



# 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. 1 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 notify you of an increase to the Grant set forth in Article 3, Section 3.1(a) of the Agreement as well as a corresponding increase to the Grantee's contribution set forth in Article 3, Section 3.2(b) and to update the Amplified Project Descriptions contained in Annexes 1 and 2 of the Agreement. The Agreement is hereby amended as follows:

1. Section 3.1(a) is deleted in its entirety and replaced with the following:

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. twenty nine million, seven hundred thousand, five hundred and thirty dollars (\$29,700,530), of which U.S. eleven million, three hundred and ninety thousand, six hundred and ninety one dollars (\$11,390,691) are FY 2015 funds and U.S. eighteen million, three hundred and nine thousand, eight hundred and thirty nine dollars (\$18,309,839) are FY 2016 funds (the "Grant").

2. 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 shall be U.S. three million, five hundred and nine thousand, two hundred and seventy nine dollars (\$3,509,279) in FY 2015 and U.S. five million, five hundred and seventy two

thousand, five hundred and five dollars (\$5,572,505) in FY 2016. 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. Annex 1, Amplified Description for Agriculture, is deleted in its entirety and replaced with Annex 1 attached hereto.
4. Annex 2, Amplified Description for Environment, is deleted in its entirety and replaced with Annex 2 attached hereto.

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 one original to USAID at the address specified below.

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



Polly Dunford  
Mission Director  
USAID/Cambodia

Date: 3/22/2017



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

Date: 26/06/2017



## **DOAG No. 442-DOAG-0301 Annex 1: Agriculture Amplified Description**

### **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 Cambodia developed a Country Development Cooperation Strategy 2014-2018,<sup>1</sup> which aims to accelerate Cambodia's transformation to a democratic and prosperous country. USAID programs under Development Objective 3, "Resilient Pathways out of Poverty Strengthened," support the Royal Government of Cambodia (RGC) to reduce the numbers of people living in poverty, improve food diversity and production, and improve nutrition outcomes.

### **II. Background**

The Cambodian economy is robust despite a challenging global economic environment, and the real GDP growth continues to be driven by strong and persistent growth in the agriculture sector along with resilient exports, recovering construction, and growing tourism sectors. Cambodian poverty fell sharply by 2011, and the economy expanded in large part due to sustained agricultural growth driven by increases in global rice prices. 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, over one third 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, 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. Shifts in rainfall and flooding patterns resulting from climate change, however, threaten traditional agricultural production practices and rural livelihoods. Recurrent droughts, floods, and increasingly unpredictable rainy seasons impact the timing of planting, germination, and harvesting of rice and other crops, and thus reduce agricultural yields and contribute to food insecurity and poverty. Agriculture, which is central to Cambodia's economic growth as well as food security, is particularly vulnerable to climate change.

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

The RGC is developing key vision and planning documents in its quest to achieve higher middle-income status by 2030. For instance, the RGC developed its 2014- 2018 National Strategic Development Plan (NSDP), which commits the government to ensure a better

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<sup>1</sup> [https://www.usaid.gov/sites/default/files/documents/1861/CDCS%20Cambodia%20Public%20Version%20\(approved\).pdf](https://www.usaid.gov/sites/default/files/documents/1861/CDCS%20Cambodia%20Public%20Version%20(approved).pdf)

quality of life for its people, and in building a democratic, rule-based society, with equitable rights and opportunities for the population in economic, political, cultural, and other spheres. The RGC produced a Development Cooperation and Partnerships Strategy to support implementation of the 2014-2018 NSDP, with the objective of promoting development effectiveness in Cambodia through a wide range of partnerships.

Cambodia's Rectangular Strategy (Phase III) supports the promotion of the agriculture sector, private sector development and employment, and capacity development. The NSDP and the Agriculture Sector Development Program (ASDP) 2014-2018 aims to improve productivity, diversification, and commercialization of crops; promote livestock farming and aquaculture; and, reform land ownership policies. In addition, the National Strategy on Food Security and Nutrition (NSFSN) 2014-2018 aims to enhance the availability of and sustainable access to food at the household level. The Cambodia Climate Change Strategic Plan (CCCSP) 2014-2023 captures the main strategic objectives and directions for a climate-smart development of Cambodia to address a wide range of climate change issues linked to adaptation, greenhouse gas (GHG) emission mitigation, and low-carbon development.

