

■ Support to the Commercialization of Cambodian Rice Project
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Supreme National Economic Council (SNEC)

SUPPORT TO THE COMMERCIALIZATION OF CAMBODIAN RICE PROJECT

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PREPARED BY:

UNG LUYN, PROJECT COORDINATOR (SNEC)

JEAN-MARIE BRUN, PROJECT MANAGEMENT ADVISOR (IRAM)



Contacts:

**SUPPORT TO THE COMMERCIALIZATION OF
CAMBODIAN RICE PROJECT**

Supreme National Economic Council (SNEC)

208 A Preah Norodom Blvd
Phnom Penh - Cambodia

Project Coordinator:
Mr Ung Luyna (SNEC)
012 58 43 64 - ungluyna@gmail.com

Project Management Advisor:
Mr Jean-Marie Brun (IRAM)
012 807 817 – jm.brun@iram-fr.org



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ACRONYMS

AC	Agricultural Cooperative
ACBN	Agricultural Cooperative Business Network
ACT	Agriculture Certification Thailand
ADB	Asian Development Bank
ADC	Agricultural Development Communities
ADF	Agriculture Development Fund
ADG	Aide au Développement - Gembloux
AEA	Agro-Ecosystem Analysis
AEC	ASEAN Economic Community
AFD	<i>Agence Française de Développement</i> / French Agency for Development
AFTA	ASEAN Free Trade Agreement
ALCO	Asset Liability Committee (banking)
AMIS	Agriculture Market Information System
AMK	Angkor Mikroheranhvatho (Kampuchea)
AML/CFT	Anti-Money Laundering / Combatting the Financing of Terrorism procedures (banking)
AMO	Agriculture Marketing Office
AQIP	Agriculture Quality Improvement Project
AROS	Asia Regional Organic Standard
ARPEC	Alliance of Rice Producers & Exporters of Cambodia
ASEAN	Association of South-East Asian Nations
ASIrri	<i>Projet d'Appui aux Irrigants et aux Services aux Irrigants</i>
ASYCUDA	Automated System for Customs Data
AusAID	Australian Agency for International Development
AVSF	<i>Agronomes et Vétérinaires Sans Frontières</i>
CAC	<i>Crédit Agricole Consultants</i>
CAMFEBA	Cambodia Federation of Employers and Business Associations
CAVAC	Cambodia Agriculture Value Chain Program (AusAID)
CARD	Council for Agriculture and Rural Development
CARDI	Cambodian Agriculture Research and Development Institute
CB	Certification Body
CC	Commune Councils
CCA	Climate Change Adaptation
CCC	Chamber of Commerce of Cambodia
CCD	Cambodian Certification Department
CDC	Council for the Development of Cambodia
CDRI	Cambodia Development Resource Institute
CEDAC	<i>Centre d'Etude et de Développement Agricole du Cambodge</i>
CEFP	Committee for Economic and Financial Policy
CEO	Chief Executive Officer
CF	Contract Farming
CFAP	Cambodian Farmers' Association Federation of Agricultural Producers
CIDA	Canadian International Development Agency
CIRD	Cambodian Institute for Research and Rural Development
COrAA	Cambodian Organic Agriculture Association
CREA	Cambodia Rice Exports Association
CRX	Cambodia Rice Exporter Meeting (facilitated by IFC)
CSR	Corporate Social Responsibility

DAE	Department of Agricultural Extension
DAI	Department of Agro-Industry
DANIDA	Danish International Development Agency
DDM	Demand Driven Model
DFID	Department for International Development (UK)
DMC	Direct-seeding Mulch-based Cropping system
DP	Development Partners
DPM	Deputy Prime Minister
DPS	Department of Planning and Statistics (of MAFF)
DRC	Department of Rice Crops
EA	Executing Agency
EC	European Commission
EPWG	Export Promotion Working Group (informal group of rice exporters supported by IFC)
ESP	Environmental and Social Policy
EU	European Union
FAEC	Federation of farmer associations promoting family Agriculture Enterprises in Cambodia
FAO	Food and Agriculture Organization of the United Nations
FASMEC	Federation of Association for Small and Medium Enterprises of Cambodia
FCFD	Federation of Cambodian Farmer Organizations for Development
FCRE	Federation of Cambodian Rice Exporters
FCRMA	Federation of Cambodian Rice Millers Associations
FFS	Farmer Field School
FNN	Farmer and Nature Network
FO	Farmer Organisations
FOO	Farmer Organisations Office of the DAE
FSMS	Food Safety Management System
FWN	Farmer and Water Network
FWUC	Farmer Water User Community
GAFSP	Global Agriculture and Food Security Program
GDA	General Directorate of Agriculture
GDCE	General Department of Customs and Excise
GDP	Gross Domestic Product
GI	Geographical Indication
GIZ	<i>Deutsche Gesellschaft für Internationale Zusammenarbeit</i> / German Development Cooperation
GMP	Good Manufacturing Practice
GMS	Greater Mekong Subregion
G-PSF	Government – Private Sector Forum
GRET	Groupe de Recherche et d'Echanges Technologiques
HACCP	Hazard Analysis and Critical Control Points
HARVEST	Helping Address Rural Vulnerability and Ecosystem Stability (USAID project)
HKL	Hattha Kaksekar Limited
HOTPA	Himalayan Orthodox Tea Producers' Association
ICS	Internal Control System
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IFOAM	International Federation of Organic Agriculture Movements
IPD	Intellectual Property Department of the Ministry of Commerce
IPM	Integrated Pest Management
IRAM	<i>Institut de Recherche et d'Application des Méthodes de Développement</i>

ISC	Institute of Standards of Cambodia
ISF	Irrigation Service Fee
IT	Information Technologies
IWRM	Integrated Water Resources Management
JCC	Joint Coordination Committee (FCRE, SNEC, IFC, AFD)
JICA	Japanese International Cooperation Agency
KYC	Know Your Customer (banking)
LGWR	Long Grain White Rice
LRI	Live Rice Index
MAFF	Ministry of Agriculture, Forestry and Fisheries
MEF	Ministry of Economy and Finance
MFI	Micro-Finance Institution
MIME	Ministry of Industry, Mines and Energy
MLMUPC	Ministry of Land Management Urban Planning and Construction
MOC	Ministry of Commerce
MOWRAM	Ministry of Water Resources and Meteorology
MPWT	Ministry of Public Works and Transport
MRD	Ministry of Rural Development
M&E	Monitoring and Evaluation
NBC	National Bank of Cambodia
NC	National Coordinator
NGO	Non-Governmental Organization
NKPSAC	Nikum Krao Preah Sihanouk Agricultural Cooperative
NPD	National Project Director
NSC	National Standard Council
NSDP	National Strategic Development Plan
NWISP	North-West Irrigation Sector Project (ADB/AFD)
OA	Organic Agriculture
ODM	Offer Driven Model
OPM	Open Paddy Market
O&M	Operation and Maintenance (of irrigation schemes)
PADAC	<i>Programme d'Appui au Développement de l'Agriculture au Cambodge</i>
PADEE	Project for Agriculture Development and Economic Empowerment (IFAD project)
PBA	Program Based Approach
PDA	Provincial Department of Agriculture
PDOWRAM	Provincial Department of Water Resources and Meteorology
PDRD	Provincial Department of Rural Development
PIMD	Participatory Irrigation Management Development
PIP	Public Investment Program
PM	Prime Minister
PMA	Project Management Advisor
PPAP	Phnom Penh Autonomous Port
PPCR	Pilot Program for Climate Resilience
PPD	Public-Private Dialog
PPP	Project Procurement Plan
PPP	Public-Private Partnership
PPPPRE	Policy on the Promotion of Paddy Production and Rice Export
PSC	Project Steering Committee
PSG	Paddy Selling Group

RDB	Rural Development Bank
RGC	Royal Government of Cambodia
Rice-SDP	Climate Resilient Rice Commercialization Sector Development Program (ADB)
RMA	Rice Millers Associations
RS	Rectangular Strategy
RUA-CD	Royal University of Agriculture – Chamcar Daung
SAP	Sihanoukville Autonomous Port
SAW	Strategy on Agriculture and Water
SCCRP	Support to the Commercialization of Cambodian Rice Project
SCF	Strategic Climate Fund
SEA	South East Asia
SME	Small and Medium Enterprise
SNEC	Supreme National Economic Council
SPS	Sanitary and Phyto-Sanitary
SWAp	Sector Wide Approach
TA	Technical Assistance
TBT	Technical Barriers to Trade
TDSP	Trade Development Support Program
ToR	Terms of Reference
ToT	Training of Trainers
TPC	Thaneakea Phum Cambodia
TPD	Trade Promotion Department of the MOC
TREA	Thai Rice Exporters Association
TWG	Technical Working Group
TWGAW	Technical Working Group on Agriculture and Water
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Program
UNIDO	United Nations Industrial Development Organization
USA	United States of America
USAID	United States Agency for International Development
WB	World Bank
WRMSDP	Water Resource Management Sector Development Program (ADB)
WTO	World Trade Organization

UNITS AND MEASURES

ha	Hectare
kg	kilogram
KHR	Cambodian Riel
t	ton (metric ton)
t/h	ton per hour
teu	twenty foot equivalent unit (referring to freight of twenty foot containers)
USD	United States Dollars

INTRODUCTION

The Support to the Commercialization of Cambodian Rice Project (SCCRP) is funded by the *Agence Française de Développement* (AFD – French Agency for Development) for a period of 3 years (January 2013 to December 2015). Its purpose is to contribute to support the implementation of the National Strategy of Promotion of Paddy Production and Rice Exports approved by the Council of Ministers in July 2010, with an objective of maximization of the added value and of the share of this added value reaching producers as a part of the overall goal of rural poverty alleviation.

The Supreme National Economic Council (SNEC) has been designated as the coordination agency for the implementation of this project, which involves various public and private stakeholders.

Four specific objectives are initially defined as follow in the financing agreement, corresponding to the four technical components of the project:

1. Contribute to the organization of the sector (inter-ministerial coordination, public/private partnership, professional and inter-professional organization) and to capacity building of all the actors (processors, producers, public services, banks...);
2. Establish quality standards in order to optimize the economic value of Cambodian rice in the markets;
3. Promote contract farming and the involvement of farmers organizations in the primary stage of commercialization of paddy;
4. Upgrade RDB capacities to answer the financial requirements of millers and farmers.

Project implementation phase has effectively started on January 22, 2013, when the Project Management Advisor took office.

This report is the 3rd Quarterly Executive Report of the project. It covers the period from July 1st to September 30, 2013. Various important steps of the operationalization of the implementation strategy have been undertaken during this quarter, notably the recruitment of a team of consultants (AVSF-CIRD-ADG) for the “Technical Support and Monitoring Unit” of the Component #3 and the signature of MOUs with the Department of Agriculture Extension and the Department of Agro-Industry. Implementation of the pilot activity in Preah Vihear with COrAA has started in the beginning of this quarter, and a first contract has been signed in Battambang (for paddy seeds production) between Loran rice mill and Nikum Kraov cooperative.

Regarding Component #1, the conditions of support to the Federation of Cambodian Rice Exporters have been defined and validated in a MOU with FCRE, and the project has supported the successful recruitment of an Executive Director and a Communication Officer and Webmaster for the Federation who are now on-board, considerably strengthening the operational capacities of the organization.

Terms of Reference of a market study have been developed in partnership with IFC, and the procurement of consultants is on-going (managed by IFC).

Regarding the support to RDB (C#4), KPMG mission is on the way to be completed (2/3 completed, according to KPMG) and DFDL legal support has been initiated.

The project procurement plan has been revised in September to integrate the recruitment of consultant(s) for the development of Credit Mechanisms for Farmer Organizations. Besides, a service provider has been selected to undertake project accounting and finance annual audits.

