

Kingdom of Cambodia

Ministry of Agriculture, Forestry and Fisheries(MAFF)

Climate-Friendly Agribusiness Value Chains Sector Project (CFAVC)

Summary Project Progress of AWP 2022

Meeting 27th January 2023
Prepared by CS1

Kingdom of Cambodia
Ministry of Rural Development (MRD)



**CLIMATE-FRIENDLY AGRIBUSINESS VALUE CHAINS SECTOR
PROJECT (CFAVC)**

ADB Loan No. 3661-CAM (COL)/8346-CAM (EF)
Grant No. 0579-CAM (EF)

CS1 - 001 SER: Project Implementations Consulting

EXECUTIVE SUMMARY

Quarterly Report 4/2022
October - December



Prepared by



in JV with SBK Research and
Development



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I. Introduction and Basic Data

This presentation is based on the data from the 12th Quarterly report of the Climate Friendly Agri-business Value Chain Sector (CFAVC) Project, covering the period October – December 2022.



I.1. Basic Project Information

The brief project information such as project name, project title, executing agency and implementing agency are shown in Table I.1.

Table I.1: Project Information

Project Number	48409-002 Loan No. 3661-CAM (COL) / 8346-CAM (EF) Grant No. 0579 - CAM (EF)
Project Title	Climate Friendly Agri-business Value Chains Sector Project (CFAVC)
Recipient	Royal Government of Cambodia
Executing Agency	Ministry of Economy and Finance; Ministry of Agriculture, Forestry and Fisheries;
Implementing Agency	Cambodia Agricultural Research and Development Institute (CARDI) General Directorate of Animal Health and Production (GDAHP) General Directorate of Agriculture (GDA) General Department Directorate of Technical Affairs of MOWRAM General Directorate of Technical Affairs of MRD

I.1. Basic Project Information (Continue)

The CFAVC project is funded by the Asian Development Bank under loan No. 3661-CAM (COL) and the Green Climate Fund (GCF) under loan 8346-CAM (EF) and grant number No. 0579-CAM (EF) while the Royal Government of Cambodia (RGC) and the beneficiaries also contribute.



1.2. Project Cost and Financing Plan



The project is estimated to cost a total of \$141.04 million, of which the ADB will provide US\$90 million from ADB's ordinary capital resources (in the form of a Concessionary Loan) while the Green Climate Fund will provide \$40 million (\$ 10 million in the form of a loan and \$ 30 million as a grant). RGC will finance \$ 7.38 million to cover the costs for activities s described in table I.2, while the contribution from the beneficiaries in the form of-kind or in cashes for the biogas plant and compost huts is expected to be equivalent to \$3.66 million equivalent (PAM, par 18, p.15). For more detail see table I.2.

1.2. Project Cost and Financing Plan (Cont'.)

Table 1.2: Indicative financing plan CFAVC ADB and CGF (in millions of US\$)

Activity	TOTAL Budget (\$)	ADB Loan	CGF(S\$)	
			Loan	Grant
Irrigation, Ponds and Roads	78,796,750	60,537,190	9,963,900	8,295,660
Warehouses and laboratory	5,762,800	5,762,800	0	0
Other infrastructure	1,444,650	1,330,600	0	114,050
Equipment, Materials, Goods and Implementation Costs	27,543,130	16,757,700	0	10,785,430
Incremental Operating Costs	4,681,030	4,187,100		493,930
Interest and Fees	1,460,710	1,424,610	36,100	0
Training, Workshops and Demonstrations	7,456,780	0	0	7,456,780
Biogas Plants and Compost Huts	2,854,150	0	0	2,854,150
TOTAL	130,000,000	90,000,000	10,000,000	30,000,000

II. Project Progress During This Reporting Period

1. Physical and Financial Progress

Table II.1: Comparison Physical and Financial Progress per Agency per 31 December 2022

EAs/ IAs	Budget (Allocation)	Total Disbursement	Progress Rate %	
			Physical	Financial
PMU-MAFF	56,343,840	11,098,067	40.5 %	19.4 %
MOWRAM	44,235,807	2,653,418	27.0 %	6.0 %
MRD	36,341,680	2,130,585	32.0 %	3.5 %
TOTAL	141,040,000	15,052,980	35.93 %	10.7 %