USAID's programs under this DOAG will, as best as possible, help to advance the goals identified under the RGCs national strategies.

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

In support of 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 & 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 \$21,070,390 in new food security and agriculture funds are planned for the FY 2015-2017 timeframe to achieve this Development Objective. If additional funds become available, USAID Cambodia will consider expanding program activities if feasible. Currently funds under this Development Objective are earmarked and thereby can only be directed to food security and agriculture programs.

The RGC contribution reflects the Ministry of Agriculture, Fisheries and Forestry (MAFF) in-kind contributions to the shared objectives of the program. The contribution will equal up to 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 shall be U.S. \$1,902,355 for FY 2016.



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.

Description	Year (FY 2015)	Year (FY 2016)	Year (FY 2017)	Total
Agriculture/food security	6,312,861	5,707,065	7,440,000	19,459,926
<b>Sub-total:</b>	<b>6,312,861</b>	<b>5,707,065</b>	<b>7,440,000</b>	<b>19,459,926</b>
<b>Administration Cost:</b>	<b>447,690</b>	<b>602,774</b>	<b>560,000</b>	<b>1,610,464</b>
<b>Total Estimated USG Contribution</b>	<b>6,760,551</b>	<b>6,309,839</b>	<b>8,000,000</b>	<b>21,070,390</b>
<b>Total Estimated RGC Contribution</b>	<b>2,104,287</b>	<b>1,902,355</b>	<b>2,480,000</b>	<b>6,486,642</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 (2014 – 2018 JMI TWG-Agriculture and Water);
- Management, conservation, and development of sustainable fisheries 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 (2014 – 2018 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 (2014-2018 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 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, 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 landless 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



Cambodia'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 Cambodia, 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, government, and private entities and U.S. universities.

Agriculture activities to receive FY 2016 USAID funds under the Agreement may include:

<u>Activity Name</u>	<u>Description</u>	<u>Implementing Partner</u>
<u><i>Integrated Nutrition, Hygiene and Sanitation Program (NOURISH)</i></u> <u><i>Estimated FY 2016 funding \$2,000,000</i></u>	The Integrated Nutrition, Hygiene, and Sanitation program will address selected health, food security, and climate change priorities in Cambodia. The program aims to improve the nutritional status of mothers and children under 23 months of age by improving Cambodians' diets and increasing their access to clean water and sanitation facilities. The program will fund a conditional cash transfer and voucher program that encourages the use of water purifying and sanitation products. With Climate Change Adaptation funds, the program will build community level resilience to safe water and sanitation practices. The program will introduce community-based nutrition counseling through behavior-change communication activities and partner with the private sector to market latrines and water-treatment filters and commodities.	Save the Children
<u><i>FTF Cambodia</i></u>	This five-year FTF Cambodia	To be

<p><u>Horticulture Program</u>  <u>Estimated FY 2016</u>  <u>funding \$2,000,000</u></p>	<p>Commercial Horticulture Program will build on the results and adopt lessons learned from the Helping Address Rural Vulnerability and Ecosystem Stability (HARVEST) program. The program will move up the value chain to focus its efforts on strengthening market linkages, expanding and developing the businesses engaged in the agriculture sector, and improving the policy environment for better citizen and private sector engagement. The activities will remain focused on the FTF Zone of Influence provinces of Pursat, Battambang, Siem Reap, and Kampong Thom. This new program will ensure interventions are sustainable; the activities will be private sector-led and demand-driven. The activity will ensure that all actors along the value chain, including farmers, will reap the benefits of the development and expansion of the horticulture market.</p>	<p>determined (TBD)</p>
<p><u>FTF Cambodia Rice Field Fisheries II (RFF II)</u>  <u>Estimated FY 2016</u>  <u>funding \$800,000</u></p>	<p>The new FTF Cambodia Rice Field Fisheries II Program will significantly expand its scope and mandate in developing and supporting sustainable management practices for freshwater fisheries in four provinces around the Great Lake. Research-based best practices will be used on a large scale to increase biodiversity and enhance the productivity of Cambodia's freshwater fisheries. Activities include enhancement of community fish refuges (CFRs) and surrounding rice fields and channels through physical upgrading of the resource and additional structures to increase productivity and maintain conservation, CFR productivity and Catch &amp; Consumption Monitoring to fully understand the benefits of the interventions, training and awareness-raising workshops, and communication material development. The program will develop sustainable management practices for freshwater fisheries. Research-based best practices including enhancement of community fishing areas and physical upgrading will be used on a large scale to increase</p>	<p>The WorldFish Center</p>



