

May 20, 2013

**Response of MDB on Approval by Mail: Cambodia: Climate Proofing of  
Agricultural Infrastructure and Business-focused Adaptation (ADB)**

Dear Patricia, Andrea-

Please find attached the comments-response matrix addressing the comments of the PPCR Subcommittee members on the project, *Climate Proofing of Agricultural Infrastructure and Business-focused Adaptation* under the endorsed Cambodia SPCR.

Thanks

Regards  
Lorie

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**Cambodia: Climate Proofing of Agricultural Infrastructure and Business-focused Adaptation Project [as part of the Climate Resilient Rice Commercialization Sector Development Program – (Rice SDP)]**

**PPCR SC Members Comments and Response Matrix for Submission to CIF AU**

<b>Comments</b>	<b>ADB's Responses</b>
<b>GERMANY AND SPAIN</b>	
<p>1. We appreciate that the proposed activities are reflecting the PPCR's objective "to pilot and demonstrate ways to integrate climate risk and resilience into core development planning", by incorporating the PPCR contribution in the design of the Rice-SDP, instead of using the PPCR contribution to fund a stand-alone project, thus contributing to mainstreaming and presenting a concrete example of climate proofing a value chain, namely in the rice subsector. This highlights the project's innovative approach and its emphasis – at least in principle – on mainstreaming and integrating climate change into development planning.</p> <p>2. The project design appears to struggle with a common problem of mainstreaming that funds for mainstreaming, when incorporated into other lines of activity, tend to be used to "do more of the same" instead of "doing things differently". More concretely, the "Summary Project/Program Approval Request" points out that the PPCR funds will be used to in 4 clusters of activity: (i) improving water use efficiency through the upgrading of irrigation infrastructure designs to accommodate more rapid flow of flood water induced by climate change, (ii) demonstrating the benefits from land leveling to conserve water and improve irrigation water use efficiency, (iii) undertaking a feasibility study, designing and pilot testing a weather-indexed crop insurance scheme to assist farmers to reduce climate risk associated with rice production, and (iv) assisting in building the capacities of millers to accommodate the seasonal fluctuations imposed as a result of climate change into their milling operations. Cluster (iii) and (iv) appear to be innovative and clearly climate-change related, while in cluster (i) and (ii) there appears to be a certain risk that coverage of conventional approaches might just be extended. Our concern is heightened by the fact that the budget allocated to clusters (i) and (ii) appears to be about two thirds (US\$</p>	<p>1. Noted with thanks.</p> <p>2. The concerns are noted. In response, we would like to clarify that the clusters (i) and (ii) are likely to be more influential in terms of their impact on incorporating climate change into development planning as Program Implementation Consultant (PICs) are proposed to review preliminary designs to ensure greater risk factors are accommodated in structural designs. This 'hands-on' guidance for national design engineers will increase their awareness for incorporating climate change in their subsequent design activities. Moreover, the weather-indexed crop insurance (WICI) scheme, which has a significant adaptation potential, both for scaling up and for replication within and outside the country, will initially be pilot tested under the project, which will require only a limited allocation of funds. Similarly, provision of assistance in building the capacities of millers is being undertaken as public-private partnership which will primarily serve a training and demonstration purpose. It is expected to be adopted by other millers once they see the benefits. This activity is also not cost intensive, which explains a comparatively lesser allocation.</p>