SUMMARY

Table 1: Summary of important activities and outcomes of the past quarter and foreseen objectives and activities and main issues or concerns

Important activities and outcomes of the past quarter	Foreseen objectives and activities for the coming months	Issues and concerns
C#1 <ul style="list-style-type: none"> First meeting of the “JCC”. Approval and signature of MOU with FCRE. FCRE Executive Director and Communication Officer recruited. Consultants on support to FO Federations/networks recruited and on-board. 	<ul style="list-style-type: none"> Workshop with FOs Federations. Follow up meetings of JCC. Start consultation with Exporters on the reforms and future of FCRE. General Assembly of FCRE takes place and validates an action plan for Y-2014. 	<ul style="list-style-type: none"> Reform of FCRE has to address membership and the nature of FCRE as exporters organization <i>stricto sensu</i> or a broader sectoral organization. Exporters’ mobilization remains challenging.
C#2 <ul style="list-style-type: none"> Procurement for an international market study, in partnership with IFC has been launched. Conference on branding based on Nepal Case Study is prepared, under FCRE leadership. 	<ul style="list-style-type: none"> Information conference on branding based on Nepal Tea Case study. Cambodia Rice Festival. Launching of market study (Preliminary results available?). Assess possible investment for the development of testing method for premium white rice standards. 	
C#3 <ul style="list-style-type: none"> Consultants for C#3 “Support and monitoring” have been contracted. MOU with DAE and DAI signed. <p>⇒ C#3 coordination and support team is fully on-board.</p> <ul style="list-style-type: none"> PIA#2013-02: The methodology of the study on the feasibility and relevance of the proposed action in Takeo has been prepared. PIA #2013-03: Paddy Selling Groups profiles have been characterized. PIA#2013-04 with COrAA with cooperatives in Preah Vihear and link with rice miller in BTB has started. Contract for seed multiplication between Loran Group and Nikum Krao Preah Sihanouk Cooperative has been signed. 	<ul style="list-style-type: none"> Harvest of paddy: training on post-harvest and quality management and selling activities by the different farmer groups under pilot activities. Organize a meeting between organic cooperatives and potential buyers in October. Implementation of feasibility for pilot action in Takeo. Additional opportunities identified in Battambang. Meeting with Golden Rice to start to explore opportunities of contracting with FOs. Start the study on current practices of contract farming. First mission of Christophe Boscher (AVSF). 	<ul style="list-style-type: none"> Unavailability of one of the local consultants in AVSF-CIRD-ADG team leads to delays in the mobilization of the replacement. Pre- and Post-election period has slowed down activities on the fields. Operators (ISC, COrAA) were not always allowed to organise meetings in villages.
C#4 <ul style="list-style-type: none"> Continuation of KPMG mission (draft reports provided for outputs A1, A2, A3, A4, A5 and B1). Start of the legal consultants mission (DFDL). Preliminary discussion with RDB and MEF on credit mechanism for FOs. 	<ul style="list-style-type: none"> Completion of KPMG mission (Tasks B3, B4 and B5 to be started). Completion of DFDL mission. Plan further steps of support to RDB. 	<ul style="list-style-type: none"> DFDL has reported difficulties to get documentation from RDB. RDB is not yet clear on its perspectives of reform: need to define a roadmap for application of consultants’ recommendations.
C#5 <ul style="list-style-type: none"> Audit firm has been recruited. Project Procurement Plan for 2013 has been revised (v.3) and approved by AFD. 	<ul style="list-style-type: none"> Start of first project accounting and finance audit. 	

1. COMPONENT #1: ORGANIZATION OF THE RICE SECTOR AND CAPACITY BUILDING OF STAKEHOLDERS

1.1. SUPPORT TO THE FEDERATION OF CAMBODIAN RICE EXPORTERS (FCRE)

1.1.1. FINAL VALIDATION AND SIGNATURE OF THE MOU BETWEEN THE PROJECT AND THE FCRE

Further to AFD comments¹ on the draft Memorandum of Understanding with the Federation of Cambodian Rice Exporters, a revised version of the MoU has been sent to AFD by the PMA on July 3, together with additional documents to complete AFD information on the FCRE.

On August 27, AFD has requested to attach additional documents as annexes to the MoU (status, list of members, registration document), and to up-date the Annex 2 (roadmap and timeframe) based on the results of the first Joint Coordination Committee that took place on Friday 23rd August (see § 1.1.2. below). The fully completed version was sent by SNEC PMA to AFD the next day. Formal non-objection letter was then issued and received by SNEC on August 30, 2013 and the MoU was signed by both parties on the same day.

1.1.2. COORDINATION OF THE SUPPORT TO FCRE

In order to coordinate and harmonize the support to Cambodian rice exporters, SNEC has proposed to establish a Joint Coordination Committee (JCC) to monitor and coordinate the support to the Federation of Cambodian Rice Exporters. The principle of the joint coordination committee has been agreed with IFC and endorsed in the MOU with FCRE.

Despite the MOU was not signed yet, a first meeting of the JCC took place in IFC office on August 23rd. FCRE was represented by its president Oknha Kim Savuth. IFC, SNEC and AFD were also represented. An up-dated time frame has been edited during that meeting³.

1.1.3. SETTING FCRE EXECUTIVE TEAM

In June, Saint Blanquat & Associate has been selected to implement the recruitment of FCRE Executive Director and of a Communication Officer & Webmaster⁴. Following the first meeting between Saint Blanquat & A., the FCRE and the project team⁵ on June 28, 2013, SB&A has drafted the job descriptions for the two positions and submitted for FCRE and project team comments. After comments from FCRE and SNEC project team were integrated, the recruitment firm has publicized the job description and has started to identify and interview applicants.

1.1.3.1. EXECUTIVE DIRECTOR RECRUITMENT

Saint Blanquat & A. has identified numerous candidates and has interviewed 10 persons for the position of Executive Director. The recruitment firm has then presented three⁶ shortlisted candidates to FCRE and SNEC. Those three have been jointly interviewed by FCRE General Secretary and SNEC project team

¹ AFD comments were sent on June 27, 2013; see Quarterly Executive Report #02, § 1.1.2., page 4.

² Rescheduled after a previous tentative the previous week that FCRE failed to attend.

³ Cf. Minutes of JCC Meeting #01 -23rd August 2013, prepared by PMA.

⁴ A formal contract (#CKH-1077-S-13—02) for this service has been signed by SNEC with Saint Blanquat & A. on July 1, 2013.

⁵ Cf. Quarterly Executive Report #02, page 5.

⁶ Two additional profiles were sent afterward on the request of the PMA, but their profiles were not matching the requirements for the position and the comments on their skills and/or personality made by Saint Blanquat & A. in the executive summaries sent have led to the decision not to interview these additional candidates.

(Project Coordinator and PMA), on August 13 and 17. As a result of this second round of interviews, Mr Sean Linin appeared as the most suitable for the job. He was then asked to conduct an additional interview with the President of FCRE, on August 20, 2013. FCRE President took also the time to interview the two other candidates on August 24. After gathering additional information on the candidates, the Federation has communicated its decision to select Mr Sean Linin for the job on August 29, 2013. The successful candidate was notified of the decision via Saint Blanquat & A. the same day.

A draft Employment Contract has been prepared with the support of the project (See § 1.1.4.2. next page) and served as a basis for negotiation with the candidate. The final version has been signed on September 05, 2013 and Mr Sean Linin has officially taken its function of Executive Director of the Federation on the same day.

1.1.3.2. COMMUNICATION OFFICER AND WEBMASTER RECRUITMENT

For the position of Communication Officer and Webmaster, Saint Blanquat & A. has sent three profiles to FCRE and SNEC. Those three candidates were interviewed jointly by FCRE (Ok. Kim Savuth, Mr Sean Linin and Mr Kith Pheara) and SNEC (Project Management Advisor and Project Administrative Officer) on September 05, 2013. Mr Sothy Ung, a young graduate who studied in Malaysia and Australia has been selected. The project team has been associated to final contract negotiation with Mr Ung Sothy on September 14, and final edited contract has been proof-read on the following day.

FCRE and Mr Ung Sothy have signed the employment contract on September 16, 2013, and Mr Ung Sothy has started his job on the same day.

1.1.3.3. SETTLEMENT IN FCRE OFFICE IN THE BUILDING OF THE CHAMBER OF COMMERCE OF CAMBODIA

From the second week of September, FCRE executive team has settled in FCRE office in the Chamber of Commerce of Cambodia which was previously reserved for the Federation, but unoccupied. Mr Ung Sothy joined them from September 16. Additional furniture has been furnished by FCRE. The office can now be considered as operational.

1.1.4. SUPPORT THE IMPROVEMENT OF ADMINISTRATION AND FINANCE FUNCTIONS

1.1.4.1. ACCOUNTING AND FINANCE SYSTEM

On August 30, FCRE Administrative Assistant (Ms Sreyon Chhoeun) and FCRE advisor (Mr Kith Pheara) have met the Project Management Advisor and Project Accounting and Finance Officer of SNEC in order to present the financial management procedure and book keeping currently used by the Federation.

Additional follow-up meetings on book keeping tools took place in SNEC on September 3rd, then in FCRE on September 12. The Project Management Advisor has proposed and developed an improved (yet simple) format for accounting, using Excel but with some analytical codes to categorize expenditures (budget codes) and incomes, which will allow the production of comprehensive and informative financial reports. Additional improvements (including switching from Excel to accounting software) will be considered for 2014, based on further developments and needs of the Federation.

Besides, in the past, some expenditures of the FCRE were directly paid by its main sponsoring companies, notably Khmer Food. The Project Management Advisor has recommended to the Federation that such sponsorships shall be transferred on FCRE bank account, and that subsequent expenditures shall be paid by the FCRE in order to improve transparency and to make sponsorships and FCRE expenditures more readable.

1.1.4.2. HUMAN RESOURCES MANAGEMENT

The recruitment of FCRE Executive Director has highlighted the need to develop a format for Employment Contract for FCRE. Once the decision to recruit Mr Sean Linin has been taken, a first contract agreement has been prepared by Mr Kith Pheara, but was not fully satisfactory because presented as a “letter of mission” rather than a formal employment contract between an Employer and an Employee.

In early September, SNEC Project Management Advisor has developed a comprehensive format for work contract, primarily for the recruitment of the Executive Director, but easily adaptable for other employees.

Beside, this has brought the opportunity to formalize working relation with existing FCRE staff (Ms Sreyon Chhoeun, Administrative Assistant, did not had a work contract before September 2013) and to define or clarify rules for staff management such as working hours and over-time.

1.1.5. FINANCIAL SUPPORT: SUBSIDY FOR FCRE OPERATIONAL COSTS

1.1.5.1. PRINCIPAL OF THE FINANCIAL SUPPORT TO FCRE

The MoU signed with the FCRE includes a subsidy to contribute to cover operational costs, in order to develop the activities (hence the credibility and interest) of the Federation, and with the perspective of a progressive taking over of the costs by FCRE’s own resources (membership and service fees, etc.).

1.1.5.2. PROCEDURE AND MONITORING OF DISBURSEMENT TO FCRE

The Project Management Advisor has prepared a format for FCRE advance request as per the terms of the MoU regarding budget subsidy to the Federation and the first request for advance payment was sent by the Federation to SNEC National Project Director on August 31, 2013. This first installment was for one month only (corresponding to “Phase 1” of the roadmap attached to the MoU between SNEC and FCRE) and for an amount of 3,400 USD.

Table 2: Monitoring of disbursement of subsidies to FCRE operational costs

	Project Subsidy as per MOU	Transferred (to date)	Remaining balance	Amount spent and justified by FCRE	Δ or still to be justified
1. Staff	\$ 32,200.00	\$ 2,200.00	\$ 30,000.00	\$ 2,200.00	\$ -
Executive Director	\$ 19,800.00	\$ 1,700.00	\$ 18,100.00	\$ 1,700.00	\$ -
Web and communication officer	\$ 6,600.00	\$ 300.00	\$ 6,300.00	\$ 300.00	\$ -
Accounting and Finance Officer	\$ 3,600.00	\$ -	\$ 3,600.00	\$ -	\$ -
Administrative assistant	\$ 2,200.00	\$ 200.00	\$ 2,000.00	\$ 200.00	\$ -
2. Running costs (Structural)	\$ 13,200.00	\$ 1,200.00	\$ 12,000.00	\$ -	\$ 1,200.00
Office rental	\$ 13,200.00	\$ 1,200.00	\$ 12,000.00	\$ -	\$ 1,200.00
Equipment (computers, etc.)	\$ -	\$ -	\$ -	\$ -	\$ -
Stationaries, communication, office running costs	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation - travel to provinces	\$ -	\$ -	\$ -	\$ -	\$ -
3. General Assembly and Workshops	\$ 12,000.00	\$ -	\$ 12,000.00	\$ -	\$ -
General Assembly	\$ -	\$ -	\$ -	\$ -	\$ -
Strategic workshops	\$ 9,000.00	\$ -	\$ 9,000.00	\$ -	\$ -
Webhosting	\$ -	\$ -	\$ -	\$ -	\$ -
Other communication tools (newsletter...)	\$ 3,000.00	\$ -	\$ 3,000.00	\$ -	\$ -
TOTAL	\$ 57,400.00	\$ 3,400.00	\$ 54,000.00	\$ 2,200.00	\$ 1,200.00

Actual salary of the executive director is 1,700 USD/month (whereas the MoU has set a ceiling of 1,800). Only half a month was requested for the salary of the communication officer as, at the time of the request, it was estimated that he would not be recruited before mid-September.

1.1.5.3. DEVELOPMENT OF FCRE OWN FINANCIAL RESOURCES

As indicated above, the subsidies to the FCRE are seen as an initial “seed subsidy” to help the Federation to develop its services and activities, but shall lead to a progressive taking over of the costs by FCRE’s own resources. During the 1st “JCC meeting”, Oknha Kim Savuth has reported that the FCRE meeting of June 26, 2013 has started to envisage the development of membership fees and contributions from members. According to Oknha Kim Savuth report on the meeting discussion, envisaged membership fees would set at a level of 100 to 150 USD, and an additional contribution of 100 KHR/ton of rice exported could also be considered. SNEC project team has drawn the attention of FCRE President that this level of contribution would generate only 20,000 to 30,000 USD per year⁷, far below the estimated operation budget of the Federation. Those amounts would therefore have to be reconsidered and other possible sources of incomes have to be explored. Besides, Oknha Kim Savuth said that the FCRE will continue to invite its members or supporters to voluntarily sponsor the Federation.