	biodiversity and enhance the productivity of Cambodia's freshwater fisheries.	
<u>Sustainable Intensification Innovation Lab - Center of Excellence for Agriculture Research and Capacity Building</u> <u>Estimated FY 2016 funding \$500,000</u>	In partnership with RUA, the Sustainable Intensification Lab will establish a Center of Excellence to increase the research and institutional capacity of RUA. The project will provide opportunities to obtain their doctorate degrees, research collaboration between U.S. universities, develop and improve curricula, and increase collaboration and coordination between the existing Innovation Labs and other USAID programming. Other activities under this program include establishing field demonstration sites to promote research and vocational training in the field.	Kansas State University/RUA
<u>Capacity Building of Cambodia's Local Organizations Program</u> <u>Estimated FY 2016 funding \$100,000</u>	The Capacity Building of Cambodia's Local Organizations program will directly support local Cambodian organizations. The program will support the development of new partnerships with local organizations and strengthen the skills of existing partners across all technical sectors. The program will help local organizations improve their financial management and human resource systems, develop strategic and operational plans, and strengthen their monitoring and evaluation systems. This program will also support USAID in implementing risk-mitigation procedures through pre-award assessments of potential local organizations and financial reviews of current partners.	International Executive Service Corps (IESC)
<u>Innovate estimated FY 2016 funding \$177,000</u>	The Innovate program will partner with RUA to improve agriculture curriculum, teaching, and expand the portfolio of vocational training. The project will modernize agriculture training in Cambodia to develop a cadre of professionals to better meet the demands of the private and public sectors. This activity will be under RUA's Center of Excellence to ensure coordination and efficacy.	TBD
<u>TBD Economic Growth estimated FY 2016 funding \$130,065</u>	The Economic Growth activity will support both the Cambodian government and private sector to encourage investment into the agriculture sector. More specifically, the activity will enhance public-private	TBD

	dialogue, policy advocacy, and identify a clear road map for increasing economic growth and trade.	
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## **B. Additional Support**

This Amplified Description may be changed upon written consent between 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 MAFF or co-chaired by 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**

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, 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. Oversee program activities and participate in the site visits from time to time;
5. Participate in the monitoring and evaluation of the projects;
6. Facilitate the official permits, visas, and any other permissions described in Article 6 of the Agreement;
7. Facilitate the exemptions described in Section B.4 of Annex 3; and
8. 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 on program activities to MAFF as appropriate and other relevant documents and information produced by the program be provided to MAFF on a timely basis;
4. Consult with 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 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.

## **DOAG No. 442-DOAG-0301 Annex 2: 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/Cambodia developed a Country Development Cooperation Strategy 2014-2018,<sup>1</sup> which aims to accelerate Cambodia's transformation to a democratic and prosperous country. USAID programs under Development Objective 3 "Resilient Pathways out of Poverty Strengthened" support the Royal Government of Cambodia (RGC) to reduce the numbers of people living in poverty, reduce the vulnerability of people and landscapes to climate change, 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 RGC is developing key vision and planning documents in its quest to achieve higher middle-income status by 2030. For instance, the RGC developed its 2014-2018 National Strategic Development Plan (NSDP), which commits the government to ensure a better quality of life for its people, and in building a democratic, rule-based society, with equitable rights and

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<sup>1</sup> [https://www.usaid.gov/sites/default/files/documents/1861/CDCS%20Cambodia%20Public%20Version%20\(approved\).pdf](https://www.usaid.gov/sites/default/files/documents/1861/CDCS%20Cambodia%20Public%20Version%20(approved).pdf)



opportunities for the population in economic, political, cultural, and other spheres. The RGC produced a Development Cooperation and Partnerships Strategy to support implementation of the 2014-2018 NSDP, with the objective of promoting development effectiveness in Cambodia through a wide range of partnerships.

