

■ 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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ACRONYMS

AC	Agricultural Cooperative
ACBN	Agricultural Cooperative Business Network
ACMES	Ayeyawady Chao Phraya Mekong Economic Cooperation Strategy
ACT	Agriculture Certification Thailand
ADB	Asian Development Bank
ADC	Agricultural Development Communities
ADF	Agriculture Development Fund (= ASDF)
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
ARIZ	<i>Accompagnement du Risque de financement de l'Investissement privé en Zone d'intervention de l'AFD</i>
AROS	Asia Regional Organic Standard
ARPEC	Alliance of Rice Producers & Exporters of Cambodia
ASDF	Agriculture Support and Development Fund (same as ADF)
ASEAN	Association of South-East Asian Nations
ASIrri	<i>Projet d'Appui aux Irrigants et aux Services aux Irrigants</i>
ASPIRE	Agriculture Services Program for Innovation, Resilience and Extension (IFAD project)
ASYCUDA	Automated System for Customs Data
AusAID	Australian Agency for International Development
AVSF	<i>Agronomes et Vétérinaires Sans Frontières</i>
C2A	<i>Commission Agriculture et Alimentation de Coordination Sud (French development NGO platform)</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
CBAPC	Contract Based Agriculture Promotion Committee
CC	Commune Councils
CCA	Climate Change Adaptation
CCC	Chamber of Commerce of Cambodia
CCD	Cambodian Certification Department
CCFC	<i>Chambre de Commerce Franco-Cambodgienne</i> / Franco-Cambodian Chamber of Commerce
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
CoC	Code of Conduct
COrAA	Cambodian Organic Agriculture Association
COSTEA	<i>Comité Scientifique et Technique de l'Eau Agricole</i>
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)
DGRV	<i>Deutscher Genossenschafts- und Raiffeisenverband e. V. (German Cooperative & Raiffeisen Confederation)</i>
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
EBA	Everything but Arms
EC	European Commission
EC	Executive Committee
ED	Executive Director
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
FI	Financial Institution
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
GF	Guarantee Fund

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
GS	General Secretary
HACCP	Hazard Analysis and Critical Control Points
HARVEST	Helping Address Rural Vulnerability and Ecosystem Stability (USAID project)
HKL	Hattha Kaksekar Limited
HR	Human Resources
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)
JDI	Japan Development Institute
JICA	Japanese International Cooperation Agency
KAPCD	Khmer Angkor People Community for Development
KOICA	Korea 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
MIH	Ministry of Industry and Handicraft
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
MRC	Mekong River Commission
MRC	“Mini Rice Center”
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
SIAL	<i>Salon International de l'Agroalimentaire</i> (Paris)
SME	Small and Medium Enterprise
SNEC	Supreme National Economic Council
SOWS-REF	Secretariat of the One-Window Service for Rice Export Formality
SPS	Sanitary and Phyto-Sanitary
SRP	Sustainable Rice Platform
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
TRT	The Rice Trader
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
UNEP	United Nation Environment Program
UNIDO	United Nations Industrial Development Organization
USA	United States of America
USAID	United States Agency for International Development
VAHW	Village Animal Health Worker
VF	Vision Fund
WB	World Bank
WRC	World Rice Conference
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 6th Quarterly Executive Report of the project. It covers the period from April 1st to June 30, 2014.

During this period, the process of creation of Cambodian Rice Federation has been fine tune by MOC (with some inputs of SNEC/project), and CRF was officially created with a General Assembly of founder members that took place on May 19 and proceeded to the elections of the 1st Executive Committee.

Contracts with FO Federations (FAEC and FCFD) have also been signed, launching a phase of more intensive support to these two federations, and the development of services to their members, notably regarding the integration of FOs in the rice value chain.

For Component #2, Agland's consultant team and partners have implemented the field work of the market study in the 6 selected countries (USA, France, Germany, Cote d'Ivoire, China and Singapore). Draft country reports were provided and jointly commented by SCCRП and IFC project teams.

5 contract farming agreement have been signed between farmer organizations and large millers for the supply of Sen Kraob paddy in this wet season, and more opportunities continue to be explored. Besides, a second year of pilot action implementation has been launched with Farmer Water User Communities (subcontract to ISC) and with Organic Paddy producers cooperatives of Preah Vihear (subcontract to COrAA).

RDB has started to work on a roadmap for implementation of reforms, and Horus consultants have presented the conclusions of the first phase of their mission on the development of credit mechanism to FOs.

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"> ▪ Suspension of MOU with FCRE. ▪ Registration of founder members of the new Cambodian Rice Federation, 1st General Assembly and election of the Executive Committee. ▪ Signature of partnership contracts with FAEC and FCFD. ▪ Recruitment of staff to work on rice value chain in FAEC and FCFD. 	<ul style="list-style-type: none"> ▪ Propose possible partnership / support to CRF. ▪ Start consultation of FOs on the Prakas and statute of Cooperative Unions. ▪ Start consultation between FAEC and FCFD to envisage a merging. 	<ul style="list-style-type: none"> ▪ Need to confirm with MAFF the possible scenario of establishing the National Agricultural Cooperative Alliance on the basis of the merging of FAEC and FCFD.
C#2 <ul style="list-style-type: none"> ▪ Implementation of market research and delivery of country reports + draft synthesis. 	<ul style="list-style-type: none"> ▪ Market study restitution conference. ▪ Prepare export promotion action in France + Cambodian Rice Festival. 	<ul style="list-style-type: none"> ▪ Need to address modalities of sharing costs with IFC on further events.
C#3 <ul style="list-style-type: none"> ▪ Farming contract signed with BRICo. ▪ Farming contracts signed with Loran. ▪ Workshop on CF with 4 PDAs. ▪ Start second year of project on Organic Paddy production and marketing, with COrAA. ▪ Start second year of implementation of Paddy Selling Group Pilot with ISC. 	<ul style="list-style-type: none"> ▪ Signature of contracts with buyers for organic paddy producers. ▪ Build FO capacities to manage the supply of paddy under signed contract, and implement. ▪ Explore new partnership between FOs and millers. ▪ Confirm approach to work on policy and regulation issues. 	<ul style="list-style-type: none"> ▪ Difficulty to find quality seeds of <i>Sen Kraob</i> variety.
C#4 <ul style="list-style-type: none"> ▪ Roadmap for implementation of RDB reforms submitted by RDB + taskforce to MEF. ▪ Draft report of Horus mission (Credit mechanism to FOs) delivered and restitution meeting. 	<ul style="list-style-type: none"> ▪ Appointment of new CEO and Board in RDB. ▪ Prepare ToR for additional Technical Assistance to RDB ▪ Select a scenario for credit to FOs and prepare second phase of Horus mission. 	<ul style="list-style-type: none"> ▪ Delays in the appointment of RDB new CEO and Board.
C#5 <ul style="list-style-type: none"> ▪ Revision of the Terms of Reference of SNEC team assigned to the project. ▪ Renewal of project advance and modification of exchange rate management on AFD request. 	<ul style="list-style-type: none"> ▪ 3rd Meeting of the Project Steering Committee. 	

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. SUSPENSION OF THE SUPPORT TO FCRE

On April 9, 2014, SNEC / SCCR Project Director has addressed a letter to inform FCRE of the ending of the project support to FCRE, taking into account the merging of FCRE, ARPEC and CREA in the new Cambodian Rice Federation (see § 1.2. in this report, from page 4).

1.1.2. FINANCIAL SUPPORT: SUBSIDY FOR FCRE OPERATIONAL COSTS AND CLOSING BALANCE

Due to the termination of the support to FCRE, no additional payment has been made during this quarter.

On the contrary, FCRE has reimbursed the pending balance of unused subsidy on 30/05/2014 (amount of 2,890.90 USD), after reporting the final use of subsidy until the deadline of April 30, 2014 (See Table 2 opposite).

Table 2: Amounts transferred to FCRE as budget subsidies from signature of MOU to 30 June 2014

Installments	Amount	Date of payment
1st installment	\$ 3,400.00	10-Sep-13
2nd installment	\$ 14,700.00	23-Oct-13
3rd installment	\$ 12,300.00	7-Feb-14
TOTAL TRANSFERRED	\$ 30,400.00	
Subsidy refunded to project	\$ (2,890.90)	30-May-14
Net amount of subsidies to FCRE	\$ 27,509.10	

After settling this reimbursement, the actual and final amount of subsidy paid to FCRE by the project is 27,509.10 USD. Details on the use of the subsidy are shown in the Table 3 below. Out of the 57,400 USD initially engaged in the MOU with FCRE, the balance of 29,890.90 USD is now disengaged.