1.1.6. MOBILIZATION OF EXPORTERS / MEMBERS TO TAKE RESPONSIBILITIES IN FCRE

1.1.6.1. AGREEMENT ON THE 1ST JCC MEETING

Further to the JCC 1st Meeting, SNEC PMA has prepared a first draft list of topics/activities / projects that would require to identify responsible / focal persons among exporters / members of the FCRE (See table shown in Annex 2). The purpose of this is to increase the capacity of action of the FCRE (considering the limited time availability of the President and Secretary General), to mobilize members and develop their ownership on the Federation and on its activities, and to contribute to the progressive handing over to the Federation of the activities of the Export Promotion Working Group facilitated by IFC. This first draft list of topics / activities / project was shared with IFC, FCRE and AFD on August 28, with a request to correct and complete the list, notably by flagging the issues already covered by the EPWG and the focal persons identified as part of the on-going work under this working group. But afterward IFC has expressed reserved regarding the abilities and willingness of exporters to commit time for FCRE activities. FCRE chairman and General Secretary have not commented on the document.

1.1.6.2. A MORE PROGRESSIVE APPROACH FROM THE CAMBODIA RICE EXPORTER MEETING

The approach has thereof been more progressive. During the “Cambodia Rice Exporter Meeting” (“CRX”) on September 18, the project (represented by PMA) has briefly presented its approach of the support to the Federation⁸ and the in-depth reforms that are foreseen, then has encouraged exporters to get involved and establish relation with the new executive team recruited. Yet, for practical mobilization of exporters to take responsibilities on specific topics, it seems that a bilateral approach of exporters combined with multilateral consultations will be a better option to start with.

As a start for this approach, FCRE Executive Director and project PMA have visited Mr Song Saran (AMRU Rice) on September 30 to get his feedback on the foreseen approach of reforms. Saran has expressed his support and willingness to contribute, enhancing also the need for the Executive Director to

⁷ 22,500 USD, based on a hypothesis of 100 members paying 150 USD as membership fees, and on 300,000 tons exported.

⁸ During the same meeting, Oknha Kim Savuth has introduced the recently recruited Executive Director and Communication Officer and Webmaster, and has also enhanced the reform process that is now starting, and the intention to establish an elected Board.

gain more independence from the President and to get entitled to manage external contacts. An informal preliminary consultation of FCRE members / exporters will be started in October.

1.1.7. OTHER ACTIVITIES OF FCRE

With more executive staff recruited since September, FCRE has quickly started to undertake more activities, notably the ones briefly described below:

1.1.7.1. INVOLVEMENT IN THE PREPARATION OF THE CAMBODIA RICE FESTIVAL

FCRE Executive Director Mr Sean Linin, has undertaken activities in the preparation of the Cambodia Rice Festival, in particular by liaising with several FCRE members to prepare the gathering of samples for exhibition (and for rice testing?) and sending invitation to some official guests.

1.1.7.2. PREPARATION OF THE WORKSHOP ON BRANDING BASED ON NEPAL TEA CASE STUDY

Mr Sean Linin and Ms Sreyon Chhoeun have been very active in the preparation of the workshop on branding based on Nepal Tea case study⁹, scheduled on October 8, 2013. FCRE has invited its members and other rice exporters and registered confirmation of attendance, and have liaised (with the support of Mr Kith Pheara) with MOC.

FCRE has also contacted persons identified to act as “panellists” during the workshop and have gathered their confirmations.

1.1.7.3. GATHERING BETWEEN FCRE AND TREA

The project coordination officer took part as an observer in an informal gathering organized on Saturday September 14 between the FCRE (and various Cambodian rice sector stakeholders) and a delegation of about 16 Thai companies of the rice sector in visit to Cambodia under the patronage of the Thai Rice Exporters Association (TREA). This was organized as part of a business tour of a group of Thai exporters (approximately 15 companies) exploring business opportunities in Cambodia, in particular to source paddy and develop activities / partnerships for processing in Cambodia¹⁰.

1.1.8. SUMMARY: ASSESSMENT OF MONITORING INDICATORS OF THE SUPPORT TO FCRE

The Annex 2 of the MoU with the FCRE (Road map, timeframe and conditions for each phase to be unlocked) defines a number of criteria or indicators to be fulfilled at the end of the Phase 1 of this support and prior to the beginning of Phase 2 (October to December 2013). The table below recalls these indicators and assesses the achievements against each of them.

Table 3: Monitoring of indicators and milestones of the support to FCRE

Indicators / Criteria	Progress Status	Comments
MoU between SNEC and FCRE is signed	100% ■■■■	MOU signed on 30 August 2013.
A specific bank account is open to receive project subsidies	100% ■■■■	Second bank account of FCRE, dedicated to receive project funds, is open.
Simple but reliable accounting tools are in place.	100% ■■■■	Tools developed and have started to be used by the FCRE Administrative Officer. Further follow-up will be needed to verify reliability.

(Table continues next page)...

⁹ See § 2.2.1.1, page 11 in this report.

¹⁰ According to informal talks between PMA and TREA representatives during the event.

...(Continued from previous page)

Indicators / Criteria	Progress Status	Comments
Presence of FCRE in meetings with recruitment HRM firm	100% ■■■■	FCRE present in meeting with Saint Blanquat & A. and conducted all interviews.
FCRE Staff (at Least Executive Director and Communication and Web Officer have been recruited) + Signature of contract with selected staffs	100% ■■■■	Executive Director recruited: contract signed on 05 September 2013. Communication Officer and Webmaster recruited: contract signed on 16 September 2013.
Coordination committee (JCC) meeting took place with each party duly represented	100% ■■■■	The 1 st JCC meeting took place on August 23. The 2 nd one shall be organized in October.
Focal persons (Exporters, members of FCRE) are identified for various projects/activities and receive a delegation of FCRE	25% ■□□□	As stated in § 1.1.6. page 6, no focal persons for specific tasks have been identified among members, but some exporters have individually confirmed their support to the FCRE reform process, and other have agreed for panellist roles in the conference of branding scheduled for next month.

1.2. SUPPORT TO FEDERATIONS / NETWORKS OF FARMER ORGANIZATIONS

1.2.1. BRIEFING OF AVSF-CIRD-ADG TEAM AND COUNTERPARTS

Mr Phat Sophany has been assigned as part of AVSF-CIRD-ADG team as the local consultant dedicated to the support to FOs Federations. He will receive some backstopping support from Mr Christophe Goossens (ADG).

Mr Phat Sophany has started up with this position on September 5. He was first briefed on the same day by the Project Management Advisor (together with Sok Sarang) on the project structure and objectives, and the briefing was completed during the Component #3 Coordination Meeting on September 9. The background of the support to FOs Federations in the perspective of an inter-professional dialogue / organization was recalled, with the objective of strengthening the representation / advocacy role of Federations.

Figure 1: Professional organization of producers in the frame of an inter-professional organization



Yet it is also foreseen to develop operational / economic functions of those Federations, and to connect this support to pilot activities related to FOs role in the commercialization of paddy. This could for instance include management of collective facilities, share guarantee mechanisms for credit and participation in pre-selection of loan beneficiaries, support to development of business plans, bulk order for supplies, etc...

Two Federations of FOs are preliminary foreseen as main partners of the project: the Federation of Cambodian Farmer Organizations for Development (FCFD) and the Federation of farmer associations promoting family Agriculture Enterprises in Cambodia (FAEC). Support to the Farmer and Water Network (FWN) may also be considered. Support to institutional reforms will also be considered within this Federation, notably for them to adapt (if they wish) to the new legal framework for cooperative unions / alliance / federations.

The Project Management Advisor has further discussed the approach on the support to the Federations of FOs with Mr Phat Sophany and Mr Christophe Goossens on September 12, 2013.

1.2.2. FORESEEN WORKSHOP WITH SELECTED FO FEDERATIONS

A workshop with the boards of the FAEC and FCFD and with representatives from FWN was scheduled in SNEC on September 17, but has finally been reported due to the demonstrations on that day and the difficulties to access SNEC office.

The workshop has been rescheduled to 14 October 2013. Its objectives are to present¹¹ the project to the Federations and to start the identification of objectives and modalities for the institutional support.

1.3. RELATIONS WITH OTHER ECONOMIC STAKEHOLDERS AND REPRESENTATIVE BODIES

1.3.1. FASMEC

On September 25, project coordination team¹² has met¹³ Mr Oum Meng Thai, Senior advisor of the Federation of Associations of Small and Medium Enterprises of Cambodia (FASMEC) and M. Sovannarith Sao of RGEM (Real Goal Event Management) regarding the preparation of the Cambodia Rice Forum. During this meeting, FASMEC has made a request for SNEC / AFD project support for the organization of the forum. Yet the nature of the required support was not very clear (no financial contribution requested). Project representatives have enhanced that the project is supporting the Federation of Cambodian Rice Exporters, which is associated in the organization of the Cambodia Rice Forum. Therefore the project involvement would mainly go through the support to the FCRE in its participation to the organization of the event.

One idea raised by the project during the meeting was to organize, on the fringe of the forum, a closed-door discussion between few exporters representatives of the FCRE and some of the international buyers who are expected to be present for the event, in order to gather feed-back from these international buyers on issues or weaknesses that Cambodian exporters still have to address to strengthen their position on the international rice market. This suggestion might be further discussed with FCRE. The option of a restricted and closed-door meeting would be preferred as the purpose of the event is rather to showcase the strength of Cambodian rice, and the identification of weaknesses to address would not fit well in a plenary session.

¹¹ (or present again, as FAEC and FCFD were already met by the project coordination team in the previous quarters).

¹² Mr Ung Luyna, coordinator, and Mr Jean-Marie Brun, Project Management Advisor.

¹³ On his request.

2. COMPONENT #2: IMPROVEMENT, STANDARDIZATION AND CERTIFICATION OF THE CAMBODIAN RICE QUALITY

2.1. CAMBODIAN STANDARDS ON RICE

2.1.1. PROGRESSES ON THE REVISION OF STANDARDS FACILITATED BY IFC

Further to the consultation meeting¹⁴ organized by IFC on June 10, 2013, IFC has consolidated the outcome of the meeting in a revised version of the Milled Rice Standard CS 053-2012. This revised version was submitted to a Technical Committee meeting on August 8, which has also made a few additional amendments. The draft text has then been circulated to stakeholders, leaving ten days to gather additional feedback and comments, from August 20 to August 30. The final draft, prepared by IFC, has then been re-submitted to the Institute of Standards of Cambodia. Next steps required are the validation by the National Standards Council, then the endorsement by the Minister of Industry, Mine and Energy.

2.1.2. PROJECT ENVISAGED CONTRIBUTION FOR THE DEVELOPMENT OF TESTING METHOD FOR PREMIUM WHITE RICE

As part of the process of amendment of the Standard CS 053-2012, IFC has also supported the development of testing methods for fragrant rice (which were missing in the previous version) in partnership with CamControl and with Intertek. Yet the testing methods for premium white rice are still missing, and, on September 6th, IFC has approached the SCCRP project to seek contribution in this matter.

A meeting will be organized with IFC, CARDI¹⁵ and the Institute of Standards of Cambodia to discuss in more details what would have to be done and to assess the level of investment required¹⁶.

2.2. QUALITY LABEL / CAMBODIAN RICE BRANDING

2.2.1. IMPROVEMENT OF THE AWARENESS OF STAKEHOLDERS ON POSSIBLE TOOLS FOR BRANDING CAMBODIAN RICE

During the past 2-3 years, Cambodian rice has started to gain notoriety through participation of Cambodian exporters to various international events (notably with IFC support) and thanks to the actual development of Cambodian exports. Yet more formal initiative could be considered to build the image of Cambodian quality rice and to consolidate its emerging reputation. As a preliminary step to initiate a reflection with stakeholders (in particular exporters) the project has decided to present successful case studies of collective “branding” approaches in order to increase the stakeholders understanding on possibilities and tools (See Box 1 next page). The purpose is also to identify means to differentiate Cambodian quality rice and to be able to sell it as a special quality product rather than as a generic commodity.

¹⁴ See Quarterly Executive Report #02, pages 8-9.

¹⁵ IFC had some preliminary discussion with CARDI representatives, who said that they could undertake the development of such testing methods.

¹⁶ We have not been able to organize this meeting in September due to lack of availability of CARDI.

Box 1: The need to improve stakeholders' information on the possible options to develop a collective brand / quality label

“Branding” is defined as “The marketing practice of creating a name, symbol or design that identifies and differentiates a product from other products”. The concept of branding can be understood broadly as the building of an image and reputation of a product. In that sense, the recent exposure of Cambodian fragrant rice to the international rice business community through the participation to international exhibitions (notably with the support of IFC) and in particular the attribution of the World Best Rice Award to Cambodian rice in the last World Rice Conference in Bali contribute to build the image and the notoriety of Cambodian rice in general and Cambodian fragrant rice in particular. Such efforts and actions are already contributing a lot to build the image of Cambodian rice and are wakening the interest of international buyers. Yet this approach has some limits, in particular the fact that it is not backstopped by a clear definition of quality requirements and that there is no protection nor quality control on what may be sold as Cambodian fragrant rice (or under an identified name or sign that would be used in the promotion efforts), leading to a risk of deterioration of the image of quality built through an active participation of Cambodian exporters on the international rice trade scene.