<p>4.8335 million) of the PPCR contribution (excluding “Consulting services to incorporate climate resilience”), while the budget allocated to clusters (iii) and (iv) correspondingly is only about one third (US\$ 2.5884 million).</p>	
<p>3. We would appreciate further clarification on the specific results expected to be achieved by the PPCR contribution, or in other words on the difference the PPCR contribution makes in comparison to how the Rice-SDP would have been implemented without the PPCR input, and on how the climate-change related results achieved through the addition of PPCR funds will be measured. This could be achieved by and we recommend incorporating additional indicators in the Rice-SDP’s design and monitoring framework, which clearly – at the results level – relate to and illustrate the PPCR contribution and the difference that the PPCR makes. Indicators should measure not only outputs (e.g. the establishment of the pilot insurance scheme) but results (e.g. avoided economic losses of farm households).</p> <p>4. In particular, we recommend: Related to clusters (i) and (ii): include indicators that attempt measuring the avoidance of climate-variability- or climate-change-related physical and economic losses resulting from the improved irrigation infrastructure and land leveling measures, or that attempt measuring the extent to which vulnerability has been reduced by improved irrigation infrastructure and land leveling measures.</p> <p>5. Related to cluster (iii): include an indicator or indicators that measure the extent to which the economic losses that the farmers experience due to climate-variability- or climate-change-related impacts (such as floods, drought or extreme weather events) have been reduced as a result of establishing the pilot insurance scheme.</p> <p>6. Related to cluster (iv): include an indicator or indicators that measure how the increased capacities of millers to change their milling</p>	<p>3. Rice-SDP’s investment project follows a sector investment modality wherein investment subprojects will be identified during the implementation stage. We will do our best to address the result “measurements” during subproject implementation.</p> <p>We would like to emphasize two issues: (i) any attempt to quantify the economic benefits from incremental climate change activities will be confounded by the multiple variables in a biological production system. The identification of cause and effect is not direct where there are multiple variables within the production system and vagaries of the market; and (ii) a record of post-harvest losses within each mill would be the relevant indicator but very difficult to measure objectively. Similarly, the price reductions that resulted from deteriorated quality paddy due to inappropriate storage would be difficult to quantify given the management capacities of most Cambodian millers. A knowledge attitude and practice (KAP) survey of participating millers can be undertaken but would remain a subjective assessment.</p> <p>4. This would be considered as an indicator in the design as subproject designs take shape and will eventually be incorporated in the program monitoring and evaluation framework. The requirement of establishing and maintaining a refined and harmonized program monitoring and evaluation framework is stated in the TORs of the program implementation consultant, including the Team Leader, the MIS/Database Specialists, and all team members. See Program Administration Manual, section VI. F and Response 7.</p> <p>5. This would be considered as an indicator in the design of WICI. See also Responses 4 and 7 regarding the program monitoring and evaluation framework.</p> <p>6. This would be considered as an indicator in the design as subproject designs take shape and eventually incorporated in the M&amp;E framework. See also</p>

<p>operations or to improve stock management have resulted in avoiding or at least reducing not only post-harvest losses in general, but climate-variability- or climate-change-related losses in particular (such as losses caused by unusually wet and/or long rainy seasons), and to what extent these avoided or reduced losses have benefited not only the millers themselves, but the producers further down the value chain.</p> <p>7. Related to the above comment, we very much appreciate that an attempt has been made, as explained in the Summary Project/Program Approval Request, to address all the PPCR core indicators in the proposal. We wonder, however, whether all the indicators listed will also actually be tracked with the same degree of attention, since some of them appear in the Rice-SDP's design and monitoring framework, while others, such as the important indicators on reduction of "post-harvest losses" or on the "joint working group including female representatives" to work on the climate adaptation strategy (which appear in the policy matrix but not in the design and monitoring framework), apparently do not. For the benefit of the reader not familiar with the PPCR, we would recommend increasing consistency between the listing of PPCR key results and indicators for success and the Rice-SDP's design and monitoring framework, and clearly referencing the PPCR core indicators also in the Rice-SDP's design and monitoring framework.</p>	<p>Response 4 regarding the program monitoring and evaluation framework.</p> <p>7. A detailed program M&amp;E framework will be prepared during implementation to track all indicators, as appropriate, as subproject designs take shape. The detailed framework would be aimed at increasing consistency between the listing of PPCR key results and indicators for success and the Rice-SDP's design and monitoring framework, and clearly referencing the PPCR core indicators also in the Rice-SDP's design and monitoring framework, as recommended. See also Response 4 regarding the program monitoring and evaluation framework.</p>
<p><b>Land Management Comments</b></p>	
<p>8. Land policy issues, including the Law on Management and Use of Agricultural Land, the Land Policy White Paper, and the National Policy on Spatial Planning are being referred to in the policy matrix. However, we feel that the political and institutional setting should be reviewed more thoroughly, and that the role of the Council for Land Policy (CLP) and its General Secretariat (GS-CLP) should be further clarified. Serving as an inter-ministerial body and support mechanism for land related policy development, the General Secretariat of Council for Land Policy (GS-CLP) and its role as a leading institution for policy development should be acknowledged more strongly in the project documents and during project implementation. The draft law on Management and Use of Agricultural Land has been criticized by several donors, including Germany, and national and international NGOs. In this regard, a</p>	<p>8. Items incorporated into the policy framework are there to encourage the adoption of policies considered necessary to achieve the overall outcome of Rice-SDP. Rice-SDP is more concerned with the policy environment to promote subsequent investments. Since the institutional arrangements for the operations of the concerned committees in developing these policies are important, ADB will conduct dialogues with agencies concerned to ensure the enabling environment is in place for rice commercialization.</p> <p>Certainly the responsibilities of the various contributing agencies is well understood which is the reason why MAFF is responsible for agricultural land zoning whereas land-use planning and land administration is the gambit of MLMUPC. Respective achievements under the policy tranche conditions have been identified separately for each agency, some of which require inter-agency cooperation.</p>

