



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. 2 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) of the Agreement as well as a corresponding increase to the Grantee’s contribution set forth in the 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, Section 3.1(a) is deleted in its 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. forty-four million, nine hundred thousand, five hundred and thirty dollars (\$44,900,530), 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, and U.S. fifteen million, two hundred thousand dollars (\$15,200,000) are FY 2017 funds (the “Grant”).

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. thirteen million, six hundred seventy three thousand, two hundred fifty four dollars (\$13,673,254), 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, and U.S. four million, five

hundred ninety one thousand, four hundred seventy dollars (\$4,591,470) with respect to the FY 2017 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, 2020, 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 2017 Agriculture Amplified Description, is supplemented by Annex 1 for FY 2015 and FY 2016, which are incorporated by reference. The Amplified Descriptions describe activities to be undertaken with Agriculture funds obligated under the Agreement.
5. Annex 2, FY 2017 Environment Amplified Description, is supplemented by Annex 2 for FY 2015 and FY 2016, which are incorporated by reference. The Amplified Descriptions describe activities to be undertaken with Environment 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
Acting Mission Director
USAID/Cambodia

Date: 8-JUNE-2018

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: 07/06/18

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PHOENIX FUNDS AVAILABLE (Commitment)	
Amount:	<u>\$15,200,000</u>
08 JUN 2018 57/20/18	
Requested By:	<u>HS</u> On <u>06/08/18</u>
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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 2014-2018,¹ 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, 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 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 opportunities for the population in economic, political, cultural, and other

¹ [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)

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. Agriculture Sector Master Plan 2030 aims to increase agricultural growth and expand agricultural exports by increasing agricultural productivity and value added commodities, while ensuring the sustainable use of land, fisheries, and forest resources.

USAID's programs under this DOAG will contribute to helping advance the goals identified under the RGCs 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 \$21,770,390 in new FY 2015-2017 food security and agriculture funds are planned to achieve this Development Objective. If additional funds become available, USAID will consider expanding program activities, if feasible. The list of these possible additional activities is included under Section V below. **Please note that because no funding has been allocated for these possible additional activities, the estimated FY 2017 funding level is currently listed as \$0.00. However, should funding become available, these possible activities have been discussed with the MAFF and are fully supported by both USAID/Cambodia and the MAFF. Should any of these activities be funded, they still would be subject to the ceiling of the DOAG. 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 Ministry of Agriculture, Fisheries and Forestry (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. \$2,644,785 for FY 2017.

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	7,934,355	19,954,281
Sub-total:	6,312,861	5,707,065	7,934,355	19,954,281
Administration Cost:	447,690	602,774	765,645	1,816,109
Total Estimated USG Contribution	6,760,551	6,309,839	8,700,000	21,770,390
Total Estimated RGC Contribution	2,104,287	1,902,355	2,644,785	6,651,427

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).

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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 and FY 2016 Amplified Descriptions are incorporated herein by reference.

The following Agriculture activities to receive FY 2017 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 (NOURISH)</i></u> <u><i>Estimated FY 2017 funding \$249,355</i></u>	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
<u><i>Harvest II</i></u> <u><i>Estimated FY 2017 funding \$3,710,000</i></u>	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.
<u><i>Partnership for Development Results, Phase 2</i></u> <u><i>Estimated FY 2017 funding \$50,000</i></u>	The Partnership for Development Results, Phase 2 activity will strengthen the capacity of the Cambodian Rehabilitation and Development Board (CRDB) in the Council for the Development of Cambodia (CDC) to be able to better manage and align diverse sources of development finance with the national budget, the National Strategic Development Plan, and the Sustainable Development Goals. This activity will also help strengthen the CRDB's capacity to facilitate and monitor the implementation of the Industrial Development Plan.	UNDP
<u><i>FTF Rice Field Fisheries (RFF) II</i></u> <u><i>Estimated FY 2017 funding \$400,000</i></u>	This activity will support sustainable 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.	The WorldFish Center
<u><i>Small Project Assistance (SPA)</i></u> <u><i>Estimated FY 2017 funding \$25,000</i></u>	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 health, education and FTF activities in rural communities.	Peace Corps