This risk of seeing the name and image of Cambodian rice spoiled by an insufficient attention paid to quality by few exporters is well identified and acknowledged by most of the exporters, but the idea of developing a formal collective brand (in order to have a control on the use of this brand to avoid the risk of image deterioration by inadequate and isolated practices) does not seem to be ripe yet.

There is a need to improve stakeholders information on the possible options to develop a collective brand / quality label, such as the development of a collective trademark or the registration of a Protected Geographical Indication, and to assess the pro and cons of the different options (“investment costs” to develop the brand and recurrent costs to maintain it, vs. reasonable expectations in term of commercial impact). Awareness and understanding of exporters regarding the different possible tools shall be increased, and the feasibility and possible “market reply” of the various option shall be studied.

Extract from a note prepared by the Project Management Adviser in May 2013:

“Branding and quality labels: Concepts and opportunities for Cambodian Rice: a cycle of conferences and workshops to learn and elaborate on possible options.”

2.2.1.1. PREPARATION OF A WORKSHOP / CONFERENCE ON NEPAL TEA AS A CASE STUDY

Nepal Tea has been identified as an interesting case study to present to Cambodian Rice value chain stakeholders, for the following reasons:

- Tea is an internationally traded community,
- Nepal tea is a quality product but which was suffering of a lack of consumer and market awareness, whereas competing with a worldwide renowned neighbour (Darjeeling tea), a bit similar to the situation of Cambodian rice vs. Thai Jasmine rice.
- Two concurrent steps have been undertaken in the process: 1) the definition and launching of a name and logo (based on a well-built image / brand attributes) and 2) development of a Code of Conduct to ensure consistency in quality and coherence with the brand attributes... which is very much what could be done for Cambodian rice.
- Extensive efforts have been undertaken to launch and promote the brand worldwide, including the participation in international events such as Tea and Coffee world cup (which is likely to echo the experiences of Cambodian rice exporters who attended the World Rice Conference in Bali in 2012).

The Project Management Advisor has identified¹⁷ and contacted Mr Chandra Bhushan Subba as a resource person to present the experience of branding of Nepal Tea. Mr Chandra Bhushan is involved with Tea Industry since 1987. He has worked with Nepal Government Tea Board and was the founding Executive Director of Tea Association of Nepal (HOTPA). His presentation has been scheduled for October 8, 2013 in order to take opportunity of his presence in the region (Lao PDR). This workshop is co-organized by the project with FCRE, who has taken in charge most of the process of invitation of rice sector stakeholders¹⁸.

2.2.2. STUDY INTERNATIONAL MARKET FOR CAMBODIAN RICE AND EVALUATE POTENTIAL BENEFIT OF BRANDING ACTION

2.2.2.1. PREPARATION AND APPROVAL OF THE TERMS OF REFERENCE

The principal of co-financing with the IFC a broad study on potential international market for Cambodian rice has been agreed¹⁹ in June 2013. A first draft of Terms of Reference has been prepared by IFC and shared with SNEC project team on July 16.

Comments and suggestions have been prepared and sent by SCCRP's PMA on July 17. The main request for amendment of the draft ToR was to include in the scope of the study a more prospective part regarding the possible tools for branding. In particular, it was suggested that the study shall qualitatively assess how possible initiatives envisaged for branding (collective trademark/label, GI...) would be received by the stakeholders in the target markets (importers, firm involved in the re-packaging and distribution of the product and consumers), and if these stakeholders would welcome such initiatives and would be ready to partner with Cambodian exporters to promote such "brand". For this matter, it was stressed that in the phase of data collection, the study should also include some interview with importers / distributors in the target markets to gather their feedback on possible branding strategies and tools (at least this shall be covered for the market area that AFD project would finance).

Another important comment from the PMA was to tentatively list the target markets that are most likely to be covered by the study (yet indicating that it has to be confirmed at the end of the first phase). Otherwise it will be very difficult for the bidders to set their price and to make relevant alliances / consortium with partners based in the targeted areas.

The IFC has welcomed these inputs and has taken them into account to edit the final ToR²⁰. Tentatively, the 5 geographical areas that are foreseen to be covered by the study are: Hong Kong and Singapore, China, the European Union, Russia and CIS countries, and the USA and Canada (to be confirmed or adjusted at the end of the phase 1).

2.2.2.2. PROCUREMENT

Based on the final Terms of Reference, the IFC has launched the procurement process according to its procedure. IFC has received Expression of Interest from 7 companies, among which 5 have been judged eligible and asked to prepare a full proposal. Only four of them have finally submitted an offer. Selection process will be pursued in October 2013.

¹⁷ Thanks to the recommendation of GIZ, which has been supporting the Nepal Tea branding process.

¹⁸ Cf. § 1.1.7.2. page 7 in this report.

¹⁹ See Quarterly Executive Report #02, page 10.

²⁰ Transmitted to SNEC project team on August 13, 2013.

2.2.3. PREPARATION OF THE CAMBODIA RICE FESTIVAL

The IFC has taken the initiative, in relation with the Cambodian Rice Exporters Group, of organizing a national event for the promotion of Cambodian rice. The Cambodia Rice Festival has been designed in order to raise awareness of the public and the media about the quality of Cambodia rice, enhancing notably the fact that Cambodian rice has received the World Best Rice award in the last World Rice Conference, a fact that is unknown of Cambodian public.

IFC has started the preparation of this event on its own, but came up to SNEC project coordination team in September to propose to SNEC's SCCRP to be associated to the organization of that event, together with FCRE. SNEC project team has welcomed this offer, which is also seen as an opportunity to showcase the efforts of coordination of both projects, as an example of good practices in term of international aid coordination. Yet, IFC will cover the main part of the event costs, and SCCRP project will take in charge the advertising campaign in local newspapers. The project team has also provided slight support to FCRE team in some of their tasks related to the preparation of the event.



3. COMPONENT #3: PROMOTION OF CONTRACT FARMING AND ENHANCEMENT OF THE INVOLVEMENT OF FARMER ORGANIZATIONS IN PADDY COLLECTING AND PROCESSING

3.1. PILOT INNOVATIVE ACTION #2013-01: SUPPORT TO CONNECTION OF BATTAMBANG COOPERATIVES AND FOS WITH PADDY BUYERS

3.1.1. CONTRACT FOR SEED MULTIPLICATION BETWEEN LORAN GROUP AND NIKUM KRAO COOPERATIVE

3.1.1.1. SIGNATURE OF CONTRACT BETWEEN LORAN GROUP AND NIKUM KRAO COOPERATIVE

Further to the facilitation of the negotiation between Loran Group and Nikum Krao Cooperative, SNEC project coordination team have met with Mr Yi Bunhak (DAI) on July 01, 2013. The draft contract has then received additional comments and was edited before being finally signed on July 8, 2013 by both parties. The signature of the contract has been formally notified to MAFF Minister by the Head of the Department of Agro-Industry on July 22, 2013.²¹

3.2. PILOT INNOVATIVE ACTION #2013-02: SUPPORT TO STORAGE AND COMMERCIALIZATION BY COOPERATIVES IN TAKEO

3.2.1. PREPARATION OF THE FEASIBILITY STUDY METHOD

Further to the submission of a concept note by the Department of Agriculture Extension in May 2013 and to the identification of important issues to be studied and clarified²², the project coordination team has asked the Component #3 Technical Support and Monitoring Unit²³ to prepare a more detailed feasibility study for this action in support to cooperatives in Takeo province.

A draft methodology and work plan has been prepared by Sok Sarang and discussed with other members of the team and project coordination on 23 September. The Project Management Adviser has insisted on the fact that the feasibility study shall be considered also as a facilitation process that shall involve a strong participation of potential and interested cooperatives / FOs, in order to build their ownership on the proposed action to develop. Appropriation of the results by stakeholders shall be an important outcome, even more important than the study report.

The feasibility study will be implemented in the next quarter.

3.2.2. PRELIMINARY CONSIDERATIONS

The study will have to insist on the economic feasibility and coherence of the proposed action. As initially presented, the action envisaged would involve 5 cooperatives from 5 different districts, with one warehouse used by the different cooperatives. The principle raise concerns as transportation costs from each cooperative to the warehouse are likely to jeopardize the economic interest of the proposed mechanism. It is thereof probably wise to identify a batch of FOs / cooperatives located close to each other if they have to use storage or processing infrastructures in common.

²¹ Letter No 142 Bñ 8.

²² Cf. SCCRP Quarterly Executive Report #02, § 3.2.1. and 3.2.2. pages 15-16.

²³ AVSF-CIRD-ADG team and DAE counterpart, in particular.

The idea raised in the concept note of supporting mini-rice mills unit has also been questioned by the project coordination team. If the objective is to add value on the rice, the quality of milling will be a major driver of higher prices. The domestic market is rather saturated with low or medium quality rice (leading to low prices), whereas the millers and exporters have difficulties to find quality paddy/rice for the export market (with prices potentially much higher). But export markets requirements regarding the quality of the milling are high if one want to get top quality rice (and top prices), and these technical requirements for milling are not likely to be achieved with mini-rice milling units.

An additional idea was raised by AVSF country director during discussions on the feasibility study which would be to support the equipment of cooperatives with combined harvesters. Such equipment is likely to ease the management of the harvest and could be of interest, and the option could be considered and assessed by the feasibility study.

3.3. PILOT INNOVATIVE ACTION #2013-03: SUPPORT THE CREATION OF “PADDY SELLING GROUPS” WITHIN STUNG CHINIT AND TEUK CHHAR FWUCS

Further to information meetings in villages of Stung Chinit and Teuk Chhar irrigation schemes in May and June 2013, Paddy Selling Groups were constituted. Enrollment of members (formalized by the payment of a symbolic membership fee) and discussion on the model of organization of the paddy selling has started in the previous quarter²⁴ and continued in July and August.

3.3.1. UP-DATE ON GROUP MEMBERSHIP FEES PAYMENT

Membership fee is one out of condition to become PSG members which was agreed by all participants during the second meeting. Amount of membership fee was set by participants in each village and thereof varies from one group to another. The minimum price of membership fee is 1,000 KHR and maximum one is 5,000 KHR. By July 31, 2013 there were 166 out of 172 registered farmers in Stung Chinit and 109 out of 129 farmers in Teuk Chhar who have paid their membership fee. Hence, by end of July there 275 farmers were formally PSG's members (total for both Stung Chinit and Teuk Chhar) – See Table 4 below.

Table 4: Up-date on PSG membership, surfaces and estimated volumes of paddy as per end of July 2013

	Stung Chinit	Teuk Chhar	Total
Interested Farmers	172	128	300
Members	166	109	275
Sub-groups of PSG	100	7	17
Membership fee collected (KHR)	225,000	227,000	452,000
Surface (ha)	158.7	137.4	296.0
Paddy quantity estimated (t)	152.7	231.8	384.4

(Source: ISC reporting)

3.3.2. PSG PROFILES

The ISC has gathered various elements of information to characterize the different paddy selling groups and get an overview of the type of paddy available and envisaged conditions for paddy selling. These PSG profiles were finalized in July 2013, even though, these profiles would be updated regularly until end of this pilot action. Based on PSG profile, the total volume of paddy available for sale from June to December

²⁴ See SCCRP Quarterly Executive Report #02, pages 16-18.

2013 would be 384.4 t, among which 176.8 t of fragrant varieties (46%). More details on the Paddy Selling Group profiles are given in Annex 3.

3.3.3. SELLING MODELS

In August 2013, ISC organized consultation meetings with PSG members to define and validate paddy selling model in Stung Chinit and Teuk Chhar. There were 188 out of 297 members (63%) participated in 15 meetings in both PSGs and which 114 of participants are women.

Paddy selling Models: base on PSG profile, both PSGs plan to sell their paddy in November 2013 and they would prefer buyer to come and pick up their paddy from their village directly. However, based on result of consultation meeting, ISC will have to consider and address the following issues in November before starting selling:

3.3.3.1. TRANSPORTATION AND ACCESS ROAD

Following discussions with rice millers, some of them may go to collect paddy from PSG if there are more or less 15 tons of paddy to collect at a time (one truck load). But there might be obstacles that will need further consideration, in particular, the load capacity of village roads, commune roads and bridges is often lower than the above 15 tons. Thereof, alternative options may have to be considered (alternative itineraries). Also, if prices offered by millers are higher, the Paddy Selling Groups may be able to organize the transportation by themselves.

3.3.3.2. LOOKING FOR CONTRACT MODEL AND PAYMENT METHOD

Conditions of transactions with millers still have to be defined and negotiated between the two parties. Issues to address include:

- Minimum quantity of paddy and quality requirement for each selling contract between sellers and buyers;
- Payment method and timing;
- Other provisions to be made in the contracts.

3.3.3.3. SHARING BENEFIT AND THE LOSS AMONG PSG MEMBERS

In case lose weight of wet paddy during short term storage or transportation, each member of PSG will cover the loss based on the proportion of quantities they supplied to the group. In general, all PSG agree to keep 10% of gross profit from each selling transaction for running their PSG, except for the sub-group of Banteay Yumreach village in Stung Chinit where members have proposed to keep 20%. However, these figures will still have to be confirmed before the start of paddy selling.