Table 3: Monitoring of disbursement of subsidies to FCRE operational costs

	Project Subsidy as per MOU	Subsidy paid in the period (jan-mar 14)	Subsidy paid from beginning to date	Balance on MOU after last instalment	Amount spent and justified		Δ reimbursed by FCRE
					in the period (apr 2014)	since the beginning	
1. Staff	\$ 32,200.00	\$ 7,500.00	\$ 17,200.00	\$ 15,000.00	\$ 400.00	\$ 14,200.00	\$ 3,000.00
Executive Director	\$ 19,800.00	\$ 5,100.00	\$ 11,900.00	\$ 7,900.00	\$ -	\$ 8,500.00	\$ 3,400.00
Web and communication officer	\$ 6,600.00	\$ 1,800.00	\$ 3,900.00	\$ 2,700.00	\$ 300.00	\$ 4,200.00	\$ (300.00)
Accounting and Finance Officer	\$ 3,600.00	\$ -	\$ -	\$ 3,600.00	\$ -	\$ -	\$ -
Administrative assistant	\$ 2,200.00	\$ 600.00	\$ 1,400.00	\$ 800.00	\$ 100.00	\$ 1,500.00	\$ (100.00)
2. Running costs (Structural)	\$ 13,200.00	\$ 3,600.00	\$ 8,400.00	\$ 4,800.00	\$ 600.00	\$ 9,000.00	\$ (600.00)
Office rental	\$ 13,200.00	\$ 3,600.00	\$ 8,400.00	\$ 4,800.00	\$ 600.00	\$ 9,000.00	\$ (600.00)
Equipment (computers, etc.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Stationaries, communication, running costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation - travel to provinces	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. General Assembly and Workshops	\$ 12,000.00	\$ 1,200.00	\$ 4,800.00	\$ 7,200.00	\$ 1.00	\$ 4,309.10	\$ 490.90
General Assembly	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Strategic workshops	\$ 9,000.00	\$ -	\$ 3,000.00	\$ 6,000.00	\$ -	\$ 2,504.10	\$ 495.90
Webhosting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bank charges	\$ -	\$ -	\$ -	\$ -	\$ 1.00	\$ 5.00	\$ (5.00)
Other communication tools (newsletter...)	\$ 3,000.00	\$ 1,200.00	\$ 1,800.00	\$ 1,200.00	\$ -	\$ 1,800.00	\$ -
TOTAL	\$ 57,400.00	\$ 12,300.00	\$ 30,400.00	\$ 27,000.00	\$ 1,001.00	\$ 27,509.10	\$ 2,890.90

1.1.3. CLOSING OF FCRE

On 26 of May 2014, the FCRE has sent an announcement to all its members to notify the dissolution of the Federation of Cambodian Rice Exporters.

FCRE President has informed the project that FCRE assets and balance of the membership fees will be transferred to the new Cambodian Rice Federation¹.

1.1.4. FCRE COMMUNICATION TOOLS

Due to the resignation of its Executive Director in January and of Mr Ung Sothy, FCRE Communication Officer and Webmaster², the FCRE has not been able to publish a second issue of its Newsletter. Also the process of merging with ARPEC and CREA has mobilized a lot of the time of the leaders and has reduced the motivation to develop FCRE own communication tools.

IRAM had prepared a brief article on Inter-Professional Organizations in the Agribusiness sector for the 2nd issue of the Newsletter, which could thereof not be published.

Nevertheless, news and information have continued to be published on FCRE website.

1.2. CREATION OF CAMBODIAN RICE FEDERATION (MERGING OF FCRE, ARPEC AND CREA)

1.2.1. REGISTRATION OF FOUNDER MEMBERS AND CANDIDATES IN MOC

1.2.1.1. IDENTIFICATION OF REPRESENTATIVES OF FARMER ORGANIZATIONS

According to the rule on “eligible founder members, candidates and procedures for the election of the CRF first Executive Committee” endorsed by MOC Minister on 31 of March³, the number of Farmer Organizations entitled to register as “founder members” of the Cambodian Rice Federation has been limited to one FO per province maximum, and only FOs recognized by the Ministry of Agriculture (i.e. Agricultural Cooperatives, registered with MAFF). Thereof, further to the final validation of this rule SNEC project team has exchanged with the Department of Agriculture Extension to discuss the identification of representatives of FOs in the CRF 1st General Assembly. Project coordinator (together with PMA, team leader of Component #3 and DAE counterpart officer) has met Dr Mak Soeun, Director of the DAE, on April 3, 2014.

Considering the objective of empowering FO representation by FAEC and FCFD to represent Farmers in the Cambodian Rice Federation, it has been agreed with DAE that cooperatives members of FAEC and FCFD (in the provinces they cover) shall be chosen in priority to take part in the 1st General Assembly of the CRF. In particular, as FAEC and FCFD have already designated two focal persons to work with the project and the rice sector body, these representatives shall register their Cooperatives in priority, and could also register as candidates for the election of the Executive Committee.

DAE has agreed on the principle and a preliminary list of proposed cooperatives to register has been prepared in consultation with FAEC and FCFD and shared with DAE. In addition, the project has also suggested to had two cooperatives in area not covered by FAEC and FCFD, but with some relation with the project (Pouch Meas in Sihanouk province and one of the cooperative member of COrAA in Preah Vihear).

¹ Project has suggested that this transfer could be done if the new CRF adopt the same principles for membership fees as the one decided by FCRE in January 2014 (See Quarterly Executive Report # 05, pages 6-7), otherwise it would be fair to reimburse members of FCRE for the balance of their membership fees and let them pay directly their membership fees to the new CRF according to its own principles.

² Cf. Quarterly Executive Report #05, pages 8-9.

³ Cf. Quarterly Executive Report #05, pages 15-16..

1.2.1.2. SUPPORT TO THE REGISTRATION OF FO REPRESENTATIVES

The project has facilitated the organization of the registration of a total of 14 Farmer Organizations as founder members of the Cambodian Rice Federation (+ as candidates for the election of the Executive Committee for two of them), taking into account the constraints of the rules defined by MOC for the eligibility of FO as founder members of CRF, i.e. only organizations recognized by MAFF (= cooperatives) and no more than one FO per province. List of cooperatives which registered with the project support is shown in the Table 4 below.

Table 4: List of cooperatives registered as founder members of the Cambodian Rice Federation (CRF)

Name of Agricultural Cooperatives	Province	Member of			Candidate for the election
		FCFD	FAEC	COrAA	
Oudom Sorya	Takeo		✓		Kong Moeun ⁴
Nikum Preah Sihanouk	Battambang	✓			Samath Veasna
Chikreng Samaki	Siem Reap				
Sruy Smach Kampong Ro	Svay Rieng		✓		
Sreyhorng Somnom	Kampong Speu				
Phum Yoeung	Prey Veng		✓		
Pomheang Chamrean Chey	Kampot				
Pidor Ta Oung	Banteay Meanchey				
Damnam Sruvtom Bonramsa	Stung Treng		✓		
Krabao Prum Tep	Preah Vihear			✓	
Reachchamroeun	Kandal				
Ponleu Kasekar	Pursat				
Svay Meanchey Strey Samaki	Kampong Chhnang				
Sambor Meanchey	Kampong Cham				

1.2.2. FINALIZATION OF VOTE PROCEDURES AND MEMBER LISTS

SNEC has been represented by members of the SCCR project team in further meetings at MOC to monitor the process of registration of CRF founder members and review the member lists on 5 and 12 May 2014. Initially, a total of 299 members had registered with MOC (list presented on 5 May), but after crosschecking by MOC, only 213 members have been declared as fulfilling the requirements (revised list presented on 12 May). Only one out of the 15 FOs registered has been deleted from the initial list because of an overlapping (2 FOs from Kampong Thom province, after MAFF has proposed the registration of another one... unfortunately the one proposed by MAFF finally did not come to attend the first General Assembly of CRF). 14 Agricultural Cooperatives have attended the General Assembly and took part in the vote.