<p>letter has been sent by the Danish Embassy to the Ministry of Agriculture, Forestry and Fisheries (MAFF) in November 2011 (available on request). NGOs have shared their fundamental concerns with donors in February 2012 (correspondence available on request). The criticism mainly relates to a non-transparent, non-consultative process of MAFF drafting the law and non-recognition of other land-related policies currently drafted and continuously consulted in a participatory process among government and other stakeholders, namely the National Policy on Spatial Planning and the Land Policy White Paper. We very much appreciate that the Summary Project/Program Approval Request makes explicit reference to land management issues and in particular to the National Policy for Spatial Planning as a “key document”. We would, however, strongly recommend that in addition during project implementation measures be undertaken to ensure the participation of all concerned stakeholders including line ministries, donors and civil society with the aim of harmonizing and aligning the law on Management and Use of Agricultural Land with other existing or currently designed/reviewed laws and regulations.</p>	<p>ADB is aware of the criticism that has been raised at the manner in which the drafting of the Management and Use of Agricultural Land Law was carried out and therefore moved the drafting to the second tranche (due in 2016) for MAFF to have more time for consultation. ADB has flagged the need for consultation with MAFF a few times so far and the leadership agreed to consult with a wider group of stakeholders and seek their views and document their concerns.</p> <p>ADB is also aware that inter-ministerial committees are ultimately responsible for the content of drafted laws where there is an opportunity for ensuring consistency with existing policy, parkas (decisions) and laws. During implementation, ADB will conduct dialogues with agencies concerned with regard to the ultimate policy outcomes related to rice commercialization.</p> <p>It is important to note that Rice-SDP will not be involved in land administration, but only in agricultural land-use zoning through MAFF initially and subsequently MLMUPC for incorporation in commune land use plans (CLUPs).</p>
<p>9. Overall, the harmonization of activities at national and sub-national level with other stakeholders, mainly with the German technical support to the Royal Government of Cambodia’s Land Administration, Management and Distribution Program is of utmost importance. Currently GIZ on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ) is the only development agency supporting the Sub-Sector of Land Management with the main objective to improve institutional and human capacities for spatial planning and land use planning at both national and sub-national level, including the formulation of appropriate policies and a legal framework. At national level a sound coordination mechanism for project implementation and monitoring, such as the successful instrument of bi-annual Joint Supervision Missions in the Land Administration Sub-Sector Program, shall be negotiated and established for the Land Management Sub-Sector. At provincial level overlaps with on-going technical support activities (e.g. the development of master plans at provincial level) should be avoided. The role of NGOs should also be made clear.</p>	<p>9. Other relevant donor initiatives have been summarized in a supplementary appendix. There is a clear need to coordinate on national interventions as well as those in the provinces, particularly where the same provinces are beneficiaries of different rice related projects to assess the need for and facilitate harmonization at the national and provincial levels.</p> <p>National coordination will be achieved through the National Steering Committee chaired by MEF whereas provincial coordination will be achieved through a provincial steering committee chaired by the Governor’s office. Both level committees have multiple agency representation. Clearly where relevant donor initiatives are taking place, the Program Management Office (PMO) will ensure good coordination and harmonization of relevant activities during implementation. ADB will coordinate with the rice-related projects financed by AFD (Rice Commercialization), EU-IFC-World Bank Rice Miller Support Scheme, and USAID financed HARVEST.</p> <p>On NGOs and CSOs. Producer’s cooperatives and Farmer’s Water User Communities (FUWCs) have been deeply involved in the finalization of the design of Rice-SDP. NGO Forum at the national level has also been involved</p>