3.3.4. TECHNICAL ADVISES ON PRODUCTION AND QUALITY

In the contract with ISC for the implementation of this pilot activity, provision has been made for the mobilization of a senior agronomist for a few days in order to advise PSG members on quality management. This input will be provided in October, after Pchum Ben festival, and will be concentrated on the villages where foreseen quantities of paddy are the highest, notably La ak village in Stung Chinit (51 members and more than 60 t of paddy of Phka Romdul variety) and in Beung Nay village in Teuk Chhar (23 members and more than 25 t of paddy of mixed varieties).

During September 2013, ISC team had visited rice field of PSG members in both irrigation schemes. By the end of Sep, 284 plots (equivalent to 105 ha and belonging to 194 out of 297 members) have been visited.

3.4. PILOT INNOVATIVE ACTION #2013-04: SUPPORT TO ORGANIC PADDY PRODUCTION COOPERATIVES IN PREAH VIHEAR AND CONNECTION TO MARKET

The action proposed by COrAA during the previous quarter²⁵ has entered its implementation phase from July 1st, 2013. COrAA has recruited Mr. Cheam Seyla from the beginning of the implementation of this pilot action, to act as COrAA Organic Rice Officer.

3.4.1. SUPPORT TO COOPERATIVES FOR THE DEVELOPMENT OF ORGANIC PRODUCTION, CONTROLS AND CERTIFICATION

3.4.1.1. DEVELOPMENT OF COOPERATIVES INTERNAL CONTROL SYSTEMS

Due to the difficulties to conduct field visits during the election campaign period, the COrAA team together with Mr Cheam Seyla decided to maximize the time revising training lessons for the forthcoming trainings on Internal Control Systems (ICS) and post-harvest practices. With his practical experiences gained during his previous assignment, Mr. Cheam Seyla has assisted the COrAA team to introduce new concepts for the trainings on ICS and post-harvest practice.

Internal inspectors have been trained:

- On 12 August, at Krabao Prum Tep Agricultural Development Cooperative with 23 participants (15 females).
- On 13 August, at Mlu Prey Cheay Dein Agricultural Development Cooperative with 27 participants (16 Females)
- On 14 August, at Ke Lom Or Chivak Pheap Agricultural Development Cooperative with 25 participants (13 Females).
- On 15 August, at Rohas Meanchey Agricultural Development Cooperative with 40 participants (30 Females).

Several backstopping visits have been conducted by Mr. Cheam Seyla. All cooperatives started their activities to conduct the internal inspection with all their members. Up to now, the 1st internal inspection with all cooperatives' members is nearly finished. The 2nd internal inspection should conduct by Mid-October so that external inspection can commence end of October and be concluded before the harvest.

Box 2: Upgrading of COrAA's certification system and abilities

In parallel of the field activities supported by the project, COrAA is developing its internal procedures and abilities for certification.

- A training, focussing on the inspection of organic producer groups, was conducted for COrAA's inspectors in June 2013. The trainers were Mr. Vitoon Panyakul from Thailand (ACT) and Mr. Ong Kung Wai from Malaysia (CertAll).
- COrAA is in the process to become a member of the Certification Alliance (CertAll), an alliance of organic certification bodies in the region. Discussions are on-going with Cert All on the adaptation of an electronic database for farm and inspection records.

²⁵ See SCCRP Quarterly Executive Report #02, pages 18-19.

3.4.1.2. IMPROVEMENT OF THE QUALITY OF PADDY PRODUCED BY COOPERATIVES

Before the start of the project, from 19 to 22 June 2013, COrAA had provided four brief trainings on seed selection for four cooperatives in Preah Vihear province in order to help farmers to use the best seeds from their stocks. More recently, COrAA has prepared a publication on post-harvest management of paddy. Printing is in progress, and training in post-harvest management will be conducted during the month of October.

3.4.2. CONNECTION TO MARKET: COMMERCIAL OUTLETS FOR ORGANIC RICE

COrAA has established working relationships with Kim Se Rice Mill, Battambang and with AMRU Rice, Phnom Penh.

3.4.2.1. PARTNERSHIP WITH KIM SE RICE MILL AND PERSPECTIVES ON DOMESTIC MARKET

Mr. Chea Sovithyea, manager of Kim Se Rice Mill, has confirmed his interest to buy paddy and process it for the domestic market. COrAA has conducted three meetings on details of organic rice trading and has conducted a pre inspection of the rice mill with regard to processing of organic rice.

One main issue that may obstacle this activity is the need for finance to purchase a sufficient stock of paddy at the harvest to supply the market throughout the year. COrAA has facilitated a meeting between Mr. Chea Sovithyea and social investor ARUN. However, the conditions provided by ARUN are not favorable for paddy business. Consequently, the amount of paddy will be much lower than the targeted 500 t.

COrAA had initial meetings and discussion with Happy Farm and Natural Garden for the distribution of organic milled rice. While Happy Farm sells on consignment basis, it is hoped that Natural Garden will help to finance of the procurement of at least 40 t of paddy. Discovery Farm is planning to finance paddy up to USD 10,000.00 (approx. 30 t). Kim Se Rice Mill expects to buy at least 100 t from its own capital.

COrAA also had met with Oikocredit and Insitor Management, but it was not possible to attract them for this kind of investment.

3.4.2.2. INTEREST EXPRESSED BY AMRU RICE AND PERSPECTIVES ON EXPORT MARKETS

Another main market opportunity is offered by a strong interest of Mr Song Saran, CEO of AMRU Rice, for the export of organic rice. Mr Song Saran is considering to buy around 400 to 500 t of organic paddy at the next harvest, in order to supply one of his client located in Singapore²⁶. AMRU Rice has also demands from its clients in the EU for organic rice, and is interested to maintain the relationship and expect that the organic rice produced by the cooperatives will be certified according to EU organic standards next year in order to be able to supply that market.

Mr Song Saran has confirmed this interest during the talks with the Project Management Adviser on 30 September, but has proposed to go through another miller than Kim Se for his supply in order to reduce transportation costs.

This confirmed interest from a major and reliable exporter could become a strong driver for the development of organic rice production. While previous actions of development of organic rice production with farmer groups have often been jeopardized by insufficient market (or inadequate distribution channels), leaving farmers with their organic rice unsold, or sold as generic rice with no premium price, the

²⁶ As Singapore has no regulations pertaining to trade of organic products, COrAA's certification should suffice

interest of a major exporter is an opportunity not to be missed by COrAA and supporters of organic production development in Cambodia.

3.4.2.3. COrAA PROMOTION ACTIONS FOR ORGANIC RICE

A leaflet titled “Cambodian Organic Rice” has been prepared as information material. It will be used by AMRU Rice during the ANUGA Food Fair in Cologne, Germany from 5 to 9 October 2013, as well as in the 1st Cambodia Rice Festival on October 11, 2013.

3.5. DEVELOPMENT OF A CREDIT MECHANISM DEDICATED TO FARMER ORGANIZATIONS

3.5.1. PREPARATION OF TOR FOR SUPPORT MISSION ON THE DEVELOPMENT OF CREDIT MECHANISM FOR FOS AND CONSULTATION WITH STAKEHOLDERS

The project PMA has prepared a first draft of Terms of Reference for a support mission for the “Development of an innovative Credit Mechanism dedicated to the financing of Farmer Organizations” Commercial Activities. Those ToR have been sent to partner institutions to seek comments and advices. SNEC project team had meeting with the following ones to validate the principle and to discuss the objective, scope and organization on the proposed mission (see below).

3.5.1.1. MEETING WITH THE DEPARTMENT OF AGRICULTURE EXTENSION

SNEC project coordination team has met Mr Mak Soeun at the DAE on August 22, 2013. The DAE is sharing the views of SNEC²⁷ regarding the need to ease the access to credit for Cooperatives / FOs registered as legal entities. The DAE welcome the proposal to see how to address the issue of lack of collateral (possibly through guarantee funds) and how to channel a part of the Agriculture Development Fund managed by RDB to provide loans to cooperatives. This may require a revision of the legal documents related to the creation of this Agricultural Development Fund. Mr Mak Soeun has confirmed that he could participate or assign someone from the DAE to take part in a steering committee for this mission.

SNEC project team has also sought more information from Mr Mak Soeun regarding the creation of the Agricultural Cooperative Development Fund referred to in the Chapter 3 of the new law on Agricultural Cooperatives²⁸. Now that the law has been approved, MAFF intends to set up an advisory committee to prepare the actual creation of this Fund, according to Mr Mak Soeun. As indicated in the law, a Sub-Decree has now to be prepared to proceed with the creation of the Fund and define more precisely its scope and management guidelines. At first, Mr Mak Soeun anticipates that the Agricultural Cooperative Development Fund will rather be used to finance direct support to cooperatives and capacity building activities, but is not likely to be used to finance loans to cooperatives (not in a first stage, at least). Besides, Mr Mak Soeun has underlined that the funds is under the authority of MAFF and that MAFF is not a bank and would not have the capacities nor the mandate to manage credit activities²⁹.

²⁷ See project note “Rationale for the Creation of a Subsidized Credit Mechanism for the Development of Cooperatives’ Commercial Activities” (dated April 11, 2013, submitted to the 2nd meeting of the Project Steering Committee), and H.E. Ros Seilava letter to SNEC chairman dated May 6, 2013, endorsed by SNEC chairman on May 17, 2013.

²⁸ See also the Box 5 in the project Quarterly Executive Report #02, page 24.

²⁹ Yet, if a portion of this fund had to be used for credit to cooperative, we believe it would not be impossible for MAFF to delegate (under its supervision) the management of credit to cooperative by using this portion of the fund to a bank such as the RDB.

3.5.1.2. MEETING WITH RURAL DEVELOPMENT BANK

On August 27, SNEC project coordination team had a meeting with Mr Ly Vonry (Advisor) and with Mr Pech Sany (Deputy Director General) to discuss the draft Terms of Reference of the support mission. The Rural Development Bank is generally welcoming the initiative of this mission and the proposed Terms of Reference. Regarding the scope and objectives of the mission, RDB representatives have asked for more precise outputs regarding the tools and procedures to be set up, notably: 1) the definition of criteria and principles for the allocation of credit to Farmer Organizations; 2) the drafting of contract form for the credit to FOs; 3) the drafting of a contract for the establishment of the foreseen guarantee fund between RDB and the relevant partner institution and 4) the drafting of a format to report failures of borrower to reimburse and to request the mobilization of the guarantee. The Terms of Reference have been amended accordingly by the PMA.

In addition, on September 27 and following the request of the PMA, RDB (Mr Ly Vonry) has confirmed that an officer of RDB credit section would be able to allocate sufficient time to work with the consultant.

3.5.1.3. MEETING WITH THE MINISTRY OF ECONOMY AND FINANCES

SNEC project coordination team has met Mr Chhou Vannak³⁰ on August 30, 2013 to get his comments and on the principal of a dedicated financial mechanism to support FOs, and more specifically on the draft Terms of reference of the mission that were sent to him prior to the meeting. Mr Chhou Vannak has welcomed the initiative of the development of such mechanisms, envisaged with the RDB, and is supporting the idea of the allocation of a portion of the Agriculture Development Fund to be ear-marked and dedicated to credit for Farmer Organizations. Mr Chhou Vannak said that SNEC shall propose this orientation and that it is likely to be endorsed by MEF, then applied by RDB. Yet, the proposed consultant mission shall come first so that the request for ADF budget allocation is backboned by a proposal for an operational mechanism.

3.5.1.4. INTRODUCING THE PROPOSED MISSION TO KPMG/RDB/DFDL STEERING COMMITTEE MEETING

The Project Management Advisor has recalled the intention of developing (most likely with RDB) a dedicated credit mechanism to support FOs commercial activities, and has introduced the Terms of reference of the proposed mission during KPMG/RDB/DFDL steering committee meeting that took place on September 11, 2013. Participants were invited to provide feedback by e-mail in the following days³¹.

3.5.1.5. CONSULTATION WITH AFD

Further consultations took place with AFD on the organization of this mission on 10 and on 19 of September 2013. AFD has suggested to explore other options than the hosting of this credit mechanisms for FOs within the RDB. Yet, considering that the opportunity of mobilizing a part of the Agriculture Development Fund may open opportunities to lower significantly the interest rates, it has been decided that the option of RDB will be studied in priority. In an optional second stage of the consultant mission will explore other options with microfinance institutions, notably Amret, Angkor Mikroheranhvatho (Kampuchea), Hattha Kaksekar Limited, Thaneakea Phum Cambodia (all four eligible to AFD “ARIZ” guarantee mechanism).

³⁰ Mr Chhou Vannak, Head of Microfinance and SMEs Financing Division, Financial Industry Department, Ministry of Economy and Finances.

³¹ No feedback received to date.

3.5.2. FINALIZATION OF BIDDING DOCUMENTS FOR THE PROCUREMENT OF CONSULTANTS

Terms of Reference have been finalized accordingly to the different consultations above. The bidding document has been prepared and submitted to AFD for non-objection on September 27, and AFD non-objection to proceed with the bidding has been granted on September 30. Recruitment of the consultant(s) will be conducted in October 2013.

