Background

Cambodia’s agricultural sector contributed about one quarter of annual GDP and was the sources of 1 million jobs in 2016. Nearly 46.3% or 3 million rural people still rely on agriculture for employment. Since 2013, the sector has experienced very little growth, raising concerns about its underlying strength and competitiveness and its ability to continue to provide sustainable livelihoods in the future. External shocks, including a large drop in agricultural commodity prices, drought and flood, have slowed progress in the sector.

Many Cambodian producers, particularly small- and medium-size farmers, lack the knowledge, skills, access to modern inputs, and processing techniques to successfully commercialize their agricultural output. Lack of road connectivity and irrigation for crops other than rice limit the sector’s growth prospects.

To address these challenges, the government, with financial support from the World Bank, has established the Cambodia Agricultural Sector Diversification Project (CASDP).

About the Project

The main objective of the project is to facilitate the development of diversified agriculture value chains in selected geographical areas in Cambodia. The project has four components:

Component 1: Enabling Agriculture Diversification:
- Supporting the preparation and implementation of diversified agricultural value chains by facilitating partnering among stakeholders who want to conduct business together, supporting preparation and evaluation of Diversification Proposals (DPr) and of full-fledged Diversification Plans for selected proposals, and providing implementation and technical support to Producer Organizations (POs) and Small and Medium Agribusinesses (SMA).
- Financing agriculture diversification by setting up a credit line, complemented by a matching grant facility, for POs and SMAs to link to value chains.

Component 2: Supporting Public Infrastructure:
- Selective rehabilitation or upgrading of irrigation water conveyance and distribution systems identified in the Diversification Plan (DPI).
- Enhancement of connectivity through improving farm-to-market roads identified in the DPI.

Component 3: Improving Agriculture Information Systems and Quality Control Management:
- Supporting the collection and dissemination of technical information, market intelligence, and analytical work and policy planning.
- Strengthening the effectiveness of plant protection and phytosanitary, animal health, and food safety surveillance, reporting and inspectorate systems, and systems to enforce agricultural input regulations, including the development of certification, licensing and other quality-control and management services; developing and applying regulations on good agriculture practices (GAPs) and organic products and good animal husbandry practices (GAHPs), and use of geographic indicators.

Component 4: Project Management, Coordination, and Monitoring and Evaluation:
- Providing necessary key contract staff and consultants in the coordination and implementation unit to assist the MAFF in managing project implementation in cooperation and coordination with the Technical Working Group on Agriculture and Water and with other projects.
- Monitoring and evaluation of project implementation.
- Hiring Technical Assistants to support project implementation and capacity of MAFF and other key stakeholders.

Beneficiaries and Results

The project’s direct beneficiaries are small-and-medium-size farmers, organized in POs or cooperatives, and showing potential and interest to develop their farming business, and SMAs that are interested in direct cooperation with farmers and POs to jointly develop their business/value chain.