	<p>in the process. Given their involvement in a number of activities during implementation, their role has been explicitly elaborated in the Project Administration Manual, and includes stakeholder consultation, participatory approaches to empowerment of the poor and vulnerable, and safeguards, gender and social monitoring, among other things<sup>1</sup>. During implementation, the NGO Forum and associated entities including FUWCs will continue to get involved in a number of ways: <i>First</i>, in each of the subprojects, implementation and impact monitoring by beneficiary groups (cooperatives, FWUCs, NGOs, and similar entities depending on location) will form part of the review process for implementation and impact assessment under various contracts with the Project. <i>Second</i>, for irrigation subprojects in particular, FWUCs will assume the role of monitoring the implementation and impact assessment, amongst others. <i>Third</i>, for the seed producing and paddy drying activities, each of the beneficiary groups will take an active role in impact monitoring through the development of farmer associations and supply contracts for both enterprises.</p>
<p><b>Rice Value Chain Comments</b></p>	
<p>10. Private sector role and involvement are not being discussed sufficiently and need to be further clarified and strengthened - in particular to assure post-project sustainability. In general, the project approach to assure involvement and participation of relevant stakeholders is somewhat mechanistic and focuses mainly on consultations. Apart from consultations, additional measures should be undertaken during project implementation to increase the engagement of relevant stakeholders with the objective to strengthen the leverage and ownership of non-governmental actors. In view of the fact that the target beneficiaries are rice-producers capable of producing marketable rice surplus, the impacts on poorer families and poverty reduction as stated in the design and monitoring framework seem to be inflated, because poorer families generally have smaller land resources and irrigated areas, which limits the potential amount of marketable surplus. We therefore recommend a critical reassessment of the project's expected impact on poorer families.</p>	<p>10. The widespread adoption of public-private partnerships for the sustainable operation of subprojects beyond the life of the Project extends to paddy drying and storage facilities, seed drying cleaning, grading and storage facilities that represent an estimated 70% of subproject investment demonstrates the need for real hands-on participation by the private sector. Without engaging the private sector in these activities from the design phase forward will result in failure. The extent of consultation has been elaborated in the Program Administration Manual and illustrated in the example of the public private partnership (PPP) investment in paddy drying and storage facilities in Prey Veng province as a representative subproject. Additional measures, as may be warranted, will be taken during implementation to increase the engagement of relevant stakeholders with the objective to strengthen the leverage and ownership of non-governmental actors.</p> <p>Assessments of expected impact on the poor are in the summary poverty reduction strategy (in PAM), feasibility studies of three representative subprojects (Supplementary Documents 2, 3 and 4), and Program Impact Assessment, including price transformation benefit to smallholders</p>

<sup>1</sup> Please refer to PAM, paras. 39 (improving access to credit), 57 (Stakeholder consultation), 128 (Consulting Services), 130, 131 (consulting Services), 142 (Recruitment of Consultants), 151, 163, 168, 169, 178, 179 (Consultants' Terms of Reference), Participatory approaches and empowerment of the poor and vulnerable (Summary Poverty Reduction and Social Strategy), 201 (Safeguards, Gender and Social Monitoring), 208 (Community Consultation)

	(Supplementary Document 5). The Supplementary Documents referenced here are available on request and will be posted on ADB's website upon Rice-SDP's approval.
<b>Gender Comments</b>	
<p>11. We welcome that the proposal is addressing gender issues through the Rice-SDP Project's gender action plan (GAP). It outlines the gender-related targets included in the proposal as well as in the Rice-SDP design and monitoring framework. We appreciate that the GAP implementation process will be tracked as part of Rice-SDP quarterly progress reports, thus ensuring that the results achieved will be monitored on a regular basis. The design and monitoring framework contains relevant indicators addressing the participation of both women and men in the project activities. This also applies to project-related job opportunities. Further, we appreciate that 50 per cent of the policyholders of the piloted weather-indexed crop insurance will be women, of which 10 per cent from female-headed households.</p> <p>12. Since there is more work needed to define indicators measuring the specific results of the planned PPCR contribution to Rice-SDP, there is consequently also more work needed to determine how the gender-related results of the PPCR contribution to Rice-SDP can be measured. To this end and related to the comments on indicators we made above, we recommend that the Rice-SDP's design and monitoring framework should also make an attempt to gender-differentiate the results achieved through the PPCR contribution to the Rice-SDP, such as the avoidance of physical/economic losses and/or the reduction of vulnerability.</p>	<p>11. Noted with thanks.</p> <p>12. While we appreciate the concerns expressed regarding definition of indicators measuring specific results of the planned PPCR contribution to Rice-SDP, it is not possible at this stage to pre-specify the indicators that would be attributable exclusively to PPCR contribution, given the blended nature of the Rice-SDP. However, as indicated in our earlier response related to indicators (Item 2 above), development of the M&amp;E system for the SDP as a whole will be undertaken soon after project start-up and gender sensitive indicators, as appropriate, incorporated. Since, it is widely known that extreme floods and droughts more severely impact women and the poor, gender disaggregated indicators are a feature of Rice-SDP that can be applied to activities that are exclusively PPCR financed, during implementation and should receive similar priority as other indicators, taking note that this may not be possible for activities where PPCR and other sources of finance have been blended. In such cases, the gender-differentiated results would reflect the entire blended component of the SDP.</p>
<b>Donor Coordination to Build on Synergies</b>	
13. We highly appreciate that the project proposal is seeking synergies with Germany's ongoing initiatives in Cambodia. We recommend	13. The comments and recommendations are noted with thanks. All efforts will be made during implementation to effectively coordinate with German supported