The Cambodia Climate Change Strategic Plan (CCCSP) 2014-2023 captures the main strategic objectives and directions for a climate-smart development of Cambodia to address a wide range of climate change issues linked to adaptation, GHG emission mitigation, and low-emission development.

The National Environment Strategy and Action Plan (NESAP) which was first drafted in August 2015 aims to sustain and consolidate the development, protection and preservation of Cambodia's environment and natural resources. It also describes the requirements for all government ministries as well as private sector, civil society and development partners to integrate environmental concerns into national and sub-national economic policies and investments.

Additionally, the Environmental Code currently under development will establish the overarching principles and legal framework to guide implementation of existing laws affecting the environment including those currently outside of the MoE's jurisdictions. The Code will also propose an additional set of new laws to address matters that are either poorly addressed or not included in current laws, such as climate change, urban environmental issues, enforcement matters, and citizens' rights.

USAID's programs under this DOAG will, as best as possible, help to 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 support of coordination with the RGC and other donors on environment issues, USAID actively participates in the Forest Reform TWG.

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 U.S. \$26,630,140 in new environment funds are planned for the FY 2015-2017 timeframe to achieve this Development Objective. If additional funds become available, USAID Cambodia will consider expanding program activities if feasible. Currently funds under this Development Objective are earmarked and thereby can only be directed to environment programs.



The RGC contribution reflects the Ministry of Environment's in-kind contributions to the shared objectives of the program. The contribution will equal up to 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 shall be U.S. \$3,670,150 for FY 2016.

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 Section 3.1 of the Agreement.

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

Description	Year (FY 2015)	Year (FY 2016)	Year (FY 2017)	Total
Environment	4,214,977	11,010,451	9,300,000	24,525,428
<b>Sub-total:</b>	<b>4,214,977</b>	<b>11,010,451</b>	<b>9,300,000</b>	<b>24,525,428</b>
<b>Administration Cost:</b>	<b>415,163</b>	<b>989,549</b>	<b>700,000</b>	<b>2,104,712</b>
<b>Total Estimated USG Contribution</b>	<b>4,630,140</b>	<b>12,000,000</b>	<b>10,000,000</b>	<b>26,630,140</b>
<b>Total Estimated RGC Contribution</b>	<b>1,404,992</b>	<b>3,670,150</b>	<b>3,100,000</b>	<b>8,175,142</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 JMI is:

- Sustainable forest management and conservation contributed to poverty alleviation and macroeconomic growth (2014-2018 JMI TWG-Forestry Reform).

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 will align with the technical areas detailed below:

### **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 in Mondulkiri province. USAID Cambodia 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 using 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 promoting climate mitigation and adaptation that are managed by USAID's Regional Development Mission to Asia (RDMA) in Bangkok 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 programming will also use state-of-the-art technology to analyze and monitor forest cover.

For all activities, there will be an emphasis on ensuring 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.

GCC activities will also work across the agriculture and environment sectors to achieve results that foster adaptation to climate change on farms, within fisheries, and forest watersheds. For example, activities will need to consider potential impacts of heat and drought stress, seasonal flooding and tidal cycles on crop production as well as fish stocks, and techniques and policies related to these.

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 sustainable, 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 RDMA resources and other regional platforms in fostering greater conservation and management of Cambodia’s natural resources.