1.2.3. CRF FIRST GENERAL ASSEMBLY AND ELECTION OF EXECUTIVE COMMITTEE

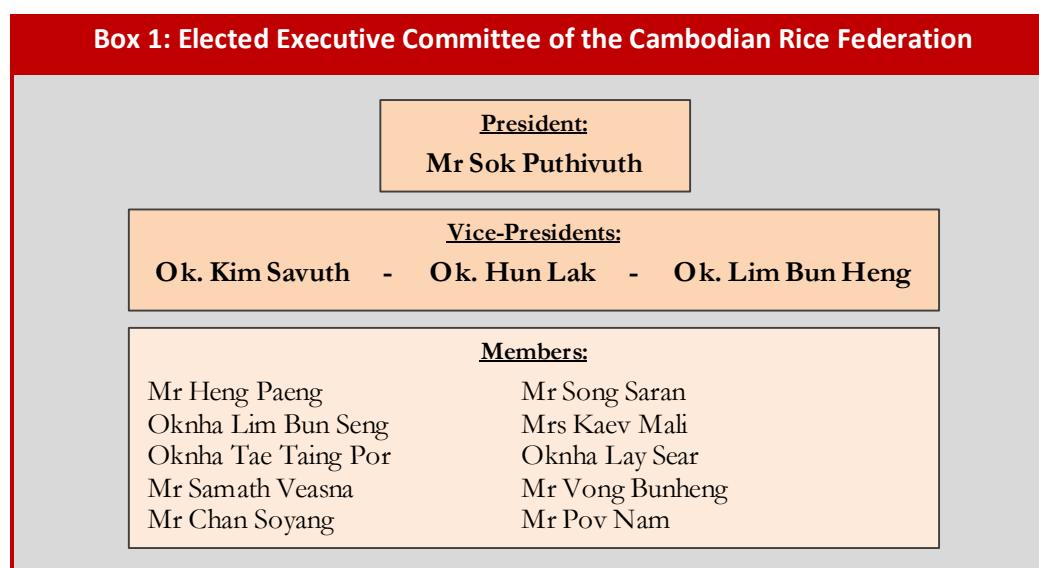
The election of the 1st Executive Committee of the Cambodian Rice Federation took place in the Ministry of Commerce on 19 May 2014.

195 members⁵ took part in the vote which followed the three steps below:

⁴ Mr Kong Moeun finally withdraw his candidacy further to consultation between cooperatives – See § 1.3.1.2. page 7.

1. Election of the President of CRF: 4 candidates were engaged for this position (Oknha Tae Taing Por, Mr Yon Sovann, Mr Sok Pothivuth, Oknha Lim Bun Heng)⁶.
2. Election of 3 Vice-Presidents among 8 candidates (Oknha Tae Taing Por, Oknha Hun Lak, Mr Yon Sovann, Oknha Lay Sear, Oknha Kim Savuth, Oknha Lim Bun Heng, Mr Song Saran, Mrs Kaev Malis)⁷.
3. Election of 11 members of the Executive Committee among 21 candidates.

The elections have resulted in the composition of Executive Committee shown in the Box 1 below. Detailed results with scores are shown in Annex 2 in this report.



1.2.4. RELATIONSHIP OF THE SCCR PROJECT AND THE NEW CRF

1.2.4.1. FIRST MEETING WITH THE NEW CRF TEAM

The CRF President and Vice-Presidents have met SCCR Project in SNEC on 28 of May 2014. Project Coordinator and PMA were representing the project and AFD took part in this meeting.

CRF leaders have confirmed that fine-tuning statute and governance principles are part of the objectives of this first two-years mandate and that inputs from the project in this matter would be welcomed⁸.

Considering other project involvements with Federations of Farmer Organizations, it was also proposed to focus a part of the SCCR Project input in supporting the representation of Farmers within the CRF, and to help to facilitate internal consultation with FO Federations prior to Executive Committee meetings so that the elected representative of farmers can actually convey the position of a broader panel of FOs.

⁵ More members were registered but some of them did not come in person and thereof could not take part in the vote.

⁶ Oknha Kith Meng who was initially among the candidates announced is withdrawal on the day of the election, leaving only 4 candidates. His representative informed participants that he would stand only for the election of the 11 members of the Executive Committee.

⁷ Oknha Han Kheang was in the list of candidates but informed participants that he will not stand any-more for the election of Vice-President.

⁸ Further to this meeting, the Project Management Advisor has re-sent to CRF leaders elements proposed regarding the statute that were already provided to MOC prior to a meeting on creation of CRF in February 2014 (Cf. Quarterly Executive Report #05, page 12).

On other technical topics, the project will also consider the modalities to support CRF work notably regarding the branding of Cambodian Rice (linkage with Component #2), the dialog with the government on policies and/or other relevant technical subjects.

Yet, during that meeting, it was also explained that AFD, due to its internal rules, would not be able to provide the same modalities of support as what has been done with FCRE (budget subsidies, notably) to the Cambodian Rice Federation, because of the close connection of CRF leaders with government leaders.

During the meeting, the CRF leaders have indicated that they were constituting specific technical working groups / taskforce internally to work on different topics, and that they will communicate this internal organizations (groups and leadership) in the following weeks, but at the end of June the list of commissions / working groups was not yet communicated to the project.

1.3. SUPPORT TO FEDERATIONS / NETWORKS OF FARMER ORGANIZATIONS

1.3.1. REPRESENTATION OF FOS IN THE NEW CAMBODIAN RICE FEDERATION

1.3.1.1. REGISTRATION OF FAEC AND FCFD MEMBERS IN CRF

SCCR Project has supported the registration of FAEC and FCFD members + other additional cooperatives as members of the Cambodian Rice Federation (See § 1.2.1.2 page 5) and, for two of the cooperatives, as candidate for the election of Executive Committee members.

1.3.1.2. FO PRE-ELECTION STRATEGY

On May 18, representatives of Agricultural Cooperatives registered as founder members of Cambodian Rice Federation met in SNEC and had a brief discussion about their strategy for the election. In order to secure a position of one FO representative in the Executive Committee of the Cambodian Rice Federation, they have jointly decided that all of them would vote for only one among the two candidates from FOs. Mr Kong Moeun proposed to withdraw his candidacy to the benefit of Mr Samath Veasna.

On May 19 Mr Samath Veasna has been elected as a member of CRF Executive Committee (See § 1.2.3.).

1.3.2. SIGNATURE OF PARTNERSHIP CONTRACTS WITH FAEC AND FCFD

Further to the development of action plans and organization of coordinated work between FAEC and FCFD, contracts have been drafted between SNEC and FAEC and SNEC and FCFD in order to define modalities of support by the project, budgetary support and objectives.

Drafts of contracts were first sent by SNEC to AFD to request non-objection on April 25 (after preliminary informal exchanges). But AFD has informally provided feedback and has requested adjustments in the contracts and process of support. Notably AFD has requested the inclusion of a clear process of consultation between the two Federations in order to consider their possible merging.

Several steps were further required to finalize the contracts with the two Federations (which has led to some delay in the implementation)⁹. Final versions were sent a second time to AFD to request non objection on June 9, and non-objection on the contracts was granted by AFD on June 23. Contracts between SNEC and, respectively, FCFD and FAEC were finally signed on 24 June 2014.

⁹ Yet FAEC, FCFD and project team tried their best to start to initiate some activities in June (AFD has agreed for a retroactive effect of the contracts starting from 2nd of June 2014).

1.3.3. BUDGET SUPPORT, FINANCIAL MANAGEMENT AND ADMINISTRATIVE ISSUES

1.3.3.1. REQUEST FOR PAYMENT OF 1ST INSTALMENT

Further to the signature of contracts, request for payment of the first instalment of subsidies were sent to AFD in end of June. Payment was not yet done on 30 of June and will be effective in early July.

1.3.3.2. DETAILED EXPLANATION ON REQUIREMENT FOR FINANCIAL MANAGEMENT

The project team has provided some additional information and recommendation to FAEC and FCFD leadership (including recruited Technical Assistants) on the modalities of use of the subsidies. Specific bank accounts have been created by each of the two Federations in order to receive and manage the subsidies. Need to ensure a clear budget encoding of the expenditures has also been enhanced by the project team.

1.3.3.3. ADDITIONAL ADMINISTRATIVE AND MANAGEMENT ISSUES

In end of May and June, the Federation has started to prepare the implementation in order to save time and maximize the efficiency from the day they will receive the first installment of subsidy.

They have notably:

- Discussed about the renting of provincial offices (in Takeo and Battambang),
- Gathered quotation for purchasing motorbikes, computers, printers, cameras and others materials.

1.3.4. RECRUITMENT OF STAFF FOR RICE VALUE CHAIN IN FAEC AND FCFD

Mr Tep Sopheak Mingkoul (FCFD) and Mr Pat Sovann (FAEC) who were recruited since end of March 2014 (See Quarterly Executive Report #05, page 19) have officially started to work for the FO Federations since 1st of June 2014. During this quarter, FAEC and FCFD have prepared and signed their work contracts and detailed the actions they will have to undertake in the early stage of the implementation of the partnership with SNEC.

