy, the National Protected Area Strategic Management Plan (2016-2030), National Environment Strategy and Action Plan (2016-2023), National Biodiversity Strategy and Action Plan, Community Protected Area Strategic Plan (2016-2030), and the Environmental Code.

With Global Climate Change (GCC) and Biodiversity resources, USAID is supporting one of the leading sub-national demonstration sites for Reduced Emissions from Deforestation and Forest Degradation (REDD+) activities. USAID is also working on a wide range of activities to increase economic benefits for Cambodians as an alternative to unsustainable land-use changes or illegal logging and poaching. USAID will continue to promote sustainable community livelihoods, develop non-timber forest product value chains, promote the establishment of financial mechanisms for reinvestment in natural capital such as REDD+ and Payment for Ecosystem Services (PES), eco-tourism, and use science-based studies to show the value of forests as they contribute to the Cambodian economy.

USAID's interventions will strengthen Cambodia's capacity to conduct carbon accounting, support carbon finance mechanisms, identify and take advantage of opportunities for revenue generation from carbon sequestration, and avoid emissions from deforestation. USAID's programs will strengthen the country's links to the global climate change scientific community. USAID will work closely with environment programs managed by USAID's Regional Development Mission to Asia (RDMA) in Bangkok, global activities managed by various technical offices at USAID's headquarters in Washington, DC, and with other U.S. government entities.

USAID will continue to support studies on forests, non-timber forest products, watersheds, fish stocks, and other wildlife. GCC and Biodiversity programming will also use state-of-the-art technology to analyze and monitor forest cover.

For all activities, there will be an emphasis on strengthening the role of women, youth, indigenous and marginalized communities in government and natural resource management, their voice in government and civil society, and their ability to access opportunities as beneficiaries of "green growth" economic models.

USAID will share information available to the public and the RGC in order to encourage evidence-based decision-making and constructive dialogue that will foster actions by all

stakeholders to conserve biodiversity and mitigate climate change. In addition, USAID will continue to strengthen the ability of relevant ministries to improve the management of protected areas and combat threats to biodiversity. USAID activities will continue to align with existing Cambodian laws, policies, and strategies that provide for sustainability, development and management of natural resources, including forests and biodiversity, and contribute to strengthening and implementing these laws, policies and strategies.

USAID will continue to coordinate and leverage other regional or global platforms in fostering greater conservation and management of Cambodia’s natural resources.

The table of activities outlined in the FY 2015, FY 2016, and FY 2017 Amplified Descriptions are incorporated herein by reference.

The following Environment activities to receive FY 2018 USAID funds under the Agreement may include:

<u>Activity Name</u>	<u>Description</u>	<u>Implementing Partner</u>
<u>Greening Prey Lang</u>  <u>Estimated FY 2018 funding \$2,075,000</u>	This activity will build on previous experiences and work from other USAID and donor investments. It will focus on improving the overall management of the Prey Lang extended landscape. Interventions will target the sub-national level, including support to communities, but will also include strategic investments at the national level with various ministries and institutions. This comprehensive activity will focus on factors influencing biodiversity conservation, initiatives that strengthen the governance and policies related to the sustainable management of the landscape, and interventions that may increase sustainable economic growth within the extended landscape area.	Tetra Tech ARD
<u>USAID Wildlife Sanctuary Support Program</u>  <u>Estimated FY 2018 funding \$850,000</u>	This activity aims to improve biodiversity conservation; increase sustainable economic opportunities; and strengthen landscape governance in two wildlife sanctuaries in Monduliri province. The activity builds the capacity of local communities and coordinates	WWF