The following indicative Environment activities to receive FY 2016 USAID funds under the Agreement may include:

<b><u>Activity Name</u></b>	<b><u>Description</u></b>	<b><u>Implementing Partner</u></b>
<i><u>Supporting Forests and Biodiversity (Extension)</u></i> <i><u>Estimated FY 2016 funding</u></i> <i><u>\$1,000,000</u></i>	This extension will continue activities in both the Prey Lang and Eastern Plains Landscapes, to carry on critical support for the objectives of the national government to sustainably manage and protect forests and biodiversity. Activities will focus on strengthening governance of natural resources and promoting equitable economic benefits from the sustainable use of natural resources.	Winrock International



<p><u>Prey Lang Extended Landscapes Program</u>  <u>Estimated FY 2016 funding \$3,199,780</u></p>	<p>This Landscapes program will build on previous experiences and work from other USAID and donor investments. This program will focus on improving the overall management of the Prey Lang landscape. Activities will target the sub-national level but will also include strategic investments at the national level with various ministries and institutions. This comprehensive program will focus on biodiversity conservation, strengthening the governance and policies related to the landscape, and increase sustainable economic growth within the landscape as well as into the extended landscape area toward the Tonle Sap Lake.</p>	<p>To be determined (TBD)</p>
<p><u>The Eastern Plains Conservation Program</u>  <u>Estimated FY 2016 funding \$1,316,006</u></p>	<p>Programs in the Eastern Plains Landscape will continue to build on U.S. investments and lessons learned from previous activities. Activities will focus on the improved management of the Eastern Plains with a range of appropriate activities taking place at the sub-national level along with strategic investments at the national level with various ministries and institutions. The focus will be on biodiversity conservation, strengthening the governance and policies related to the Eastern Plains, and increasing sustainable economic growth at the sub-national level. The economic benefits of protecting the Eastern Plains will be raised to a national level.</p>	<p>TBD</p>
<p><u>Environmental Governance Reform for Sustainable Development</u>  <u>Estimated FY 2016 funding \$1,000,000</u></p>	<p>The overall objective of this activity is to facilitate environmental governance reforms to create an enabling policy environment for conserving and protecting environmental resources at risk. The activity will: 1) strengthen the new Ministry of Environment organizational structure so as to enhance efficiency and effectiveness</p>	<p>United Nations Development Programme (UNDP)</p>

	<p>of their environmental protection and conservation activities; 2) strengthen operationalization of the National Council of Sustainable Development, a new institutional entity in Cambodia that will play a pivotal role in facilitating ministerial-level political discussions and dialogues among line ministries to ensure environmental sustainability in current and future development activities; and 3) formulate environmental code to achieve sustainable natural resource management and development.</p>	
<p><u>Capacity Building of Cambodia's Local Organizations Program</u> <u>Estimated FY 2016 funding \$60,000</u></p>	<p>The Capacity Building of Cambodia's Local Organizations program will directly support local Cambodian organizations. The program will support the development of new partnerships with local organizations and strengthen the skills of existing partners across all technical sectors. The program will help local organizations improve their financial management and human resource systems, develop strategic and operational plans, and strengthen their monitoring and evaluation systems. This program will also support USAID in implementing risk-mitigation procedures through pre-award assessments of potential local organizations and financial reviews of current partners.</p>	<p>International Executive Service Corps (IESC)</p>
<p><u>Feed the Future (FTF) Cambodia Rice Field Fisheries II (RFF II)</u> <u>Estimated FY 2016 funding \$400,000</u></p>	<p>The new FTF Cambodia Rice Field Fisheries II Program will significantly expand its scope and mandate in developing and supporting sustainable management practices for freshwater fisheries in four provinces of the Great Lake. Research-based best practices will be used on a large scale to increase biodiversity and enhance the productivity of Cambodia's freshwater fisheries. Activities include</p>	<p>The WorldFish Center</p>



	<p>enhancement of community fish refuges (CFRs) and surrounding rice fields and channels through physical upgrading of the resource and additional structures to increase productivity and maintain conservation, CFR productivity and Catch &amp; Consumption Monitoring to fully understand the benefits of the interventions, training and awareness-raising workshops, and communication material development. The program will develop sustainable management practices for freshwater fisheries. Research-based best practices including enhancement of community fishing areas and physical upgrading will be used on a large scale to increase biodiversity and enhance the productivity of Cambodia's freshwater fisheries.</p>	
<p><u>FTF Cambodia Horticulture Program</u>  <u>Estimated FY 2016 funding</u>  <u>\$800,000</u></p>	<p>This five-year FTF Cambodia Commercial Horticulture Program will build on the results and adopt lessons learned from the Helping Address Rural Vulnerability and Ecosystem Stability (HARVEST) program. The program will move up the value chain to focus its efforts on strengthening market linkages, expanding and developing the businesses engaged in the agriculture sector, and improving the policy environment for better citizen and private sector engagement. The activities will remain focused on the FTF Zone of Influence provinces of Pursat, Battambang, Siem Reap, and Kampong Thom. This new program will ensure interventions are sustainable; the activities will be private sector-led and demand-driven. The program will ensure that all actors along the value chain, including farmers, will reap the benefits of the development and expansion of the horticulture market.</p>	TBD