1.3.5. INVOLVEMENT OF FO FEDERATIONS IN PILOT ACTIVITIES OF COMPONENT #3

As part of their activities in the frame of the partnership with the project, FAEC and FCFD will support initiatives of their members to develop FOs involvement in the commercialization of paddy. During this quarter, preliminary activities have been engaged, in particular in Takeo, as follows:

1.3.5.1 MEETING WITH LEADERS OF TRAMKAK UNION OF COOPERATIVES (TUC)

A meeting with the foreseen “Tramkak Union of Cooperatives” (not yet officially established) took place on the morning of May 29, 2014 in Tipath village. FOs’ leaders involved in TUC creation have explained their project to jointly get involved in paddy commercialization and in input supply to their members. TUC members have expressed their needs for managerial capacities building and for credit to implement the activities. The possibility to use a part of FAEC subsidy to provide a loan to TUC has been considered but was judged too risky and was finally rejected after consultation with AFD. Project team has facilitated a contact with Vision Fund to explore the possibility of a loan for this purpose. Not decision was made in the end of June 2014 on this matter.

1.3.5.2. VISIT TO OUDOM SORYA COOPERATIVE

In the afternoon of May 29, a more specific visit was made to *Oudom Sorya* Agricultural Cooperative in Tramkak. The purpose was to know better the activities of this cooperative and the needs for support. *Oudom Sorya* AC is buying paddy from members to sell to millers (or occasionally to mill and sell milled rice). It has also cash credit activities. There is a strong commitment of cooperative leaders. Yet some needs for support were identified, notably to strengthen management tools and to ease access to finance.

1.3.5.3. MEETING AT DISTRICT OFFICE OF AGRICULTURE IN TRAMKAK

An additional meeting took place on May 30 in Tramkak Agriculture Office with 6 leaders of cooperatives aiming at studying on the possibility for forming Union of Agricultural Cooperative (to know opinion of AC leaders on union of AC, forming process, scope of union of AC, management issue, priority activities of the union ...etc.). During this meeting, Mr Ouk Saroeun (DAE/MAFF) has presented the draft model of statute of Cooperative Unions. As a result of this meeting, AC representatives have expressed their interest to officially establish Union Agricultural Cooperative in order to buy and sell agricultural inputs (fertilizers, seeds) and equipment and tools and to jointly sell paddy. Cooperative leaders have also expressed an interest in developing cash credit to their members (but this is not an activity that the project wishes to support directly).

1.3.6. TRAINING OF FAEC AND FCFD LEADERS ON ADVOCACY

One training on advocacy had been organized by AVSF in Phnom Penh on 6-7 May 2014 with the goal to build the capacity of AVSF Cambodian team and partners on advocacy. This was an initiative of AVSF and not directly an activity of the project, but the SCCR Project has supported the participation of representatives of 8 representatives¹⁰ of FAEC, FCFD and FWN and Phat Sophany and Christophe Goossens took part in the training on behalf of the project.

The training had the following specific objectives: i) to train the team and partners about the advocacy approach, ii) to present various tools usable in advocacy process, and iii) to provide a technical support for the elaboration of a common strategy of advocacy to increase recognition by the State of farmers organizations' role in rural development.

During the training, one of the subjects selected for group discussion was "Guaranteed price of paddy rice for farmers".

1.3.7. PREPARATION OF THE CONSULTATION ON PRAKAS AND FORM OF STATUTE FOR COOPERATIVE UNIONS

During planning meetings with FO Federations from the beginning of this year, project and participants have underline the interest to gather feedback from existing cooperative on the project of Prakas and form of statute of Cooperative Union that MAFF is currently developing. The Project Management Advisor has prepared a note¹¹ to propose a process of consultation, building on existing Federations and based on local consultations (inter-provincial workshops), then compilation and presentation of FOs' comments and suggestions in a national workshop. DAE has then informed that they had already a partnership with DGRV¹² on this subject that includes a national consultation workshop. Yet this does not prevent from organizing inter-provincial workshop as a preliminary step in order to help FO representatives to develop their understanding and recommendations, which will contribute to feed the discussion in the National

¹⁰ Among a total of 44 trainees.

¹¹ "Process of Consultation of FOs/Cooperatives on the Prakas and form of Statutes of Cooperative Unions – Concept Note", dated May 16, 2014.

¹² *Deutscher Genossenschafts- und Raiffeisenverband e. V.* (German Cooperative and Raiffeisen Confederation – reg. assoc.).

Workshop. Contacts will be made with DGRV in July for coordination. The program of consultation has been maintained and included (on the suggestion of AFD) within the contracts between SNEC and FCFD and FAEC. Implementation is foreseen to start in July but depend on the ability of DAE to provide an updated version of the draft Prakas and form of statute for UC.

1.3.8. CONSULTATION ON THE POTENTIAL MERGING OF FAEC AND FCFD

1.3.7.1. PREPARATION OF A PROCESS OF CONSULTATION AND ESTIMATION OF COSTS

Further to the request of AFD to encourage a merging of FAEC and FCFD¹³, the leaders of the two Federations have developed a plan for the assessment of the pro and cons of this possible merging and for a consultation between FAEC and FCFD boards and with respective General Assemblies. Steps of this process and associated costs have been planned and included in the contract with SNEC. Besides, a Memorandum of Understanding was signed between FAEC and FCFD to highlight their shared will to explore the possibility of a merging of the two organizations.

1.3.7.2. PRELIMINARY MEETINGS WITH FCFD AND WITH FAEC BOARD REPRESENTATIVES

Preliminary discussions took place with members of the Board of FCFD on June 11 and with members of the board of FAEC on June 23 in order to cross check the proposed process and pre-assess the willingness of both boards to conduct this process that could possibly lead to the merging of the two structures. According to Phat Sophany who took part in the facilitation of those meetings, representatives of the two Federations were rather positive on the perspective of a possible merging and are willing to explore it more in details.

¹³ See § 1.3.2. page 7.

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

According to information provided by IFC, the revised version of Cambodian Standard on milled rice has been officially approved by the Ministry of Industry and Handicraft in April 2014.

2.2. QUALITY LABEL / CAMBODIAN RICE BRANDING AND EXPORT PROMOTION

2.2.1. STUDY INTERNATIONAL MARKET FOR CAMBODIAN RICE AND BRANDING STRATEGY DEVELOPMENT

2.2.1.1. CONTRACT WITH AGLAND

Whereas the Phase I of the international market study was started since the first quarter of 2014¹⁴ under the contract between Agland Investment Services, Inc. and the IFC, the contract between SNEC and Agland (covering the costs for a part of the Phase II of the study) has been signed only on May 8, 2014 after discussions and amendments and after addressing some administrative difficulties¹⁵.

The proposal was revised to include a 3 country studies instead of 2 initially planned under AFD financing, considering the interest expressed by stakeholders during the first workshop in February 17, 2014. SNEC/AFD project contribution will finance studies in Germany, Singapore and Cote d'Ivoire. It will also finance the final restitution meeting with exporters.

2.2.1.2. METHODOLOGY

Agland has sent the methodology and proposed timetable for Phase II (Deliverable 3) on April 9, 2014.¹⁶ Comments have been provided by IFC and SNEC project team and a revised version was sent by Agland on April 17.

2.2.1.3. COUNTRY REPORTS

Draft of all the six country reports have been submitted by Agland in June 2014 as show in the Table 5 (opposite). Comments from SNEC (PMA) and IFC have been centralized and sent to Agland in June for the first three reports (and will be send in early July for the three other ones).

Table 5: Date of delivery of Agland's draft country reports

Country report	Date of delivery of 1 st draft
United States of America	10 June 2014
France	10 June 2014
China	10 June 2014
Germany	21 June 2014
Cote d'Ivoire	21 June 2014
Singapore	24 June 2014

¹⁴ Cf. Quarterly Executive Report #05, pages 21-22.

¹⁵ The procurement of the consultant for this study has been managed by IFC (which finance the major part of the study costs) following its internal procurement system, and restrictions in the communication of procurement results in IFC rules has made more difficult the granting of non-objection by AFD. Solution has finally been found but this has induced delays in the signature of the contract and in the start of the three country studies financed by SNEC/AFD.

¹⁶ Before the signature of the contract with SNEC, but the methodology was covering the 6 country study, and was therefore needed to proceed to the 3 studies already contracted under IFC program.

2.2.1.4. SYNTHESIS REPORT (DRAFT)

Draft final report (synthesis) was sent by Agland on June 26, 2014. Comments will be prepared by both IFC and SNEC and send to Agland in July.