3.6. PERSPECTIVES OF PARTNERSHIP WITH GOLDEN RICE

On September 24, 2013, Golden Rice (Cambodia) Co., Ltd has signed with Proparco³² a 10 million USD loan agreement. As part of the conditions of the loan, Golden Rice took the commitment to source a small portion³³ of its paddy supply from Farmers Organizations. AFD has invited Golden Rice to establish a relation with the Support to the Commercialization of Cambodian Rice Project in order to take the opportunity of the Component #3 of the project to support the implementation of this objective. This process will be initiated in October 2013.

3.7. GENERAL COORDINATION OF THE COMPONENT #3

3.7.1. RECRUITMENT OF THE COORDINATION AND MONITORING UNIT

3.7.1.1. NEGOTIATION AND CONTRACTING WITH AVSF-CIRD-ADG

On July 1st, 2013, AFD has given SNEC a non-objection³⁴ to start up negotiation with the consortium AVSF-CIRD-ADG for undertaking the role of Coordination and Monitoring Unit for Component #3 (which also include an institutional support to Farmer Organizations Federations / Networks under C#1).

The PMA has sent proposed adjustment to the consortium offer on July 2nd, and a meeting with representatives of the consortium took place at SNEC on July 4th, 2013. The main changes proposed (driven by the need to reduce the total amount of the financial offer which was over the provision made by the project management team for this service) consisted in the withdraw of additional positions proposed by the consortium (that can still be considered as possible optional extension under the “Part 2” of the service according to the ToR), and the withdrawal of ineligible office running costs (considering that these costs will be covered directly by the project / SNEC, as consultants will be located in SNEC office).

The consortium AVSF-CIRD-ADG agreed on the proposed changes and a draft contract has been prepared and sent to AFD to request non-objection on July 30, 2013. Non objection has been granted on August 30, 2013 and the contract between SNEC and the consortium AVSF-CIRD-ADG was signed on September 1st, 2013.

The human resources mobilized under this contract are:

- A National Team Leader: Mr Sok Sarang (CIRD) for an input of 21 man-months;
- A National Capacity Building Consultant from CIRD³⁵, for an input of 28 man-months;
- An International Consultant to support this team: Mr Christophe Boscher (AFSF) for an input of 120 man-days (equivalent to 6 man-month);

³² Proparco is a branch of AFD specialized in loans to the Private Sector, with an objective of combination of business activities and sustainable development.

³³ The contracts provide an indicative objective of 2,000 tons of paddy sourced from FOs in 2014.

³⁴ Letter No APD/ks – L382/13.

³⁵ The consultant proposed initially was Mr Seak Soly. Unfortunately, due to delays in the signature of the contract, CIRD could not keep him available. CIRD has proposed a replacement and the procedure of validation of this change is on-going.

- A National Institutional Capacity building consultant, dedicated to the support of FOs' Federations: Mr Phat Sophany (AVSF), for an input of 28 man-months;
- An International backstopping consultant for the support to FOs' Federations: Mr Christophe Goossens (ADG) for an input of 60 man-days (equivalent to 3 man-months).

[Note: costs for the last two positions are foreseen to be covered under the Component #1 of the project as they are more focused on the institutional support to professional organizations. Yet this will have to be confirmed with AFD as a letter sent by AFD to SNEC on September 27, 2013 was suggesting a different allocation of those costs].

3.7.1.2. NEGOTIATION AND SIGNATURE OF MOU WITH DEPARTMENT OF AGRICULTURE EXTENSION

Since early July 2013, a MOU has been drafted and discussed with the Department of Agriculture Extension in order to formalize a partnership with the project for the implementation of the Component #3. The MOU was approved by AFD on September 02 and signed by SNEC and DAE on September 3rd, 2013.

As part of this MOU, the DAE has notably taken the following commitments:

- To collaborate to the best of their abilities with SNEC project coordination team and with the consultants recruited by the project in order to implement the project Component #3.
- To take part in the coordination committee of the component #3 and will co-facilitate the consultative group on Contract Farming and FOs role in the commercialization of paddy, and to take part with SNEC technical assistance team in discussions with FOs and FOs Federation on their potential role in a future inter-professional organization in the rice sector, as well as in training to FOs on quality requirement, business plan development, negotiation and contracting (together with DAI), marketing, etc.
- To allocate the required personnel for the implementation of the MOU.
- To ensure that the lessons learnt from the project activities are capitalized and shared within the DAE and within MAFF and are considered in further strategy development.
- To support the development or strengthening of groups, unions, federations or networks of Farmer Organizations, in priority through a support to existing networks or Federation of Farmer Organizations in order to build on the existing dynamic of these groups.

Two counterpart staffs have been appointed:

- Mr Ouk Saroeun, deputy chief of the FO Office, for a maximum of 5 working days per month;
- Ms Svay Samnang, for a maximum of 20 working days per month.

3.7.1.3. NEGOTIATION AND SIGNATURE OF MOU WITH DEPARTMENT OF AGRO-INDUSTRY

Similarly, a MOU with the DAI has been prepared, approved by AFD on 30 August, and signed on September 1st, 2013.

As part of this MOU, the DAI has notably taken the following commitments:

- To collaborate with SNEC project coordination team and with the consultants recruited by the project in order to implement the project Component #3.
- To take part in the coordination committee of the component #3 and in the consultative group on Contract Farming and FOs role in the commercialization of paddy.

- To allocate the required personnel for the implementation of the MOU.
- To ensure that the lessons learnt from the project activities are capitalized and shared within the DAI and within MAFF and are considered in further strategy and regulations development.
- To contribute to the elaboration of contract farming, when relevant, and to the analysis of lessons learnt from previous contracts experiences, in order to progressively revise and improve the legal framework and guidelines for contract farming in the Kingdom of Cambodia.

Mr Yi Bunhak, Chief of Agro-industrial Development Office, is assigned to work with the project for a maximum of 11 working days per month.

3.7.1.4. BEGINNING OF AVSF-CIRD-ADG ASSIGNMENT AND FORMAL PARTNERSHIP WITH DAE AND DAI

After signature of their contract, SNEC project director has notified AVSF-CIRD-ADG the instruction to start up the service delivery by a letter dated September 2, 2013. AVSF-CIRD-ADG permanent or nearly permanent team (i.e. Mr Sok Sarang, Mr Seak Soly³⁶ and Mr Phat Sophany) have taken their function on Thursday 05 September, 2013, with a first briefing with SNEC project coordination team.

A more formal first “Coordination Committee of Component #3”³⁷ took place in SNEC on September 9. This first “kick-off” meeting was chaired by H.E. Ros Seilava, project director. Were present: Mr Ung Luyna, Project Coordinator; Mr Lay Sokkheang, Project Administration Officer; Mr Jean-Marie Brun, Project Management Advisor; Mr Ouk Saroeun, Deputy Chief of the FO office of DAE appointed as FO office senior officer as per MoU signed with DAE; Mr Yi Bunhak, Chief of Agro-Industrial Development Office of the DAI and counterpart of DAI for the project; Mr Min Sophoan, Country Director of AVSF; Mr Sok Dara, Administrative Officer of AVSF; Mr Prak Sereyvath, Director of CIRD; Mr Christophe Goossens, Representative of ADG and International back-stopping consultant for the support to Federations/Networks of Farmer Organizations; Mr Sok Sarang, Team Leader for AVSF-CIRD-ADG team and Mr Phat Sophany, Institutional Capacity Building consultant of AVSF-CIRD-ADG team.

During this meeting, a briefing of the Component #3 team (consultants and counterparts) was made by the PMA regarding the project’s objectives and validated implementation strategy and the scope of work of the recruited team and counterparts. The following immediate priorities and actions to undertake have been highlighted at the end of the presentation, to serve as a basis for the team to prepare its work plan for the following weeks and months:

- Pilot Innovative Actions:
 - Follow up and support on going activities with ISC and COraA.
 - Monitor implementation of the contract between Loran and Nikum Krao cooperative.
 - Identify possible support for commercialization of paddy at harvest time by cooperatives in Battambang.
 - Detail the concept and assess feasibility of the proposed pilot action in Takeo province.
- Knowledge management, guidelines:
 - Prepare and launch the implementation of the Study on current practices and experiences of Contract Farming in Cambodia.
 - Set up and organize the first meeting of the “working group” on contract farming and paddy trade innovation.
- Credit mechanism to FOs:

³⁶ Before he finally notified to CIRD that he will not be available for this project, as indicated in § 3.7.1.1. page 21.

³⁷ Understood as inclusive of the support to FOs Federations and Networks under project’s Component #1.

- Provide comments on the ToR of the proposed consultancy.
- Facilitate a discussion on the credit needs with FOs Federations, and on their possible roles in the development and management of a credit scheme dedicated to FOs (in relation with the credit consultant).
- Support to FO Federations:
 - Assess current situation and objectives of existing Federations / Networks.
 - Follow-up development of legal framework for Unions and Alliances of Cooperatives and facilitate a consultation with existing FO Federations before the finalization of the legal framework.
 - Develop an ambitious strategy and work plan with supported Federations. Formalize MoU.
- Cambodia Rice Festival:
 - Arrange a joint booth³⁸ for Supported Federations and Networks of Farmer Organization.
 - Organize presence of a few members of those federation or networks, in particular the ones associated in pilot activities.
 - Prepare content and form of posters to present the three pilot actions on-going.

3.7.1.5. FIRST FIELD VISIT OF THE COMPONENT #3 “TECHNICAL SUPPORT AND MONITORING UNIT”

In order to get a first practical view on on-going pilot activities, the Technical Support and Monitoring Team (AVSF-CIRD-ADG + DAE and DAI counterparts) have made a first field visit in Teuk Chhar, Stung Chinit (pilot implemented by ISC) and in Preah Vihear (pilot implemented by COrAA) on September 18 to 20.

³⁸ Later on, IFC has informed that there was actually no booth space available, but only table to display brochure or documentation.

4. COMPONENT #4: UP-GRADING THE RURAL DEVELOPMENT BANK

4.1. MISSION OF BANKING CONSULTANTS

4.1.1. MONITORING AND FOLLOW-UP OF THE MISSION IMPLEMENTATION

The Second Steering Committee Meeting of KPMG mission took place at RDB on August 8, 2013. This meeting was also attended by DFDL's legal consultant team³⁹ and served as a kick-off meeting for DFDL mission. KPMG has presented the progresses of its work and the foreseen inputs of DFDL mission (and coordination with the banking consultants) have been overviewed. SNEC PMA has recalled that the up-grading of RDB to match standards required for a Commercial Bank shall not turn it away from its mission as a Development Bank. In particular, it was recalled that the upgrading of RDB shall not become an obstacle to achieve the objective of an improved access to finance for Agricultural Cooperatives / Farmer Organizations with an adaptability regarding risk management requirements (in particular the need to cover risks by other means than collateral).

A third Steering Committee took place on September 11. Progresses of implementation were up-dated. A major concern was raised during that meeting, which is the absence of a decision made regarding RDB reform, in particular the fact that the decision of up-grading to the status of Commercial Bank has not been taken.

The project management advisor has suggested consultants to sort out their recommendations and flag the ones which implementation will be useful to improve RDB functioning whatever is decided in term of change of status, and the recommendations that are more specifically relevant as part of the process of up-grading to Commercial Bank. Besides, it was also recommended to develop a road map for the implementation of the recommendations starting from the end of this year.

4.1.2. PROGRESS AND OUTCOMES OF THE BANKING CONSULTANTS' MISSION TO DATE

July was a very quiet month for the implementation of KPMG mission due to national elections: no RDB personnel was available during July, and activities were resumed from August. According to KPMG, the implementation of the mission is about two-thirds completed. Draft deliverables for sub-projects A1, A2, A3, A4, A5 and B1 were sent to the Steering Committee on September 10, 2013.

KPMG proposed at the Sep 11 SC meeting to hold all deliverables as draft until final submission date (est. October 22nd 2013). A final "pack" containing all sub-projects will be delivered as agreed by the Steering Committee meeting on September 11.

Current projects being developed are:

- A6 (Strengthen Legal by DFDL),
- B2 (Redesign Credit Function by KPMG)

Projects yet to commence are:

- B3 HR Policy
- B4 Streamline Ops
- B5 Image/Goodwill

³⁹ See § 4.2. below.

4.2. MISSION OF LEGAL CONSULTANTS

DFDL Mekong (Cambodia) Co. Ltd. has been selected by RDB for the provision of legal consulting services. The contract between RDB and DFDL was signed on July 29, 2013. Coordination and monitoring of DFDL mission has been integrated with the coordination of KPMG input (See § 4.1.1. previous page).

DFDL has reported difficulties to get all the required documentation from RDB (notably articles of incorporation), despite RDB has taken a commitment by contract to make all necessary documents available for the consultants.

5. COMPONENT #5: CROSS-CUTTING ISSUES, COORDINATION AND PROJECT MANAGEMENT

5.1. ADMINISTRATIVE AND LOGISTIC ISSUES

5.1.1. PROCUREMENT

5.1.1.1. PROCUREMENT OF RECRUITMENT SERVICES FOR FCRE (CKH-1077-S-13-02)

On July 1st, 2013, AFD has provided its non-objection for the selection of Saint-Blanquat & A. to provide recruitment services for FCRE⁴⁰. The contract was signed on the same day.