<p>close coordination and exploring synergies with the following initiatives Germany provides support to: Coordination should be sought and synergies should be explored with the German supported Regional Economic Development Program (RED) that works in the rice sector in the province of Siem Reap, and with the German-supported activities of the Cambodian Center for Study and Development in Agriculture (CEDAC) and the Cambodian Organic Agriculture Association (COAA).</p> <p>14. The Rice-SDP depends widely on good land governance practices for land use planning and on the legal basis and validity of land use planning results. This is where there is synergy/overlap with the ongoing Land Management and Land Tenure program supported by Germany, the implementation of which is assisted by GIZ (see comments related to land management above). There is some consideration of the Land Management and Land Tenure program in the proposal, as it refers to the “National Policy for Spatial Planning”, which we very much appreciate. We recommend that, beyond referring to the German support, the land use planning activities be coordinated more intensively with the Royal Government of Cambodia’s Land Management Sub Sector Program under the Ministry of Land Management, Urban Planning and Construction (MLMUPC) and its main development partner, Germany.</p> <p>15. During implementation, sound coordination mechanisms need to be developed with numerous other projects working in the rice value chain and/or with relevant stakeholders in related fields of work. In particular, close coordination seems to be important with the International Rice Research Institute (IRRI) and the public-private partnership project: “Remote sensing-based Information and Insurance for Crops in Emerging economies” (RIICE), which aims to reduce the vulnerability of rice smallholder farmers. Amongst others Germany and Switzerland provide support to RIICE.</p>	<p>RED with specific reference to the Rice sector. Cooperation and synergies will also be sought during implementation with the German-supported activities of the CEDAC and COAA, as deemed appropriate and mutually beneficial.</p> <p>14. The observations are appreciated. Special efforts shall be made during implementation to ensure that the land use planning activities are effectively coordinated more intensively with the Royal Government of Cambodia’s Land Management Sub Sector Program under the Ministry of Land Management, Urban Planning and Construction (MLMUPC) and its main development partner, Germany. We noted this issue under Footnote 20 in the Program Administration Manual.</p> <p>15. The suggestion is appreciated. During implementation it will be ensured that appropriate coordination mechanisms are established with national and international institutions as well as relevant programs supported by development partners to ensure synergy and avoid duplication of effort. Linked document 6 to the RRP “Development Cooperation” spelled out clearly on this issue.</p>
<b>UNITED KINGDOM</b>	
<b>General Comments</b>	
16. We have some particular concerns, given the country context, about the references to resettlement and the lack of clear measures to	16. The concerns expressed are valid and have been taken due account of during the SDP design process. As required under ADB’s Safeguards Policy