2.2.2. EXPORT PROMOTION ACTIVITIES

2.2.2.1. CCFC PROJECT OF PROMOTION EVENT IN FRANCE

The Franco-Cambodian Chamber of Commerce (CCFC) is intending to support an event or action for promotion of Cambodian rice in France by the end of this year. The Project Management Advisor has been invited to join a first meeting on April 18 on this initiative and on possible synergies or partnership with SNEC/SCCR Project. IFC (Bas Rozemuller) was also present in this discussion. This initiative could be associated with the participation of Cambodian Rice Exporters in SIAL (Salon International de l'Agro-Alimentaire / International Exhibition of Agro and Food Industry) that will take place from 19 to 23 October 2014, in Paris¹⁷, and with a market study trip in France, Germany and possibly UK following the results of Agland market study. Possible side events could be considered, such as the organization of a Promotion diner in France or specific conference or meetings with potential commercial partners in France and Europe. The network of the CCFC could be an asset in the preparation of such an initiative, and the idea of a joint partnership between CCFC, IFC and SNEC/SCCR Project has been welcomed by all participants in this discussion.

The project PMA has sent a reminder e-mail to CCFC on June 5 as there was no information provided since the meeting of April. CCFC confirmed that the project was still considered but that details would be addressed in July or August 2014.

¹⁷ IFC was already considering to organize a booth for Cambodian Rice Exporters in SIAL Paris 2014.

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

3.1. CONTRACT FARMING BETWEEN FO AND LORAN GROUP

3.1.1. ISSUE OF SEEDS SUPPLY AND SEEDS QUALITY

3.1.1.1. INSUFFICIENT QUALITY OF SEEDS SUPPLIED BY AQIP

Mr Tith Samon, from C#3 technical support and monitoring unit has facilitated a discussion between Loran Group and AQIP Seeds to supply to Loran seeds of Sen Kraob variety for the needs of the two FOs involved in the contract farming negotiation.

Loran and AQIP have agreed on the price, quantity (15 tons) and time and location of delivery of seeds (12 April at Loran rice mill in Thmar Kaul, Battambang). But the first batch delivered has not satisfied Loran's quality testing. The seeds were compliant with the external quality control (which are the one used by AQIP) but did not pass the boiling test (which is the reference test for purity in the milling and rice export industry, but not in the seed industry).

AQIP seed took back the seeds supplied and has provided samples from a second batch to be tested again by Loran on 27 April 2014, but again this second batch did not reach the minimum requirements of the boiling test.

3.1.1.2. ALTERNATIVE SOURCING

Oknha Lim Bun Heng has proposed an alternative sourcing of the seeds from Thailand, and asked the project to support the request to CDC for the tax-free import of those seeds. He met the Project Management Advisor and Mr Tith Samon on 28 of April for this purpose. The request for support was forwarded to SNEC National Project Director, but letter on while SNEC was preparing a letter to CDC, Loran informed that it was not necessary anymore. A sample of the seeds from Thailand was received and tested by Loran on 30 April 2014. The result of test showed that the seeds sent from Thailand was not Sen Kraob seeds, but "Malis Sragnae", a variety that was available in Battambang at a much cheaper price (1,800 KHR/kg against 3,320 KHR/kg from Thailand), with a quality acceptable by Loran rice mill too.

3.1.2. FOs INTERNAL SECURING OF FARMERS COMMITMENT

At FO level internally, in order to secure the supply of sufficient quantities of paddy from members to the FOs, members were asked to sign commitment letters which also indicate that they will repay the value of the seeds in cash after the harvest. Two meetings were organized at FO level, with Nikum Preah Sihanouk AC on 22 April morning with 27 participants including members and leaders, and with FWUC Svay Ar on the afternoon of the same day with participation of 28 members involved the contract farming and leaders. Members of two FOs agreed on the terms and conditions set in the commitment letter to pay back the cash for seed loan and leaders agreed to process the letters to Commune Council for recognition. Other issues were also raised by members during those meetings related to technical training on Sen Kraob production. They agreed to participate in the initial training to be provided by AQIP Seed company. Harvest project has been proposed to continue to provide technical training and support to FO members. PDA staff will take part in the training and will follow-up and coach the two FOs (as well as the one involved with BRICo – see § 3.2. pages 14-15).

3.1.3. FINALIZATION AND SIGNATURE CONTRACTS

A meeting took place on 29 April 2014 at Loran Rice Mill with 2 FOs (FWUC Svay and Nikum Preah Sihanouk Cooperative)¹⁸ to confirm interest for production of Sen Kraob paddy. Both parties agreed on the principle, but at that time the main concern was about the ability to get the seeds on time, due to the change in the sourcing of seeds as described in § 3.1.1. above.

Eventually, two contract farming have been signed by two FOs with Loran rice in Thma Kaul district, Battambang province. Svay A FWUC committed to sell 36 tons of Malis Srangae paddy and 38 tons of Sen Kraob paddy. Nikum Preah Sihanouk cooperative signed the contract to supply Loran with 87 tons of Malis Srangae paddy. Both varieties will be supplied in mid-August, 2014 and will be sold at market price, using prices at three big rice millers/exporters as reference.

Table 6: Overview of contracts signed by FOs with Loran Rice Mill

Name of FO	Nb of Farmers	Surface	Expected period of harvest	Variety	Quantities (volume) committed	Price mechanism	Buyer support / inputs
Nikum Preah Sihanouk AC	19	35 ha	mid-August to end September, 2014	Malis Srangae	87 tons	Market price (reference based on 4 mills on the day of selling the paddy).	Seed credit (no interest). Technical training (via Harvest project).
FWUC Svay Ar	8	35 ha	mid-August to end September, 2014	Malis Srangae + Sen Kraob	36 t Malis Srangae + 38 t Sen Kraob		

3.1.4. FURTHER MONITORING AND SUPPORT

For all contracts signed by farmer organizations with Loran (see above) and BRICo (see next paragraph), the project will involve Battambang PDA in the monitoring of the implementation of contract farming by both rice millers/exporters and FOs. Simultaneously, training on the management of paddy collection and selling by the FOs in the frame of those contracts will be provided by Mr Hy Thy as part of AVSF-CIRD-ADG team¹⁹.

3.2. CONTRACT FARMING BETWEEN BRICo AND FARMER ORGANIZATIONS

3.2.1. BRICo STRATEGIC INTEREST IN CONTRACT FARMING WITH FOS

Even if the negotiation of contract farming conditions has sometime been difficult, BRICo strategic interest for the development of contract farming deals with Farmer Organizations remains strong. According to Mr Kann Kunthy, one of BRICo main interest with Contract Farming is to get more information on the way paddy is produced so BRICo for the sake of client information and ISO certifications.

An important sign of BRICo interest is the recruitment by BRICo of a consultant to work on the preparation of contract farming strategy and approach of contract farming with FOs.

¹⁸ The meeting was also attended by 2 officers of the PDA of Battambang, Tith Samon and J.-M. Brun.

¹⁹ Cf. § 3.8., page 26 in this report.

3.2.2. EVOLUTION OF BRICO REQUIREMENTS

3.2.2.1. SHIFTING THE FOCUS TO SEASONAL JASMINE RICE VARIETIES

Due to delays in the finalization of contract with FOs²⁰ but also to the evolution of the market for Sen Kraob (less demand than last year and lower prices for this variety), BRICO has expressed its intention to re-focus on seasonal Jasmine rice varieties such as Phka Romduol and Phka Malis.

3.2.1.2. INFORMATION ON THE CROP MANAGEMENT AND INPUTS USED

An additional request that has been added in end of March / April 2014 by BRICO is the need for all the farmers involved in the contract farming scheme to keep record on their crop management and in particular on all the inputs they use (fertilizers and chemical). Exchange of e-mails between the project and BRICO CEO have provided following clarifications: i) BRICO is not asking to follow specific technical practices, but just to document farmers' practices. iii) Records shall be collected at each individual farm level. iii) Origin (farm) of each batch delivered to BRICO does not need to be specified, i.e. there is no link on the records at farm level and each batch delivered to BRICO.

3.2.3. FINAL NEGOTIATION FOR SEN KRAOB

Despite BRICO wanted to re-focus on Phka Romduol and Phka Malis varieties, BRICO has accepted to pursue the negotiation of one contract for the production of Sen Kraob, in order to maintain the trust with FO and also to learn from a first pilot in early wet season before to pursue the implementation of contracts on Phka Rom Duol or Phka Malis.

Internal discussions (in each of the two FOs previously involved in the negotiation) were organized with project team facilitation on April 23 for *Samakum Pet Sat Phum doeumbay aphivath kasekar khum Rong Chrey* and on April 24 for *Sabakum Kaksekam Kdeysangkoem Kaksekar Khmer Agriculture Cooperative* in Prey Khpos commune, Bavel district.