<p><u>Climate Services Program</u>  <u>Estimated FY 2016 funding</u>  <u>\$1,000,000</u></p>	<p>Climate services ensure that the best available science is effectively communicated with key stakeholders for decision-making, policy development, and planning. This mechanism will embed qualified technical experts into key partner ministries that would benefit from enhanced cooperation on climate services and related capacity building. These technical experts will strengthen institutions and line ministries so that Cambodia can meet its international commitments to reduce emissions by providing access to climate information and technologies. Experts would: Identify needs and opportunities related to climate services and geospatial data, ensuring a match between supply and demand; build capacity to apply climate services and geospatial data; and strengthen communication between relevant USAID regional and global programs, and government partners. The mechanism will also reduce transaction costs and ensure greater sustainability of support provided by regional and global programs.</p>	<p>TBD</p>
<p><u>Natural Resource Management</u>  <u>Public Campaign (Public</u>  <u>Outreach Campaign) Program</u>  <u>Estimated FY 2016 funding</u>  <u>\$682,562</u></p>	<p>The Public Outreach Campaign Program aims to raise the national, regional, and international profile of Cambodia to protect its biologically and culturally important species and forests. A range of public events, constructive dialogue, and the innovative use of media will highlight USAID Cambodia's commitment to addressing U.S. government strategic priorities related to biodiversity conservation, wildlife trafficking, and climate change. The program will also work closely to support various line ministries that are focused on sustainable resource management. The target audience will</p>	<p>TBD</p>



	<p>be strategic stakeholders in the RGC, journalists, students of all ages, and civil society organizations. This activity will be designed and implemented in close coordination with the U.S. Embassy Public Affairs Section, and may either complement or collaborate with a planned Asia Regional program on the Mekong River.</p>	
<p><u>USFS Flooded Forest Carbon Counting – USPAPA (SWAMP)</u> <u>Estimated FY 2016 funding \$660,000</u></p>	<p>USAID/Cambodia will buy into the U.S. Forest Service (USFS) Sustainable Wetlands Adaptation and Mitigation Program (SWAMP) Participating Agency Program Agreement. The USFS will:</p> <ul style="list-style-type: none"> <li>- build capacity in data analysis and incorporation into national greenhouse gas inventories;</li> <li>- provide additional training and carbon accounting data collection in the provinces with flooded forests around the Tonle Sap River; and</li> <li>- substantiate the need for conservation by contributing to emissions factor development and improved accuracy of Cambodia's national greenhouse gas inventory.</li> </ul> <p>This is an efficient way for USAID/Cambodia to engage the advisory and technical capabilities of USFS, the principal domestic technical agency for forestry and natural resources management in the United States, to implement technical assistance activities that support Presidential Initiatives (e.g.; Global Climate Change, Sustainable Landscapes) and priority program areas (e.g.; science and technology exchange).</p>	TBD
<p><u>TBD WASH estimated FY 2016 funding \$892,103</u></p>	<p>This implementing mechanism will contribute to increasing access to water supply, sanitation and the adoption of key hygiene behaviors.</p>	TBD

## **B. Additional Support**

This Amplified Description may be changed upon written consent between Ministry of Environment (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 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 MOE or co-chaired by MOE 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. 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 of the Kingdom of Cambodia 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. Oversee program activities and participate in the site visits from time to time;
5. Participate in the monitoring and evaluation of the projects;
6. Facilitate the official permits, visas, and any other permissions described in Article 6 of the Agreement;
7. Facilitate the exemptions described in Section B.4 of Annex 3; and
8. 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 on program activities to the MOE as appropriate and that other



- relevant documents and information produced by the program be provided to the MOE 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.