	The activities implemented by Peace Corps volunteers address locally identified development priorities such as nutrition and food security in hard-to-reach areas of Cambodia. Peace Corps volunteers are implementing small activities to improve community awareness about nutrition to help adopt better health behaviors and food security training on how to introduce and improve their home and school gardens.	
<u>Sustainable Intensification Innovation Lab - Center of Excellence for Agriculture Research and Capacity Building</u> <u>Estimated FY 2017 funding \$750,000</u>	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.	Kansas State University
<u>Accelerating the Adoption of Stress-Tolerant Rice Varieties by Smallholder Farmers in Cambodia</u> <u>Estimated FY 2017 funding \$1,500,000</u>	This Activity will support and strengthen Cambodia's national seed systems to sustain rice seed production and timely delivery for a more resilient and productive rice-growing system. The goal of the project is to improve food security, nutrition and incomes by scaling up the production and distribution of high yielding and climate resilient rice varieties.	International Rice Research Institute (IRRI)
<u>United States Department of Agriculture – Technical assistance on Food safety and sanitary and phytosanitary regulation and implementation</u> <u>Estimated FY 2017 Funding \$1,250,000</u>	This activity will cooperate and collaborate with RGC and relevant private sector stakeholders to develop and draft regulations on food safety and sanitary and phytosanitary regulations, provide technical assistance to understand the bottlenecks and challenges in food safety and SPS, and work with the private sector to ensure that they understand the rules and regulations.	United States Department of Agriculture (USDA)
<u>Water, Sanitation, and Hygiene Project</u> <u>Estimated FY 2017 Funding \$0</u>	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.	TBD
<u>Economic Growth</u>	Economic Growth programs will support	TBD

<p><i>programs</i></p> <p><i>Estimated FY 2017 funding \$0</i></p>	<p>both the Cambodian government and private sector stakeholders to encourage investment into the agriculture sector and trade within and outside of Cambodia.</p>	
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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 2017 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 2014-2018,¹ 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 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 RGC is developing key vision and planning documents in its quest to achieve higher

¹ [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)

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 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 being finalized will establish the overarching principles and legal framework to guide implementation of existing laws affecting the environment including those currently outside of the Ministry of Environment's (MoE) 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 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. \$23,130,140 in new FY 2015-2017 environment funds

are planned to achieve this Development Objective. If additional funds become available, USAID will consider expanding program activities, if feasible. The list of these possible additional activities is included under Section V below. Please note that because no funding has been allocated for these possible additional activities, the estimated FY 2017 funding level is currently listed as \$0.00. However, should funding become available, these possible activities have been discussed with the MoE and are fully supported by both USAID/Cambodia and the MoE. Should any of these activities be funded, they still would be subject to the ceiling of the DOAG. Currently, funds under this Development Objective include congressionally-mandated earmarks and thereby 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. \$1,946,685 for FY 2017.

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
Environment	4,214,977	11,010,451	5,840,055	21,065,483
Sub-total:	4,214,977	11,010,451	5,840,055	21,065,483
Administration Cost:	415,163	989,549	659,945	2,064,657
Total Estimated USG Contribution	4,630,140	12,000,000	6,500,000	23,130,140
Total Estimated RGC Contribution	1,404,992	3,670,150	1,946,685	7,021,827

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 (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 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 and FY 2016 Amplified Descriptions are incorporated herein by reference.