Among the two FOs, only one (*Samakum Pet Sat Phum doeumbay aphivath kasekar khum Rong Chrey*) was still interested after hearing the new requirements added by BRICO. A meeting between this FO and BRICO took place at BRICO rice mill on April 29, 2014, facilitated by Mr Tith Samon and by SNEC Project Management Advisor, with participation of 2 officers of PDA. During this final step of negotiation, a number of issues have been clarified notably regarding quality specifications, limitation of liability, procedure for pricing, etc. The FO representatives have asked for a final consultation with their members before to sign the contract, notably regarding the technical specifications on paddy quality.

3.2.4. SIGNATURE OF CONTRACT

Finally the contract was signed by BRICO and *Samakum Pet Sat Phum doeumbay aphivath kasekar khum Rong Chrey* on May 13, 2014, after some final formatting adjustments required by the Department of Agro-Industry. PDA and DAI attended the signature of the contract (As well as representatives of project team). 24 Farmers are involved in the contract for a surface of 68 ha and an expected volume of 170 tons of paddy, as stated in the Table 7 next page.

²⁰ But those delays are in large part imputable to BRICO as the company took a long time to react to the draft of contract sent by the project team after previous meetings early in 2014.

Table 7: Overview of the contract signed by FO with BRICo

Name of FO	Nb of Farmers	Surface	Expected period of harvest	Variety	Quantities (volume) committed	Price mechanism	Buyer support / inputs
Pet Sat Doembey Akphiwat Kaksekar	24	68 ha	mid-August to end of September, 2014	Sen Kraob	170 tons	Highest price in the previous two weeks in 3 reference mills.	Short term cash-flow advance at harvest. Technical training (via Harvest project). + 0.5 USD/t at end of contract.

3.2.5. FURTHER MONITORING AND SUPPORT

As for FOs involved with Loran, a specific technical assistance will be provided by Mr Hy Thy to help to develop and implement tools to manage the purchase of paddy, the delivery and the invoicing to the buyer²¹. For this case, it has to be noted that BRICo has also hired consultant to help to develop a strategy of contract farming with FOs. The ToR of those consultants include training of BRICo human resources who will have to be involved in the management of transaction with FOs contracted. A meeting was organized in SNEC on June 9, 2014 with Hy Thy and BRICo's consultants in order to establish the relation and encourage them to work together and harmonize the proposed methodology to manage the transactions between FOs and BRICo.

3.3. CONTRACT FARMING BETWEEN GOLDEN RICE AND FARMER ORGANIZATIONS

3.3.1. SIGNATURE OF CONTRACTS WITH *TEUK CHHAR FWUC* AND *SROMOK SOK SENCHEY AC*

As clarified in March 2014, Golden Rice was still interested to test some contracts with Farmer Organizations this year but for limited quantities and with the primary objective to test the ability of farmers to produce Sen Kraob variety in specific areas, with hopefully the possibility to scale up the following year²².

Golden Rice finally managed to source seeds of Sen Kraob (?) from Vietnam²³, and two Contract Farming agreements have been signed, respectively with *Teuk Chhar* FWUC in Kampong Cham province on 12 May, 2014 and *Sromok Sok Senchey* Agricultural Cooperative in Angkor Borey district, Takeo province on 20 May, 2014.

FWUC in Teuk Chhar contracted to test the seeds on 2.15 hectares of surface lands and expected to sell to Golden rice 5 tons of paddies in mid-September, 2014. One FO in Angkor Borey district committed to sell 87 tons of Sen Kro Oub paddies in mid-September to October, 2014. Both FOs will sell to Golden rice in fixed price 1,020 KHR/kg in fresh paddies (See Table 8 next page). Both contract farming was aimed to test the productivity of Sen Kro Oub seeds brought from Viet Nam under local agro-ecological conditions.

²¹ Cf. § 3.8., page 26 in this report.

²² Cf. Quarterly Executive Report #05, § 3.5.4. pages 34-35.

²³ The actual source of the seeds and specifications have not been formally provided by Golden Rice, and this sourcing is under the company own responsibility.

Table 8: Overview of contracts signed by FOs with Golden Rice

Name of FO	Nb of Farmers	Surface	Expected period of harvest	Variety	Quantities (volume) committed	Price mechanism	Buyer support / inputs
Sromok Soksenchey AC	12	9 ha	September to mid-October, 2014	Sen Kraob	22 to 40 tons	Fixed price: 1,020 KHR/kg	Seeds supplied for free. Follow up technical recommendation.
FWUC Teuk Chhar	7	2.15 ha	Mid-September, 2014	Sen Kraob	5 tons		

In order to achieve the objective, Golden Rice assigned two staff to carrying out the monitoring and evaluating the technical production that recommended by Golden Rice. The project team facilitates the meeting with FOs leaders and members and also follows up the implementation of contract farming of both parties.

3.3.2. PERSPECTIVE IN OTHER GEOGRAPHICAL AREAS

Golden Rice would like to expand more trials of Sen Kra Oub seed bought from Viet Nam with other FOs in provinces nearby Golden Rice mill. Therefore, one meeting was organized by the project on May 22, 2014 with one Agricultural Cooperative in Svay Ampear commune, Mukh Kampul district, Kandal province with Golden rice representatives, commune council members and village chief in order to explore the possibility of contract farming to test the Sen Kro Oub seeds. Members and leaders of FO expressed the interest of doing the contract farming with Golden rice in second production which will be started in late September, 2014. The project team will organize and facilitate the second meeting in early September, 2014 to discuss in detail on the contract farming including the quantity of seeds needed by members, surface lands, and price of paddy.

3.4. NEW POTENTIAL PARTNERS AND AREAS FOR CONTRACT FARMING

3.4.1. MISSION IN PREY VENG AND KAMPONG CHAM

On 1st of May, members of C#3 project team (Sok Sarang, Tith Samon, Svay Samnang) made a visit in Prey Veng and Kampong Cham province to meet two rice millers potentially interested to work on pilot actions with the project:

- Chun Thom rice mill in Svay Angthor district, in Prey Veng,
- Sour Kheang rice mill in Batheay district, in Kampong Cham.

The mission has also met two FOs:

- Por Chrey Agriculture Cooperative at Por Chrey village, Svay Angthor commune, Svay Angthor district, Prey Veng.
- Seed producers' group in Kampal village, Sandek commune, Batheay district, Kampong Cham province.

3.4.1.1. CHUN THOM RICE MILL (PREY VENG)

Mr. Chun Thom has mentioned that in early 2014, he bought Phkar Rumdoul rice seed about 22 tons from rice seed producers who are member of Por Chrey AC supported by IFC (International Finance Corporation) rice seed multiplication project through CIRD (Cambodian Institute for Research and Rural

Development) and GRET (Groupe de Recherche et d'Echanges Technologiques) consortium since 2013 without any agreement nor contract. Based on the result of the meeting, if he can sell all rice seed this year he will consider about making contract farming between the rice mill and members of AC for next season of rice seed multiplication and in this case, the support from SCCRP project team to facilitate on this process will be appreciated. Up to end of June, Mr Chun Thorn has not sold the rice seed he had and it is not yet clear if he is interested to buy rice seed for next season rice via contract farming.

3.4.1.2. POR CHREY AGRICULTURE COOPERATIVE

Por Chrey Agricultural Cooperative was founded since 24th May 2005 and counts present 57members. It has cooperated with AQIP Seed to produce and sell rice seed since more than 10 years by making contract . This year, the price of rice seed bought by AQIP is about 1,390 riel/kg of wet paddy seed. It has cooperated with Chun Thom rice mill to multiply Phkar Rumdoul rice seed since last year with the support of IFC through CIRD and GRET. The price of dry rice seed is 2,000 riel/kg. Based on first year experiences with Chun Thom rice mill, the AC met some difficulties. Notably they lack a good cleaning machine to clean their rice seed, so the quality of rice seed sold to Chun Thom rice mill is not good as expected by the rice miller.

This AC is interested to make the contract with Chun Thom if Chun Thom is still interested to buy their rice seed in the next season rice.

*Warehouse and drier
of Por Chrey AC. ▷*



3.4.1.3. SOUR KHEANG RICE MILL

Sour Kheang rice mill has been cooperated with rice producers at Kampal village, Sandek commune, Batheay district, Kampong Cham province since 2012 with the support of IFC through CIRD and GRET for rice seed multiplication since 2012. Based on the result of the discussion during the meeting, this rice mill has never made any contract for producing and buying rice seed before. So far, Sour Kheang is interested to make the contract this year for:

- a. Buying and selling rice seed with producer group at Kampal village,
- b. Buying and selling paddy rice with producer group at Kampal village,
- c. Buying and selling organic paddy with ACs at Preah Vihear but it is not yet clear.

