

August 18, 2015

Approval by mail: Kingdom of Cambodia: Rainwater Harvesting and Drip Irrigation for High-value Crop Production in Cambodia (PPCR) (ADB) –Comments from Germany

Dear Mafalda,

Pls. find herewith my comments on proposed project: **Cambodia - Rainwater Harvesting and Drip Irrigation for High-Value Crop Production in Cambodia Project**

Summary

We have no major objections to the implementation of the project. However, we have a few comments (see bold highlights), which we would like to see incorporated during project implementation. Moreover, **we recommend considering our earlier comments on the SPCR for Cambodia, submitted on 30th June 2011.**

Individual Comments

We recognize the high potential of the proposed “outgrower scheme” for rising income levels of (poor) small scale farmer households in Cambodia. Yet, given that most small-scale farmers in rural communities, and particularly poor households, rely on subsistence farming, we feel that the proposal lacks information on the role of this livelihood strategy within the context of the project. As livelihood diversification contributes to livelihood security in rural communities, we recommend clarifying whether it is foreseen that the outgrower farmers – in addition to their export-oriented activities – still cultivate food crops to provide for their families.

We welcome the envisaged cooperation with a local partner institution, whose strategy to target customers without bank accounts and access to other bank branches is consistent with the outgrower scheme. However, the proposal does not clearly state whether Cambodia Post Bank is the only financial institution that has expressed interest in project involvement. **Thus, we recommend describing whether it has been considered to engage with other micro-finance institutions as well, for the purpose of avoiding a monopoly.**

Cross-cutting issues

Gender

We very much welcome the inclusive approach to gender and the development of a Gender Action Plan. Moreover, we particularly appreciate that the target “Number of Akay farm employees in Cambodia” is disaggregated by sex. Yet, also other targets from the results framework seem suitable to be formulated in a gender-sensitive way. **Thus, we suggest disaggregating the targets “Number of out-grower farmers utilizing water harvesting ponds on farms” and “Number of out-grower farmers utilizing drip irrigation on farms” by sex.**

In addition, the proposal states that the “Cambodia Post Bank will be responsible for the administration of funds, including (i) assessment of the creditworthiness of individual farmers”. Yet, it does not explain if and how Cambodia Post Bank will take into account the situation of female farmers during their assessment. Against this backdrop, **we recommend clarifying how the project intends to ensure that women will have adequate access to loans.**

Learning

We welcome that the proposed project foresees capacity building and that it aims to contribute to knowledge sharing and dissemination through trainings, workshops, mentoring activities and side visits for a wide range of stakeholders. In the light of the project's outreach efforts, we further suggest clarifying whether activities other than practical demonstrations on the model farm are planned to make the generated knowledge products and lessons learned available for a broader audience at national and international level (e.g. private sector companies, local government, academia, civil society, development partners).

Synergies with German Climate Change Related Engagement in the Country/Region

We welcome that synergies and complementarities with other ADB activities and regional projects are taken into account. We further recommend considering the on-going German climate change related engagement in the country, such as the "Support on the NAP process in Cambodia Project", funded by the Federal Ministry for Economic Cooperation and Development (BMZ) and USAID, and implemented by the Gesellschaft für Internationale Zusammenarbeit (GIZ) in close cooperation with the Cambodian Climate Change Alliance (CCCA). The CCCA has also supported the development of various sector-specific climate strategies and action plans, among others for the agricultural sector. The PPCR proposal should be in line with priorities laid out in these strategies and action plans.

Romeo Bertolini

German Federal Ministry for Economic Cooperation and Development (BMZ)