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	with Royal Government of Cambodia technical officers to better manage natural resources and promotes alternative livelihood opportunities to reduce the dependence on the timber and non-timber forest products.	
<u>Keo Seima Conservation Project</u>  <u>Estimated FY 2018 funding \$624,444</u>	The activity aims to improve biodiversity conservation and ecosystem health; increase sustainable economic opportunities; and strengthen landscape governance in the Keo Seima protected area and surrounding landscape.	WCS
<u>Natural Resource Management Outreach</u>  <u>Estimated FY 2018 funding \$2,000,000</u>	This outreach and behavior change activity will focus on the natural resource management sector, particularly biodiversity, sustainable landscapes, and civil society. This activity will leverage existing data and conduct new assessments and/or studies to identify challenges to natural resource management and increase awareness of Cambodia's valuable natural resources. This activity will educate youth, community members, and key stakeholders on the importance of environmental protection, biodiversity conservation, and sustainable landscape management.	To be determined (TBD)
<u>Advancing Investment and Evidence-based Landscape Planning</u>  <u>Estimated FY 2018 funding \$2,110,574</u>	This activity or activities will engage the private sector to reduce greenhouse gas emissions from deforestation and land management. It will use the latest available technology such as remote sensing to inform spatial planning for biodiversity protection, sustainable land use, and natural resource management, potentially in the Mekong River and Tonle Sap Lake. In addition, one or more of the activities will examine the linkages between land use management and water resources.	This will comprise buy-ins to one or more existing projects that will focus on building evidence, improving data availability, and private sector engagement.  Implementers are TBD
<u>Local Organizations – Movement Towards Self-Reliance</u>	This activity will provide technical assistance to local organizations working in the environment and natural resources	TBD

<u>Estimated FY 2018 funding \$125,000</u>	sector to strengthen their organizational and technical capacity in order to effectively manage funding and develop strategies to become self-reliant.	
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**B. Additional Support**

This Amplified Description may be changed upon written consent between MoE and USAID to, among other things, add additional activities without formal amendment of this Agreement, provided that such changes are within the limits of the definition of the Objective in Article 2, Section 2.1.

**VI. Program Management**

All activities have been designed in coordination with the relevant RGC counterparts and with appropriate consultations with stakeholders. Program design includes a provision for a management structure, chaired by MoE or co-chaired by MoE and USAID that reviews annual work plans and monitors program achievements.

**VII. Roles and Responsibilities of the Parties**

**A. MoE**

MoE serves as the RGC lead partner for USAID in the implementation of activities, including but not limited to the inter-ministerial and inter-departmental coordination, provision of competent technical staff and provision of workplace for the staff. Consistent with the Laws and the policies and procedures of the RGC, MoE will:

1. Facilitate the official approval at all levels necessary within the RGC for implementing program activities;
2. Facilitate the necessary documentation, if required, for USAID implementing partners to carry out the work described herein;
3. Coordinate communications with the appropriate RGC authorities that the activities of USAID implementing organizations should receive support to carry out the work described herein;
4. Participate in the monitoring and evaluation of projects, including site visits;
5. Facilitate the official permits, visas, and any other permissions described in Article 6 of the Agreement;
6. Facilitate the exemptions described in Annex 3, Article B, Section B.4; and
7. Undertake other activities as required by the program.

**B. USAID**

In achieving results of this Agreement, USAID will:

1. Provide, through USAID implementing organizations, appropriate technical assistance to implement the program;
2. Contribute towards the achievement of the RGC strategies;
3. Share consolidated reports and other relevant documents on program activities to the MoE as appropriate and on a timely basis;
4. Consult with the MoE and other relevant RGC entities at regular, mutually agreed upon intervals, or at the request of the RGC, on progress towards the achievement of the: a) program's objective; b) performance of obligations under this Agreement; and c) performance of USAID implementing organizations, and other matters related to this Agreement; and
5. Participate and contribute to the environment-related TWGs and their sub-TWGs and all other TWGs as appropriate.

### **VIII. Monitoring and Evaluation**

Routine monitoring will focus largely at the implementing mechanism level and track required indicators. USAID's implementing partners will use their own monitoring and evaluation systems to regularly collect data against these indicators. Given that there are multiple implementing mechanisms under this Agreement, USAID will ensure that all are working to achieve the complementary objectives and contribute to both technical areas and the RGC's JMIs. Indicators, baselines and targets should, as far as possible, be drawn directly from RGC's own results frameworks and policy objectives.

### **IX. 1994 Framework Bilateral**

All assistance provided under this Agreement by USAID and its implementing organizations shall be entitled to all diplomatic, tax and other privileges and benefits set forth in the Economic, Technical and Related Assistance Agreement between the Government of the Kingdom of Cambodia and the Government of the United States of America dated October 25, 1994.