By end of June 2014, the project team has contacted Sour Kheang to confirm about this and he mentioned that due to his limited capital, he could not make the contract to buy rice seed or paddy rice this year.

3.4.1.4. SEED PRODUCERS' GROUP IN KAMPAL

This producer group has cooperated with Sour Kheang rice mill with support of IFC through CIRD and GRET since 2012 aiming at multiplying Phkar Rumdoul rice seed. In 2013, Sour Kheang rice mill bought dry rice seed from this producer group with the price 1,900 riel/kg and this year, Sour Kheang rice mill bought from this producer group as paddy rice with the price 1,560 riel/kg of dry paddy. Normally, this producer group could produce rice seed and paddy rice with high quality for supplying to Sour Kheang.

3.4.2. MEETING WITH KHMER ANGKOR PEOPLE COMMUNITY FOR DEVELOPMENT (SIEM REAP)

Project team has been contacted by “Khmer Angkor People Community for Development” (KAPCD), a large association located in Siem Reap which expressed an interest in making contract to buy paddy rice from farmers. The project team had a mission to Siem Reap on May 15, 2014 in order to meet this organization.

KAPCD presented itself as a non-profit association founded in 2010 and registered by the Ministry of Interior. It claims to have as much as 482,380 households as its members, from 5 provinces (Kampong Cham, Pursat, Kampong Chhnang, Otdar Mean Chey and Banteay Mean Chey). So far, this association does not have any capital. Leaders of the organization told the project team that on December 24, 2014, KAPCD has signed a MoU with 2 Chinese companies for 720,520 ha of paddy plantation and processing.

Several elements regarding this organization and its Chinese partners remained very confused after the meeting, and AFD as well as SNEC project coordinator have expressed doubts and concerns about these organizations. It was therefore decided not to follow-up on this case.

3.4.3. BUSINESS MATCHING WORKSHOP IN KAMPONG THOM

One business matching meeting was organized on June 11, 2014 in Kampong Thom (PDA Office). 8 Farmer Organizations (See Table 9 below) took part in this meeting together with 3 rice mills²⁴ (Orng Tom from BVB mill, Srey Naren and Heng Sreypov) from Kampong Thom province. 3 officers of PDA and counterparts from DAE and DAI were also present.

Table 9: List of FOs from Kampong Thom which attended the workshop on 11 June 2014

No.	Name	Village	Commune	District
1	Sankor Mean Chey	Veal	Sankor	Kampong Svay
2	Trapeang Russey	Kork Nguon	Trapeang Russey	Kampong Svay
3	O Kanthor Meanchey	O Kanthor Tbaung	O Kanthor	Steung Sen
4	Taram Chamroeurnphal	Taram	Tbeng	Kampong Svay
5	Damrey Slab Mean Ponleu Thmey	Samkum	Damrey Slab	Kampong Svay
6	Phaletkam Chhouk Ksach	Chhouk Ksach	Chhoeu Teal	Sandan
7	Santuk Krao Thkom Thkeung	Santuk	Kokoh	Santuk
8	Tbaung Krapeu Steung Sen	Panhachi	Tbaung Krapeu	Santuk

All leaders of 8 FOs expressed the interest of doing contract farming with rice millers/exporters to sell Phka Romdul and IR 504 paddy. But rice millers were reluctant to do contract farming with those FOs because of little purchasing orders from abroad this year. They said they would come back to the project team when market trends are better.

²⁴ 5 Rice mills were invited but only 3 attended.

The project team intend to will work with other paddy buyer/exporters within Kampong Thom province and to organize and facilitate other meetings in the coming months.

3.4.4. BAITANG RICE MILL IN BATTAMBANG

Another opportunity for Contract Farming has been explored in Battambang province with Baitang company and one potential FO of Sangke district for the production of Phka Romdul paddy.

3.4.4.1. MEETING WITH BAITANG COMPANY

A meeting has been organized on 16 June, 2014 at Baitang rice mill office. It was attended by the General Manager of Baitang rice mill, two staff of PDA and one partner staff from DAE. General manager expressed his interest for contract farming, with the main purpose of getting good quality paddy for export markets by working in partnership with seed production company to provide seed loan, technical training (including comprehensive harvest and postharvest techniques) to farmers. The manager said he will bring the contract farming initiation to the top management of Baitang and come back to the project team after the company decision, foreseen to be made in July, 2014.

3.4.4.2. MEETING WITH POTENTIALLY INTERESTED FOS

On the same day the meeting has been done also with one FO potentially interested to supply Baitang: Kasekar Aphiwat Sangkhum AC, in Voat Kandal village, Reang Kerei commune, Sangke district. This FOs gather 221 households, organized in three groups. 10 representatives (from all the three groups) were met (together with PDA, and DAE counterpart officer) to discuss on possible contract farming to sell Phka Rumdul paddy to Baitang rice mill. The leaders have expressed interest to explore contract farming with Baitang rice mill and said they will organize a meeting with their members to discuss on that opportunity, and then will come back to the project in July, 2014. If interest is confirmed, a meeting could be organized with Baitang in mid-July.

3.5. SCALING-UP OF PADDY SELLING GROUP MODEL WITH FWUCs

3.5.1. PREPARATION OF 2ND YEAR OF PADDY SELLING GROUP PILOT ACTION WITH ISC

Following the concept note received from the Irrigation Service Center (ISC) in the end of March 2014²⁵, discussion took place internally within the project team and comments have been provided to the ISC. A revised concept note has then been sent by ISC on April 4, based on which a first draft of contract for the implementation of this second phase was prepared by SNEC project team. This draft contract (incorporating additional up-dates to the concept note) was sent to ISC on April 9. A request for non-objection has been sent to AFD in the following days. Exchanges on the draft contract have continued in the following weeks with ISC and AFD and few adjustments have been made. AFD has granted non-objection on May 7 and contract was signed on the same day. Main content of the proposed action is summarized in the Box 2 (next page).

The implementation of this second phase of Paddy Selling Group has started in May 2014. Activities implemented from early May to end of June are detailed below.

²⁵ Cf. Quarterly Executive Report #05, page 29.

Box 2: Scaling up Paddy Selling Group in link with FWUCs – Year 2014

Based on the experiences of Paddy Selling Groups in 2013, ICS has proposed to scale up this pilot action from 2 FWUCs within 2 provinces in 2013 to 8 FWUCs within 5 provinces surrounding Tonle Sap Lake in 2014, namely: Kampong Cham, Kampong Thom, Banteay Meanchey, Battambang and Pursat and to work with the Farmer and Water Net (FWN) at national level for access to market information and marketing purpose. The main objectives of this project are to support FWUCs to use their potential and social capital to mobilize Paddy Selling Group and build up models to promote collective marketing of paddy for mutual benefit of farmers. FWN has expressed its intention to address paddy commercialization in 2013, and this federation is seen as a possible channel to build marketing network with millers or/and exporters.

The implementation of this second year of activity is structured by IFC in 3 main phases and 9 stages as follows:

Phase 1: Mobilizing Paddy Selling Group and define paddy selling group model:

- a. Mobilizing Paddy Selling Group(s) – PSG(s) in FWUC;
- b. Develop PSG profile and mapping;
- c. Define marketing strategy and Marketing access channel for each PSG;
- d. Integrate new FWUC in the Farmer and Water Net.

Phase 2: Build up a team spirit and quality improvement support:

- e. Site visit and follow up meeting with each PSG (at least 3 times).

Phase 3: Access to market, Arrange for selling day and payment settlement:

- f. Communication with dealers or/and millers (involving FWN);
- g. Collecting rice and quality identification;
- h. Selling day;
- i. Payment procedure and process.

3.5.2. MOBILISING PADDY SELLING GROUPS IN FWUCs²⁶

3.5.2.1. INTRODUCTION MEETINGS

During this period, 38 meetings were organized to introduce the concept of Paddy Selling Groups to members of the 8 targeted FWUCs. A total of 664 farmers have attended these meetings (See Table 10 next page).

ISC informed that there are needs to organize a second round of information meeting in Tnaot Chum, Kraoch Seuch, Ping Pong and Pralay Ekaphheap because these FWUC were lacking water at the time of the first round of meeting and thereof farmers were concerned with production and thereof less interested to discuss commercialization issues.

²⁶ Based on ISC report: “Service Agreement No: CKH-1077 – C#3 – 2014 – 02, Scaling-up action of Paddy Selling Groups: Linking FWUCs to millers/exporters – Executive Report No 1 dated June 25, 2014.