5.1.1.2. PROCUREMENT OF LEGAL CONSULTING SERVICES FOR RDB

The procurement of legal consulting services for the Rural Development Bank was directly managed by the RDB, who has selected (based on two offers received) DFDL Mekong (Cambodia) Co. Ltd. to provide the legal consulting services. AFD non-objection on this contract was given on July 18, 2013, and the contract between DFDL and RDB was signed on July 29, 2013.

5.1.1.3. PROCUREMENT OF FINANCIAL AND ACCOUNTING AUDITING SERVICES (CKH-1077-S-13-01)

The call for proposal for the recruitment of a service provider for external Financial Audit has been publicized on the 1st of July 2013. Four offers have been received by SNEC, from Grant Thornton (Cambodia) Ltd, BDO (Cambodia) Limited, KPMG Cambodia Ltd, and PricewaterhouseCoopers (Cambodia) Ltd. Technical offers were opened by the procurement commission on August 15, 2013, right after the deadline for submission of the offers. The Commission has then met on August 20 to score the technical offers. All the four offers have reached the minimum score of 70/100 and qualified for the evaluation of financial offers. Technical scoring and report of the Procurement commission has received AFD non-objection on August 27. Financial offers were opened on August 30, and BDO has won the bidding after compiling technical and financial offers. AFD has approved this attribution on September 5, 2013. A contract has been prepared by SNEC coordination team and sent to BDO. Finalization of the contract negotiation will be done in October 2013.

5.1.1.4. PROCUREMENT OF TECHNICAL SUPPORT AND MONITORING TEAM FOR COMPONENT #3 AND INSTITUTIONAL SUPPORT TO FO FEDERATION(S) / NETWORK(S) (CKH-1077-C-13-01)

Further to the opening⁴¹ of the offer for the procurement of the Coordination and Monitoring Unit for Component #3 (which also include an institutional support to Farmer Organizations Federations / Networks under C#1), AFD has granted its non-objection on the technical scoring and has given its green light for SNEC to start a negotiation with the consortium AVSF-CIRD-ADG (on July 1st, 2013).

As indicated in § 3.7.1. (page 21), the negotiation with the consortium AVSF-CIRD-ADG was completed in July 2013. The request for non-objection on the contract was sent to AFD on July 30, 2013, and non-objection was granted on August 30. The contract between SNEC and the consortium AVSF-CIRD-ADG was signed on September 1st, 2013.

⁴⁰ Cf. Quarterly Executive Report #02, § 5.3.2.4., page 30.

⁴¹ See Quarterly Executive Report #02, § 5.3.4.5., page 31.

5.1.1.5. PROCUREMENT OF CONSULTANT SERVICES FOR THE DEVELOPMENT OF CREDIT MECHANISMS FOR FOS

As developed in the § 3.5.2. (page 21), Terms of reference and bidding document for the procurement of a consultant for the development of Credit Mechanisms for FOs have been prepared. AFD non-objection to proceed with the bidding has been granted on September 30. Recruitment of the consultant(s) will be conducted in October 2013 (Request for Proposal will be publicized on October 8 and deadline for submission will be October 28, 2013).

5.1.1.6. REVISION OF PROJECT PROCUREMENT PLAN

A revised version of the Project Procurement Plan (PPP-13 v.3) has been prepared in September 2013, notably to integrate the mission on credit mechanisms described above.

The revised Project Procurement Plan has received AFD non-objection on September 30, 2013.

5.1.2. ISSUE OF TAX EXEMPTION APPLICATION

The Tax Department of the Ministry of Economy and Finance has issued a letter⁴² confirming the VAT exemption status of the project. The letter indicates a 3-steps-procedure that has to be followed by service providers / suppliers contracted by SNEC for the project to make this VAT exemption effective. A copy of this letter was communicated to service providers / suppliers contracted by the project.

5.1.3. VEHICLE AND DRIVER

The project vehicle has been delivered by RMA Cambodia⁴³ in July 2013. Registration has been initiated (permanent plate number still to be provided). The car has been insured. A driver has been recruited and is on-board since mid-September 2013.

⁴² Letter No 1316 អង្គ, dated 6 August 2013.

⁴³ See Quarterly Executive Report #02, § 5.3.2.2., page 30.

ANNEXES

ANNEX 1: PMA TIMESHEETS

JULY 2013

		Location	Activities
Monday	1	a.m. p.m.	SNEC SNEC
			Contact FCRE and revise draft MOU (based on AFD comments)
			Meeting with DAI (Mr Yi Bunhak) - Finalize draft of Quarterly report #02
Tuesday	2	a.m. p.m.	SNEC SNEC
			Continue the revisions of MOU with FCRE - Prepare financial report Q-02
			Finalize and send Quarterly Executive Report #2 - Prepare a mail to AVSF with proposed adjustments to offer
Wednesday	3	a.m. p.m.	SNEC SNEC
			Draft MOU with the DAI
			Various administrative issues - contact with AVSF
Thursday	4	a.m. p.m.	SNEC SNEC
			Review format of contract and identify changes for C#3 consultant - Meeting with AVSF + CIRD + ADG
			Prepare draft contract for AVSF+CIRD+ADG
Friday	5	a.m. p.m.	SNEC
			Prepare draft contract for AVSF+CIRD+ADG
Saturday	6	a.m. p.m.	
Sunday	7	a.m. p.m.	(home)
			Finalize draft contract for AVSF+CIRD+ADG
Monday	8	a.m. p.m.	
Tuesday	9	a.m. p.m.	
Wednesday	10	a.m. p.m.	(home)
			Feed back on DAE request for MOU revision
Thursday	11	a.m. p.m.	
Friday	12	a.m. p.m.	
Saturday	13	a.m. p.m.	
Sunday	14	a.m. p.m.	
Monday	15	a.m. p.m.	
Tuesday	16	a.m. p.m.	
Wednesday	17	a.m. p.m.	(home)
			Review draft ToR for international market study and feedback to IFC
Thursday	18	a.m. p.m.	
Friday	19	a.m. p.m.	
Saturday	20	a.m. p.m.	
Sunday	21	a.m. p.m.	
Monday	22	a.m. p.m.	
Tuesday	23	a.m. p.m.	
Wednesday	24	a.m. p.m.	
Thursday	25	a.m. p.m.	
Friday	26	a.m. p.m.	
Saturday	27	a.m. p.m.	
Sunday	28	a.m. p.m.	(home)
			Revise draft contract for AVSF-CIRD-ADG and send back
Monday	29	a.m. p.m.	
Tuesday	30	a.m. p.m.	
Wednesday	31	a.m. p.m.	

AUGUST 2013

		Location	Activities
Thursday	1 a.m. p.m.		
Friday	2 a.m. p.m.		
Saturday	3 a.m. p.m.		
Sunday	4 a.m. p.m.		
Monday	5 a.m. p.m.		
Tuesday	6 a.m. p.m.	SNEC	Contact IFC - Up-date on various issues
Wednesday	7 a.m. p.m.	SNEC SNEC	SNEC coordination team meeting Revision on the MOU with the DAE and on the MOU with DAI.
Thursday	8 a.m. p.m.	SNEC / RDB SNEC	Prepare docs on FCRE / RDB-KPMG-DFDL steering committee meeting Review profile of candidates for ED position at FCRE / Work on support to FCRE
Friday	9 a.m. p.m.	SNEC SNEC	Check accounting July - Prepare agenda for Joint Coordination Committee for support to FCRE Last corrections to MOU DAI and request ANO / Last correction to AVSF contract - prepa work on FCRE
Saturday	10 a.m. p.m.		
Sunday	11 a.m. p.m.		
Monday	12 a.m. p.m.	SNEC	Prepare workplan with FCRE
Tuesday	13 a.m. p.m.	SNEC SNEC	Interview candidate 1 for ED of FCRE + follow up / Reporting Work on ToR for a support mission on Credit Mechanism for Fos
Wednesday	14 a.m. p.m.	SNEC IFC Office	Screen new profiles for FCRE recruitment / work on ToR on credit mechanism and consult with Uung Luyna EPWG meeting / meeting with IFC and AFD
Thursday	15 a.m. p.m.	SNEC SNEC	Prepare score card for audit offer evaluation / continue work on ToR for credit mission Procurement commission on selection of Audit Service provider - Score technical offers
Friday	16 a.m. p.m.	SNEC SNEC	Prepare up-dated project work plan Synthesis of technical scoring + reporting of Procurement commission for auditing
Saturday	17 a.m. p.m.	Golden Rice office	Interview candidates for the position of ED with the FCRE
Sunday	18 a.m. p.m.		
Monday	19 a.m. p.m.	SNEC SNEC	Prepare additional format for administration and revise project procedure manual Modification to ToR for mission on credit mechanisms to FOs / Guideline for presentation on Nepal Tea
Tuesday	20 a.m. p.m.	SNEC / AFD SNEC	Exchanges with Nepal Tea expert / Brief meeting with Sideth at AFD Discussion with UL and LS on support mission to RDB - share draft ToR - edit procurement commission report
Wednesday	21 a.m. p.m.	SNEC SNEC	Last revision on the MOU with the DAE + request ANO / read ADG note on credit to FO Read FRE minutes / address computer problems with IRAM support -
Thursday	22 a.m. p.m.	SNEC MAFF	Work schedule with FCRE - Reporting. Arrange meeting of JCC / Meeting with Mr Mak Soeun (DAE/MAFF)
Friday	23 a.m. p.m.	SNEC IFC Office	Quick assessment of CV for driver / check conditions with Nepal Tea expert / Reporting Joint Coordination Committee (FCRE+IFC+SNEC+AFD)
Saturday	24 a.m. p.m.		
Sunday	25 a.m. p.m.		
Monday	26 a.m. p.m.	SNEC SNEC	Write minutes of JCC meeting Finalize minutes of JCC + time frame
Tuesday	27 a.m. p.m.	RDB / SNEC SNEC	Meet RDB to discuss ToR of mission on credit to FO / Final revision on MOU with DAE after AFD comments Final revision on MOU with DAI / Revise ToR for credit mission / reply to AFD on Nepal Tea workshop
Wednesday	28 a.m. p.m.	SNEC SNEC	List taskforces to be set for FCRE / follow up of payments / Miscellaneous admin issues... Last update of MOU annexes (FCRE) / Search documentation on other Exporter Federations...
Thursday	29 a.m. p.m.	SNEC SNEC	Recruitment driver: interview and testing / Discussion with Luyna on FCRE recruitment + draft reply to FCRE Follow up recruitment of FCRE
Friday	30 a.m. p.m.	MEF / SNEC SNEC	Meeting with Mr Chhou Vannak at MEF on credit mechanism mission / Procurement commission: opening financial offers for audit / Meeting with FCRE administration assistant
Saturday	31 a.m. p.m.		