<p>address the associated risks in the main PPCR project documents. We would like to see an assessment of the likelihood of involuntary resettlement, including details of which components this would relate to, along with a risk assessment and action plan on how safeguards will be applied, based on a full social impact assessment. Given that land management is a sensitive issue in Cambodia, with donor funded programs and private sector projects all coming under the spotlight on resettlement policies and being the subject of community demonstrations, it is important these issues are properly addressed.</p> <p>17. The UK has also previously raised concerns on resettlement for a previous PPCR project (Enhancement of Flood and Drought Management in Pursat Province) when we asked for reporting to be provided to the sub-committee on the implementation of the Resettlement Plan and application of safeguards.</p>	<p>Statement, resettlement issues have appropriately been analyzed and incorporated in the overall design with the government approving a resettlement framework and two representative subproject resettlement plans. All subprojects have been identified that involved a screening process in order to minimize significant resettlement impact. Furthermore, when detailed designs are being prepared during implementation, individual subproject resettlement plans, which encompass detailed measurements of impacts on affected people as well as the compensation to be paid, will be approved by both Government and ADB prior to funding approval. Technical support will also be provided by implementation consultants in the area of resettlement planning and implementation.</p> <p>17. In Rice-SDP, the Resettlement Committee at MOWRAM will not only be reported on the implementation of the Resettlement Plan(s), but also be responsible for endorsing the resettlement plan(s) to the Inter-ministerial Resettlement Committee (IRC). All subprojects' Resettlement Plans will be posted on ADB's website as soon as they are approved.</p>
<p><b>Other Comments</b></p>	
<p>18. Given the complex architecture on land management in the Government, involving the Ministry of Land Management, Ministry of Environment, Ministry of Agriculture, et al. it is important to ensure transparency around land management. Can the team confirm who is responsible for the consultations ahead of a project?</p> <p>19. Good to see the Gender Action Plan and specific plans for stakeholder consultation. However there appeared to be some issues not addressed in the social, environmental and institutional appraisals, or conclusions reflected in the main project document.</p>	<p>18. With 3 National Implementation Offices (NIOs) as implementing agencies, each would be responsible for their own technical areas as well as areas of jurisdiction. During implementation, coordination will be ensured through the multi-agency representation on the Steering Committees at national and provincial levels. Program Management Office (PMO) at the Ministry of Finance is responsible for the consultations before and during implementation.</p> <p>19. A list of linked and supplementary documents is in Appendix 2 of the Report and Recommendation of the President to the Board of Director (RRP). These documents provide comprehensive details of all gender and safeguards issues and may be referred to for further details.</p>
<p>20. What is the assessment of the risk of commercialization of agriculture exacerbating food security problems? What are the environmental risks associated with changing cropping patterns, zoning and increased irrigation? Could this environmental assessment also expand on potential opportunities for co-benefits of ecosystem restoration and preservation, and climate-smart</p>	<p>18. The impact on food security is likely to be positive as productivity along the rice value chain is being addressed under Rice-SDP. With the progressively improving rural road networks from district to communes and beyond, some of which have been financed by ADB, DFID etc. the ability to distribute surpluses to deficit areas will surely improve.</p>

<p>agriculture, for providing resilience against droughts and floods (rather than relying only on hard engineering) and for carbon sequestration?</p>	<p>Engineering solutions are one of the many being proposed under Rice-SDP. Land-use zoning, land leveling, improved technical extension services, and capacity development of farmer's water user groups will ensure more diversified approaches to climate resilient rice production in a sustainable manner. These interventions will help minimize environmental risks since changing cropping patterns is better organized in systematic land use zoning and efficiency of irrigation water use is enhanced.</p>
<p>19. A more detailed political and institutional assessment is also needed for a project of this size, what is the team's assessment of the partner Government agencies capability, particularly to manage fiduciary risk? What is the risk to sustainability of project design posed by the upcoming elections and how will this be managed?</p>	<p>19. These assessments have been undertaken and risks analyzed during project preparation stage. In this context, please refer to the following documents as these deal with the issues raised: Linked document 13 (Risk Assessment and Risk Management Plan; Supplementary Document 5 (Program Impact Assessment); Supplementary Document 7 (Good Governance Framework); and Supplementary Document 9 (Procurement Capacity Assessment). A list of additional linked and supplementary documents is in Appendix 2 of the Report and Recommendation of the President to the Board of Director (RRP) which may be referred to for further details.</p> <p>Fiduciary risks have been minimized with built-in requirements for financial management procedures. Moreover, to minimize fiduciary risks, wherever possible, the larger contracts will be procured at the national level and will be supported by technical assistance with annual audits by an independent auditor. The political risk with the coming elections is unlikely to influence the Project as the election results will be known prior to Rice-SDP's loans/grants effectiveness.</p>
<p>20. Is the evidence on projected climate change impacts good enough to justify some of the specific investments and approaches? For example to re-design irrigation infrastructure to withstand much larger peak flows, produce advisory technical bulletins on agricultural practice and to significantly alter cropping practices across the wet season – is there enough certainty to predict this?</p>	<p>20. Climate change risks are already projected by others under different scenarios and the conclusions from these projections have been presented in the PPCR Summary Project/Program Approval Request. It is very well understood that these are merely projections, associated with a certain level of uncertainty and the accuracy of these projections remains to be seen. Regardless, there must be some attempt to accommodate more extreme climate events and the incremental capacities proposed in drainage canals etc. are considered necessary as a no-regrets option given the increasing influence of more extreme climate events.</p>
<p>21. Weather data is cited as a constraint elsewhere in the project document, particularly in relation to index-based insurance. Are there plans to invest in improving weather information and data</p>	<p>21. Hydrological data sets are in disarray in Cambodia as many recording stations have ceased to operate and the historical data has been lost. This constitutes a separate project that will require huge resources and is beyond</p>