II.2. MAFF

II.2.1. Activities on Track

Activities implemented by MAFF which are more or less on track are the improvement of the 80 ACs, 4 PADCS and 4 Agricultural workshops, with the AWP2020 and AWP2021 programs already implemented and the AWP 2022 program (for Acs) currently being procured



II.2. MAFF

II.2.2. Activities not on Track

Activities implemented by MAFF which are not on track are the installation of 12,000 bio-digesters (of which currently 53 installed) and 6,000 compost huts (0 installed) while the development of 2 new drought resistant rice and 1 maize varieties by CARDI have not started yet as the CS04 contract has still not been signed. Also the delay in the recruitment of the S04 consultants has resulted in delays in the implementation of the ICT contract.

II.3. MORAM-Irrigation and FUWC

II.3.1. Activities on Track

Activities implemented by MOWRAM which are more or less on track are the preparation of the Feasibility Studies for the rehabilitation program in the 27 irrigation schemes and the development of FWUCs in these 27 schemes.

II.3.2. Activities not on Track

Activities implemented by MOWRAM which are not on track are the implementation of the irrigation rehabilitation works due to the enormous delays in the implementation of the social safeguard screening. Currently only the AWP 2020 program is being implemented (6 out of the 27 irrigation schemes)

II.4. MRD-Farm Roads

II.4.1. Activities on Track

Activities implemented by MRD which are more or less on track are the preparation of the Feasibility Studies for the rehabilitation program of the 250 km farm – road program

II.4.2. Activities not on Track

Activities implemented by MOWRAM which are not on track are the implementation of the farm road rehabilitation works due to the enormous delays in the implementation of the social safeguard screening. Currently only the AWP 2020 program is being implemented (71 out of the 250 km farm roads).

III. Major Project Issues and Problems

The Main CFAVC project mayor issues are:

1. The covid -19 which still often infects persons

2. The Ukraine war, which started late February 2022, has caused a worldwide inflation and increase in energy prices which has also led into an increase in construction costs for the CFACF project. The impact of these increases are as follows: a) for all tenders which took place before the start of the war with implementation to take place after the start of the war, the contractors will have difficulties to implement the works with the increased construction costs as these contracts do not have an escalation clause and b) for all contracts to be tendered after late February the construction costs will be more than foreseen in the CFAVC costtab.

III. Major Project Issues and Problems

(Cont')

3. The remaining low speed of the social safeguard screening of all civil works programs (farm-road, irrigation and the MAFF Civil work program) remains to slow down the implementation speed of the CFAVC project enormously, with as result that the irrigation and road programs are still working on the AWP 2020 and AWP 2021 subprojects. The main causes for this are: 1) insufficient TA resources 2) insufficient resources for social safeguard primary data and 3) long time of processing and payment of land compensation by GDR.

III. Major Project Issues and Problems

(Cont')

4. The extremely lengthy process of procurement process of the CS03 consultant is still ongoing and is seriously delaying the implementation of some activities of Output 23.

5. The low TA PM allocations for packages CS01, CS02 and CS05, which have resulted in nearly all positions being intermittent are another reason for the slow implementation of the CFAVC project, also because of the relatively high staff-turnover

6. The long period it has taken to process the contract variations for the additional services for CS01 and CS02.

IV. Recap AWP 2022

	Loan Budget	31/12/21		31/12/22		2022	
		Physical progress	Disbursement (US\$)	Physical progress	Disbursement (US)	Physical progress	Disbursement (US)
MAFF	57,149,457	30.2	4,996,196	40.50	11,097,003	10.30	6,100,807
MOWRAM	44,235,807	12	785,712	27.00	2,653,418	15.00	1,867,706
MRD	37,349,607	21.6	119,468	32.00	1,892,991	10.40	1,773,523
Interest	2,305,129						
TOTAL	141,040,000	23.81	5,901,376	35.93	15,643,412	12.12	9,742,036

2022			
	AWP	Disbursement	%
MAFF	13,518,300	6,100,807	45.130
MOWRAM	14,706,500	1,867,706	12.700
MRD	8,847,200	1,773,523	20.046
TOTAL	37,072,000	9,742,036	26.279

