

EU-German Cambodia Partnership for Sustainable Agriculture and Food Systems (EU-German CAPSAFE)

Climate and Agrifood Systems

Background

Cambodia has experienced impressive economic growth over the past 20 years, lifting millions out of poverty and significantly improving living standards. While challenges remain, particularly when comparing average household incomes in rural areas to those in urban centers, there is a strong opportunity to boost agricultural competitiveness and raise incomes.

Cambodia is one of the countries most at risk from climate change. Rising temperatures, shifting rainfall patterns, and more frequent extreme weather events are becoming more frequent. These changes are negatively affecting the productivity, income, and health of people living in rural areas. At the same time, the agriculture sector is the second-largest contributor to greenhouse gas (GHG) emissions.

There is enormous potential to increase the competitiveness of Cambodia’s agricultural sector by raising incomes along the value chains, improving working conditions and increasing local value addition in a climate-smart way.

Co-funded by the **EU** and **BMZ**, the **EU-German CAPSAFE** project aims to assist Cambodia in harnessing its vast agricultural potential by addressing the sector’s key challenges, particularly those within the cashew and pepper industries. The project’s efforts are especially targeted towards supporting smallholder farmers, agricultural cooperatives (ACs) and micro, small and medium enterprises (MSMEs) and promoting innovative growth opportunities.



Project name	EU-German Cambodia Partnership for Sustainable Agriculture and Food Systems (EU-German CAPSAFE)
Commissioned by	European Union (EU) and the German Federal Ministry for Economic Cooperation and Development (BMZ)
Project region	Kampong Thom, Kratie, Tboung Khmum, Kampot
Lead executing agency	Ministry of Agriculture, Fisheries and Forestry (MAFF)
Duration	May 2024 - March 2029

Our Approach

The EU-German CAPSAFE project aims to increase the sustainability, competitiveness and inclusiveness of the cashew nut and pepper value chains. The key focus areas include:

- **Institutional Capacity Development:** Enhancing institutional capacities for improving the national systems on agri-food safety and climate-resilient agriculture, including decent work.
- **Value Chain Performance Improvement:** Increasing the profitability of cashew and pepper value chains through climate-resilient and sustainable intensification practices, such as deforestation-free production.
- **Private Sector Development:** Increasing the capacities of agribusiness MSMEs, industry associations, and federations to add value in the pepper and cashew value chains.



Photo (L): Fresh pepper sourced from one of our partner farms
Photo (R): Cashews from one of our partner farms



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Photo (L): Field Visit to Cashew Nut Processing Handicraft in Kampong Thom Province

Photo (R): Cashew farmer in the field with fresh cashew fruit

The Benefits

The project's intervention contributes to supporting:

- **National systems strengthening:** Creating favourable framework conditions for the competitiveness of the cashew and pepper value chains jointly with public and private partners.
- **Profitability for Smallholders and ACs:** Empowering smallholder farmers and cooperatives with climate-smart agricultural practices to boost profitability and strengthening ACs in their vital role as a bridge between farmers and the private sector.
- **Profitability of MSMEs:** Developing the potential of MSMEs and industry associations and federations to increase processing, generate additional income and employment opportunities.

Expected Outcomes

The project is designed to align with Cambodia's key development strategies, including the Pentagonal Strategy I and National Agricultural Development Policy.

This alignment aims to maximize the project's impact, contribute to the Sustainable Development Goals (SDGs), and ensure lasting sustainability through integration with Cambodia's long-term plans.

Its expected outcomes are to elevate the cashew and pepper sectors in Cambodia, fostering sustainability, competitiveness, and inclusivity.

It aims to enhance local value addition and catalyze climate-smart agricultural development that promotes green growth and decent jobs.

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