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		Location	Activities
Sunday	1	a.m. p.m.	
Monday	2	a.m. p.m.	SNEC Interview and test driver - Notification AVSF - revise procurement report - draft work contract for FCRE Continue draft work contract format for FCRE - finalize draft contract Nepal Tea case study
Tuesday	3	a.m. p.m.	SNEC Follow-up calls on various activities - Reporting Second meeting with FCRE administrative assistant and work on improvement of accounting tools
Wednesday	4	a.m. p.m.	SNEC Develop Excel accounting tool for FCRE Prepare coordination meeting of Component #3
Thursday	5	a.m. p.m.	SNEC Brief AVSF-CIRD-ADG core team - meet FCRE + Sean Linin - interview 3 candidates for Com Officer for FCRE Continue preparation of meeting on Component #3 - Organize practical issues with AVSF-CIRD-ADG team
Friday	6	a.m. p.m.	SNEC / IFC Briefing on foreseen mission on Credit with AVSF-CIRD-ADG / Meeting with IFC on standards an Rice Festival Discussion with AVSF-CIRD on Federation + Discussion with SNEC coordination team + various activities
Saturday	7	a.m. p.m.	
Sunday	8	a.m. p.m.	
Monday	9	a.m. p.m.	SNEC AFD / SNEC Kick-off meeting of Component #3 Monitoring and Support Unit + DAE & DAI Go to AFD - Continue briefing of AVSF-CIRD-ADG team
Tuesday	10	a.m. p.m.	SNEC / AFD Meeting with A. Herbel, TÜV Rheinland Co. - Meeting with Muong Sideth (AFD) Meeting on work plan with Sok Sarang and Phatt Sophany (AVSF-CIRD-ADG)
Wednesday	11	a.m. p.m.	SNEC RDB Revise work contract (job desc.) of Com. Officer of FCRE - KPMG+DFDL Steering Committee Meeting - Meeting with IFC
Thursday	12	a.m. p.m.	FCRE office SNEC Meeting with FCRE executive team Meeting with C. Goossens and P. Sophanny on support to FO Federations
Friday	13	a.m. p.m.	SNEC SNEC Various practical issues for workshop with FO Federations, Rice Festival... Meeting with Ung Luyna Skype meeting with IRAM (C. Coronel - project follow-up) - Prepare meeting with FCRE
Saturday	14	a.m. p.m.	Naga World Meet FCRE (Ok. Kim Savuth + Sean Linin + Ung Sothy) / Gathering FCRE+TREA
Sunday	15	a.m. p.m.	(home) Proof-read last changes in Ung Sothy contract for FCRE - Prepare presentation for FO Federations workshop
Monday	16	a.m. p.m.	FCRE office (remote) Meeting with FCRE: Preparation of meeting of 18 th + various activities plans Various issues on Rice Festival - Prepare agenda and presentation of Nepal Tea case study workshop
Tuesday	17	a.m. p.m.	(remote) (remote) Follow-up preparation of events (branding case study workshop, rice festival...) + Reporting Revise draft contract of Audit Company
Wednesday	18	a.m. p.m.	Himawari SNEC Exporter meeting (facilitated by IFC) Preparation of branding case study workshop + various issues
Thursday	19	a.m. p.m.	SNEC AFD / SNEC Review method of feasibility study for C#3 pilot action in Takeo Meet AFD on C#3 implementation + various issues /
Friday	20	a.m. p.m.	SNEC SNEC Meeting with FCRE executive team - action plan, follow up... Finalize Nepal Tea case study workshop + reporting
Saturday	21	a.m. p.m.	
Sunday	22	a.m. p.m.	
Monday	23	a.m. p.m.	(remote) SNEC Re-formulate ToR of the consultant on credit mechanism for FOs further to meeting with AFD Meeting with C#3 team on feasibility study method for pilot action in Takeo - issue of ads for Cam Rice Festival
Tuesday	24	a.m. p.m.	SNEC AFD Follow up issue of ads for Cam Rice Festival - Finalize ToR for consultant on credit mechanism Signing ceremony of Proparco - Golden Rice loan agreement - Reporting
Wednesday	25	a.m. p.m.	SNEC SNEC Exchange with DFDL and KPMG, various planning issues (FO Federation meetings, etc), request ANO... Meeting with FASMEC/RGEM on Cambodia Rice Forum, then feedback to FCRE
Thursday	26	a.m. p.m.	SNEC SNEC Revision audit firm draft contract - Prepare bidding document for Consultant on credit mechanism for FOs Prepare bidding document for Consultant on credit mechanism for FOs
Friday	27	a.m. p.m.	SNEC SNEC Address issues for Rice Festival - Finalize bidding document for Consultant on Credit Mechanism for FOs Edit the Project Procurement Plan (version 3) + prepare submission to AFD + miscellaneous
Saturday	28	a.m. p.m.	
Sunday	29	a.m. p.m.	
Monday	30	a.m. p.m.	SNEC FCRE office Discussion with CoRAA study team on organic rice - Discussion with Sok Sarang on C#3 Meeting with FCRE executive team - Meeting with Mr Song Saran at AMRU Rice

ANNEX 2: LIST OF POSSIBLE SUBJECTS / TOPICS TO BE ADDRESSED WITHIN FCRE AND POSSIBLE ROLES OF FOCAL PERSONS TO MOBILIZE

(as first drafted by Project coordination team – See § 1.1.6 page 6)

Topics / Project / Actions	Main roles / duties of the focal person
Already part of the topics covered by IFC / EPWG, with focal persons already identified	
International events / exhibitions...	<ul style="list-style-type: none"> Identify international exhibitions / forums of interest for exporters Gather information on intention of exporters to participate as individual exporters or to be present on a Cambodian Exporters booth.
Cambodia Rice Festival	<ul style="list-style-type: none">
TRT World Rice Conference	<ul style="list-style-type: none">
Development of Promotion material	<ul style="list-style-type: none"> Monitor the work of the FCRE CO&W staff for the development of promotional material. Liaise with focal persons in charge of specific events.
Standards	<ul style="list-style-type: none"> Liaise with Institute of Standards of Cambodia on the progress of standards revision. Co-facilitate workshops / discussion on standards.
New topics / projects / activities related to FCRE operations / services to exporters...	
International market study	<ul style="list-style-type: none"> Take part in the Study steering committee, Take part in the presentation of outcomes to exporters.
Quality and Branding	<ul style="list-style-type: none"> Co-facilitate information workshop on branding.
Study and information of exporters (+millers) on access to finance (study to be conducted by IFC).	<ul style="list-style-type: none"> Follow-up the progress of the study and the preparation of a report / information brochure. Present the report to FCRE members. (Possibly follow-up the identification of sponsors / announcers, with FCRE CO&W staff)?
FCRE communication tools (website and newsletter)	<ul style="list-style-type: none"> Take part in the editorial committee of the newsletter and website.
New topics / projects / activities related to internal management and institutional reform of FCRE	
Commission for the preparation of FCRE action plan, budget and financial plan 2014	<p>With the support of Executive Director of FCRE:</p> <ul style="list-style-type: none"> Develop the FCRE action plan 2014, Prepare operation budget 2014, Develop proposal / scenario for the financial plan (propose amount of fees, contribution, service fees and flag other incomes foreseen.
Commission on the reform of FCRE status and organization structure.	<ul style="list-style-type: none"> Participate in the monitoring of the process of reform of status (supported by a consultant and/or SNEC team). Co-facilitate workshop on reform of FCRE status.
Human resources management	<ul style="list-style-type: none"> Recruitment of new staff. Preparation of work contract. Monitor and coach staff
Accounting and Finance	<ul style="list-style-type: none"> Act as <u>treasurer</u>: verify accounting, bookkeeping, Endorse vouchers, Endorse financial report.
Development of additional (mid-term) services to members (e.g. fumigation certification...).	<p>As a backstopping of FCRE Executive Director:</p> <ul style="list-style-type: none"> Monitor a process of identification of opportunities and needs. Commission and follow feasibility studies for specific services.

ANNEX 3: PADDY SELLING GROUP PROFILES IN STUNG CHINIT & TEUK CHHAR

(From ISC report – August 2013)

Following PSG profile by July 31st, there are different types of attribute table to be discussed with PSG member to prepare their marketing plan. These attributes are:

Attribute 1: Types of paddy varieties

Base on PSG profile, total volume of paddy would be sold is 384.4T from Jun to Dec 2013, which the fragrant varieties are 176.8T (46%) and mixed variety 207.6T (54%). below table shows that there are 3 main varieties are growing and bring to selling group in both irrigation systems, which are 173.7t of Rodul (fragrant variety), 81.1t of 85days (504 from Viet Nam) and 71.7t of Raing Chey . local variety.

Table 2: Type of paddy varieties belong to PSG member in Stung Chinit and Teuk Chhar

Variety name	Stung Chinit	Teuk Chhar	SubTotal
1 Fragrant variety	135.5	41.3	176.8
រដ្ឋស្រូវ	132.4	41.3	173.7
ប្រាំងប្រាំង	3.1	2.5	5.6
2 Mixed variety	17.2	190.5	207.6
85	7.0	74.1	81.1
ប្រាំងស្រូវ	9.4	62.3	71.7
ម្រាស់ ២ ១០ ០២		23.2	23.2
០ 58		12.8	12.8
០ 59		9.0	9.0
០ ០២០ ០២		2.0	2.0
០ 8		1.7	1.7
០ ងឺន		1.0	1.0
66		1.0	1.0
49		0.8	0.8
រដ្ឋ ០២០២០		0.1	0.1
០ ០២០២	0.3		0.3
០ ង០	0.1		0.1
០ ងស	0.1		0.1
០២០២០២	0.1		0.1
ស្រូវ ០២០២០២	0.2		0.2
Grand Total	152.7	231.8	384.4

It is noted that type of paddy variety is belonging to PSG member in Stung Chinit is quite different from Teuk Chhar. There are 135.5t of fragrant variety in Stung Chinit while there are 190t of mixed variety in Teuk chhar.

Base on this attribute table, we could prepare attribute table # to break down sale calendar on monthly basis. More detail please refer to see attribute # below.

Attribute 2: Sale condition of paddy

Follow data record of the PSG profile, there are 2 options of selling condition of paddy, and favorite option that member of PSG is to sell in wet condition of paddy (80% of total volume paddy) just after harvest one or 2 days immediately and this option is preferable by rice miller as well. And the last option is to sell dry paddy that dry by farmer as usual.

However, the favorite option of member of selling wet paddy need to study more about method to arrange these tasks such harvesting method and tool of member, how to check the quality, weight control of wet paddy during transportation etc.

Table3: Sale condition of paddy

Sale condition	Wet paddy (t)	Dry paddy (t)	Grand Total (t)
Stung Chinit	144.9	7.7	152.7
1 Fragrant variety	129.8	5.7	135.5
2 Mixed variety	15.1	2.1	17.2
Teuk Chhar	153.9	77.9	231.8
1 Fragrant variety	37.3	4.0	41.3
2 Mixed variety	116.6	73.9	190.5
Total	298.8	85.6	384.4

Attribute 3: Information of PGS in Stung Chinit and Teuk Chhar

Unit of sub group of PSG in both Stung Chinit and Teuk Chhar is village level. There are 10 sub group in PSG of Stung Chinit and 7 sub group in PSG of Teuk Chhar.

Table 4: Information of PGS in Stung Chinit and Teuk Chhar.

No.	Village Code	Village Name	Interested Farmers	Members	Membership fee	Surface (ha)	Paddy Qty (T)
1	101003	Trapeang Prey	7	7	7000	4.6	5.2
2	101004	Trapeang Teum	6	6	6000	4.6	2.8
3	101005	Tbaeng	7	3	3000	8.5	9.9
4	102023	Snaor	19	19	19000	11.5	11.8
5	102024	Khvaek	13	12	12000	22.8	20.6
6	102025	La ak	47	46	92000	58.7	68.6
7	102029	Sa Ang	26	26	39000	8.5	8.7
8	103034	Ta Nhauk	23	23	23000	8.5	2.3
9	103036	Trey Mayab	20	20	20000	21.0	16.9
10	103038	Bantey Yum Reach	4	4	4000	10.0	6.0
Subtotal in Stung Chinit			172	166	225000	158.7	152.7
No.	Village Code	NameEn	Interested Farmers	Members	Membership fee	Surface (ha)	Paddy Qty (T)
1	10101	Prey Sak	20	16	80000	17.0	19.9
2	10102	Samrong	27	26	52000	38.9	38.5
3	10203	Komareach	16	7	35000	14.8	24.1
4	10204	Beung Nay	28	23	23000	29.4	56.2
5	10205	Trapeng Anhchanh	5	5	5000	4.4	9.3
6	10206	ThmarKol	11	11	11000	11.5	32.2
7	10207	Watchas	21	21	21000	21.5	51.6
Subtotal in Teuk Chhar			128	109	227000	137.4	231.8
Total in Both FWUCs			300	275	452000	296.0	384.4

This attribute table shows detail information of each village about members, surface and total volume of paddy which are available for market from June to Dec 2013.

Attribute 4: Selling calendar of PSG in Stung Chinit and Teuk Chhar

Following the figure of table selling calendar of PSG in Stung Chinit, main selling activity of PSG is mainly in November 2013, that total amount of paddy is reach to 129.5t and 3.3t of wet paddy and dry paddy respectively.

Table 5: Selling calendar of PSG in Stung Chinit

STUNG CHINIT		Wet paddy /Month (t)			Dry paddy/Month (t)			Total
Village code	Village Name	8	11	12	11	12	1	
101003	Trapeang Prey		5.2					5.2
101004	Trapeang Teum		1.3	0.5		1.0		2.8
101005	Tbaeng		8.0	1.9				9.9
102023	Snaor		11.2			0.6		11.8
102024	Khvaek	7.0	13.5		0.1			20.6
102025	La ak		63.2	5.4				68.6
102029	Sa Ang		8.7					8.7
103034	Ta Nhauk		2.2	0.1				2.3
103036	Trey Mayab		13.3	0.5	0.2	2.6	0.3	16.9
103038	Bantey Yum Reach		3.0		3.0			6.0
Grand Total		7.0	129.5	8.4	3.3	4.1	0.3	152.7

Besides this, figure of table selling calendar in Teuk Chhar, there are 2 main seasons to sell their paddy of PSG member. The first season is from July to Sep (early wet season rice) and each month there are 20-25T of paddy which are available for selling; and the second season is from Nov-Dec 2013 and in Jan 2014.

Table 6: Selling calendar of PSG in Teuk Chhar

TEUK CHHAR		Wet paddy /Month (t)							Dry paddy/Month (t)							Total
Village code	Village Name	6	7	8	9	11	12	1	7	8	9	11	12	1		
10101	Prey Sak		0.0				12.4		1.0				4.5	2.0		19.9
10102	Samrong		4.5	7.0			16.7	2.5		0.5				7.3		38.5
10203	Komareach	2.0	1.6		0.5		20.0									24.1
10204	Beung Nay		2.0		26.5	23.6	0.1				1.0	3.0				56.2
10205	Trapeng Anhchanh			3.3		4.0						1.0	1.0			9.3
10206	ThmarKol		3.5	4.0		12.2	7.5						5.0			32.2
10207	Watchas								8.5	10.6			18.0	14.5		51.6
Grand Total		2.0	11.6	14.3	27.0	39.8	56.7	2.5	9.5	11.1	1.0	4.0	28.5	23.8		231.8