<p>collection to address these constraints? For example within other linked ADB or SPCR projects.</p>	<p>the scope of the current project, albeit a great initiative. Some upgrading of meteorological stations is being undertaken financed by the ADB financed Water Resource Management Sector Development Program. However, further investment in collecting, storing and maintaining meteorological stations is needed.</p>
<p>22. Can the team clarify in relation to the observation that farmers are increasingly harvesting crops early in the wet season to avoid the risk of flooding if the project is seeking to support this change or to reverse it?</p>	<p>22. This is happening without the assistance of the Project as farmers adopt a risk minimization approach to rice farming. It will be accelerated under the Project as high risk areas for flooding will be clearly identified through the agro-eco-system analyses undertaken at commune level and the agricultural land zoning activities. It is inevitable that current cropping patterns will change further especially as drought and flooding tolerant rice varieties become available.</p>
<p>23. There is a significant portion of the project on consultancy and technical assistance, what are the plans for ensuring this is sustainable and builds local endogenous capacity of communities, farmers and Government staff? How will skills and capacity be transferred?</p>	<p>23. Given the anticipated volume of specialized design work, national consultants will be required to undertake the initial design and detailed design of irrigation and building works. These activities will only be supervised by the consultants. As such capacity transfer will be effected through on-the-job training. Cambodia suffers from a shortage of trained technical specialists over a wide range of technical skills and there is always a risk that international consultants will end up doing the work while local consultants stand aside. This has been avoided by the utilization of national consulting firms to undertake technical design work. National and provincial staff of implementing agencies will be involved to understand and learn these skills while on the job.</p>
<p>24. The Results Framework is too long and imprecise currently, many of the indicators are not outputs or outcomes but relate only to process. Others do not describe how it will be assessed that an outcome is reached (e.g. 'percentage of agencies equipped to address climate change'; how will it be assessed whether they are equipped?). It is important that the results monitoring is prioritized. The core PPCR indicators could be focused on for reporting and improvement (e.g. 'number of people supported'). The core indicator on 'integration into planning' does not currently measure this outcome. Could the project team also consider an outcome indicator on food security or nutrition – given the importance of this objective to the overall program?</p>	<p>24. The indicators will be reviewed again during the development of the program monitoring and evaluation framework. As noted above in comments for the German representative, subproject indicators will be developed for each subproject during design preparation in which more impact oriented indicators can be utilized. See also Response 4 regarding the program monitoring and evaluation framework.</p>

<p>25. Clarity requested on whether the balance of \$100,000 from the original supervision services request is included in the \$4.5 million grant request or is additional to it?</p>	<p>25. \$100,000 is the savings from the preparation grant. ADB proposes to utilize the savings to top up the investment grant (i.e., to make the total \$4.5 million).</p>
<p><b>JAPAN</b></p>	
<p>26. JICA is also interested in and about to start some new projects in the similar sector especially in the field of quality seed promotion, strengthening of cooperatives, and water irrigation. JICA office in Cambodia wishes to closely communicate with CIF projects in order to maximize the outputs in these fields through knowledge and experience sharing. It is appreciated if CIF project can contact JICA Cambodia office. (it is already informed and interested in the Project.)</p>	<p>26. ADB will coordinate closely with JICA during implementation to ensure complementarity and enhance synergy.</p>