The following Environment activities to receive FY 2017 USAID funds under the Agreement may include:

<u>Activity Name</u>	<u>Description</u>	<u>Implementing Partner</u>
<p><u>Greening Prey Lang</u></p> <p><u>Estimated FY 2017 funding \$3,144,348</u></p>	<p>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 landscape. 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 related to the sustainable management of the landscape, and interventions that may increase sustainable economic growth within the landscape as well as into the extended landscape area including the Tonle Sap Lake.</p>	<p>To be determined (TBD)</p>
<p><u>USAID Eastern Plains Conservation Program</u></p> <p><u>Estimated FY 2017 Funding \$1,760,055</u></p>	<p>Programs in the Eastern Plains Landscape will continue to build on investments and lessons learned from USG, other donor, NGO and RGC interventions. Activities will focus on improving the overall management of the Eastern Plains Extended Landscape. Interventions will target the sub-national level but will also include strategic investments at the national level with various ministries and institutions. Initiatives will include those affecting biodiversity conservation, strengthening the governance and policies related to the sustainable management of the Eastern Plains Landscape, and increasing sustainable economic growth at the sub-national level.</p>	<p>TBD</p>

<p><u>Feed the Future (FTF)</u> <u>Cambodia Rice Field Fisheries</u> <u>(RFF) II</u></p> <p><u>Estimated FY 2017</u> <u>funding \$905,652</u></p>	<p>The FTF RFF II activity will significantly expand its scope and mandate in developing and supporting sustainable management practices for freshwater fisheries. 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, but are not limited to, enhancement of community fish refuges (CFRs) and surrounding rice fields and channels, CFR productivity and Catch & Consumption Monitoring to fully understand the benefits of the interventions, training and awareness-raising workshops, and communication material development.</p>	<p>The WorldFish Center</p>
<p><u>Partnership for Development Results, Phase 2</u></p> <p><u>Estimated FY 2017</u> <u>funding \$30,000</u></p>	<p>The Partnership for Development Results, Phase 2 activity will strengthen the capacity of the Cambodian Rehabilitation and Development Board (CRDB) at the Council for the Development of Cambodia (CDC) to be able to better manage and align diverse sources of development finance with the national budget, the National Strategic Development Plan, and the Sustainable Development Goals. The funds will also help strengthen CRDB’s capacity to facilitate and monitor the implementation of the Industrial Development Plan.</p>	<p>UNDP</p>
<p><u>United States Forest Service –</u> <u>Technical Assistance</u></p> <p><u>Estimated FY 2017 funding \$0</u></p>	<p>This activity will engage the advisory and technical capabilities of the USFS to provide technical assistance, training, and technology sharing to key government and community stakeholders involved in protected area management (PAM). USFS assistance will include but not be limited to improving data collection and analysis, supporting greenhouse gas inventories and carbon accounting, sharing and training on</p>	<p>United States Forest Service</p>

	appropriate science and technology, and improving PAM patrolling and conservation practices. Given the breadth of technical expertise housed within USFS, other specialized technical assistance may be requested of the USFS from the MoE and/or USAID that supports the RGC's ongoing and expanding efforts to protect Cambodia's natural resources.	
<u>Environmental Governance Reform for Sustainable Development</u> <u>Estimated FY 2017 funding \$0</u>	The overall objective of this activity is to continue the facilitation of environmental governance reforms so as to create an enabling policy environment for conserving and protecting environmental resources. The activity will include but not be limited to supporting the reform, restructuring, and operationalization of both the Ministry of Environment and the National Council of Sustainable Development.	United Nations Development Programme
<u>Water, Sanitation, and Hygiene (WASH) Program</u> <u>Estimated FY 2017 funding \$0</u>	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.	TBD
<u>Prey Lang and Cardamoms Landscapes Program</u> <u>Estimated FY 2017 funding \$0</u>	This Landscapes program may include initiatives that focus on improving the overall management of the Prey Lang and/or Cardamoms Landscapes. Activities will target the sub-national level and include strategic investment at the national level with various ministries and institutions, public and private. This program will focus on biodiversity conservation, strengthening the governance and management of the landscapes, and increase sustainable economic growth.	TBD

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.