Table 10: Participation in meetings for presentation of PSG concept in targeted FWUCs

No.	FWUC/Scheme	Province	# meeting	# Participants	Remark
1	Angko	Kampong Thom	4	129	2 more meetings foreseen
2	Beung Leas	Kampong Thom	3	81	
3	Stung Chinit	Kampong Thom	8	125	
4	Tnaot Chum	Kampong Thom	3	50	5 more meetings foreseen
5	Teuk Chhar	Kampong Cham	5	59	
6	Kraoch Seuch	Pursat	3	50	5 more meetings foreseen
7	Ping Pong	Battambang	9	120	
8	Pralay Ekapheap	Banteay Manthey	3	50	
Total			38	664	

3.5.2.2. MEMBERS REGISTRATION

The process of data collection for the registration of members has started and is in progress.

3.5.3. FACILITATE AND SUPPORT FOR PURE SEED MULTIPLICATION IN STUNG CHINIT SCHEME

Since beginning of June 2014, PSG members from Khvaek and Laak villages in Stung Chinit scheme have expressed interest in multiplying quality seeds of Phka Romdul. Following discussions in June, an agreement has been made between ISC and 15 of PSG members, to be carried out during this wet season:

- This group agree to produce seeds of Phka Romdul variety for supplying to the Paddy Selling Group members (maximum selling price of 3,000 KHR/kg);
- Those seed producers agree to shift from traditional seeds to use foundation seed (bought from CARDI). Members of this group have to pay 4,000 KHR/kg from ISC. ISC has subsidized 10,000 KHR/Kg to those members²⁷.
- Seed producer group members agree among themselves to use transplanting method and they may use only 20 kg of foundation seed to prepare nursery for 1 ha of cropping area.
- 240 kg of Phka Romdul foundation seed were bought from CARDI, to be cultivated on 12 ha.
- Seed producer group had started their nursery since June 15, 2014. They plan to transplant 20 days later (beginning of July).

3.5.4. DEFINE PADDY SELLING MODEL FOR EACH PADDY SELLING GROUP

3.5.4.1. CONTRACT FARMING WITH GOLDEN RICE FOR TEUK CHHAR

Since beginning of May 2014, ISC organized consultation meetings with PSG members in Teuk Chhar to discuss about the possibility to sign contract farming agreements with Golden Rice Company for Sen Kraob variety. On May 12, 2014 Teuk Chhar FWUC and Golden Rice company had reached a contract farming agreement for the production of Sen Kraob paddy. This contract is signed between Golden Rice representative and FWUC vice chairman. According to the contract, Golden Rice will provide 269 kg of pure seed of Sen Kraob to 7 farmers to cultivate on total surface of 2.15 ha and farmers have to sell back their product after harvesting to Golden Rice at a fixed price of 1,020 KHR per kg.²⁸

²⁷ CARDI price for foundation seeds is 14,000 KHR/kg.

²⁸ See also § 3.3.1. page 16 in this report.

3.5.5. CHALLENGES IN THE IMPLEMENTATION OF PSG ACTIVITY

The ISC has reported the following challenges in the implementation of PSG activity in 2014:

- There are long drought period during this year in Kampong Thom, Pursat, Battambang and Banteay Meanchey, and FWUC members face problem of irrigated water.
- Beside the drought, planning of water availability and water distribution at river basin level is absent.
- Price of membership fee is accepted at only 10,000 KHR per members in PSG, which is relatively low.
- The need to recovery cost of facilitation and coordination of FWUC representation and PSG representation is quite hard to explain to PSG members. This point will be raised again with farmers after the PSG profile is prepared.

3.6. SUPPORT TO ORGANIC PADDY PRODUCER COOPERATIVES IN PREAH VIHEAR AND CONNECTION TO MARKET

3.6.1. PREPARATION OF 2ND YEAR OF SUPPORT TO ORGANIC COOPERATIVES WITH CORAA

Further to the second version of the concept note sent by COrAA in March²⁹ for the implementation of a follow-up action with Cooperatives in Preah Vihear, a draft contract has been prepared by SNEC project team in early April. It was informally sent to AFD which provided a first batch of comments in mid-April. A revised version has been sent by SNEC to request non-objection from AFD on 18 April 2014. Discussion on the contract, scope of work and budget continued with COrAA and AFD until a final version of the contract was approved by all parties on May 27, 2014. Contract was signed the following day. The multiple rounds of discussion on this contract have delayed the starting of the implementation.

Objectives of this second year of implementation of the pilot action with COrAA are detailed in the Box 3, below.

Box 3: Support to Organic Paddy production Cooperatives by COrAA – Year 2014

Based on the experiences of 2013, a follow-up action has been prepared with COrAA for 2014 which will aim at consolidating the outcome of previous year, at addressing the difficulties faced regarding the management of transactions between cooperatives and buyers (See Quarterly Executive Report #05, pages 30-32) and to integrate three additional cooperatives in the pilot action. In 2014, the project will thereof support a total of 8 Organic Paddy Producers Cooperatives with a total of about 1,100 farmers.

Main objectives:

1. Linkages between cooperatives and rice firms are established to enable the procurement of organic paddy;
 2. Farmers are able to offer paddy of high quality (purity, agreed moisture content and low degree of broken grains;
 3. Organic certification of farmer cooperative is provided;
- (...)

²⁹ Cf. Quarterly Executive Report #05, § 3.4.4. page 32.

(...)

4. Results and impacts of the procurement of the 2014 harvest season are assessed; and
5. COrAA and other actors have a thorough understanding of the economic and social situation of the organic rice farmers.

Expected Results:

- The cooperatives, with about 1,100 farmers involved, successfully manage their ICS systems.
- Contracts between cooperatives and buyers are signed tentatively by end of August.
- About 90 percent of the produce of the participating famers (2,800 tons) qualifies for certification based on COrAA's organic standards (and on international standards in cooperation with an internally accredited certifier).
- The participating certified farmers produce about 2,500 tons of certified organic paddy (fragrant rice).
- 70% of the supplied paddy meets the requirements of the firms and is bought by them (about 1,750 tons).
- COrAA has established links to buyers in the domestic and international market.
- 800 tons of milled organic rice are suited for export.

3.6.2. ACTIVITIES IMPLEMENTED BY CORAA IN THIS QUARTER

3.6.2.1. TRAINING ON ORGANIC AGRICULTURE CONCEPT

Trainings on the principles of organic agriculture have been organized on the field for all the 8 cooperatives involved (mainly for the three newly integrated cooperatives, but also for new members of the 5 cooperatives already involved last year. In total 256 members attended these trainings.

3.6.2.2. PRELIMINARY DISCUSSION ON INTERNATIONAL CERTIFICATION

COrAA had a meeting on 2nd of June with AMRU (the main exporter involved last year already) to discuss the possibility to get an organic certification for EU and/or for USA market. No final conclusion has been made at that time but the question will be further discussed and remains an objective.

3.6.2.3. WORKSHOP ON “ORGANIC PADDY COMMERCIALIZATION UNDER CONTRACT FARMING” IN PREAH VIHEAR

A workshop on “Organic paddy commercialization under Contract Farming in Preah Vihear province” has been organized on June 19 in the PDA of Preah Vihear province.

The objectives of the workshop were the following:

- to introduce the basic contract farming to FOs leaders and rice mill representatives,
- to introduce COrAA certification standard and application,
- to identify the interested rice millers/exporters to work in partnership with FOs on organic paddy commercialization under the contract farming
- to initiate negotiation on buying and selling the organic paddy.

There were 16 FOs leaders from 8 potential organic paddies cooperatives in Preah Vihear province participated in the workshop meeting, two staff from COrAA including 3 staff of PDA, two partner staff from DAI and DAE.

The leaders of 8 FOs well understand the basic concept of contract farming, COrAA organic inspection and certification standard for local and international market. All leaders of 8 FOs will organize internal meeting of FOs to disseminate the contract farming format and take feedback of members for discussing in next meeting will be organized at SNEC on 01 July, 2014 with (tentatively) representatives from 6 rice millers/exporters interested to buy organic paddy for export markets.

3.7. SUPPORT TO PILOT ACTION WITH COOPERATIVES IN TAKEO

3.7.1. RECALL OF PREVIOUS STEPS REGARDING SUPPORT TO COOPERATIVES IN TAKEO

Based on the results of the meeting with PDA-Takeo and board members of FAEC and FCFD in Takeo province in last quarter, 4 ACs Angkor Borei district and 5 agricultural cooperatives (members of FAEC and FCFD) in Tramkak district were identified by the project team as potential ACs for the study. Up to now, the project team already finished the study with 4 potential ACs at Angkor Borei district³⁰, Takeo. Due to 5 ACs in Tramkak are members of federations (FAEC and FCFD) and these two federations will work at Tramkak district to found pre-union of cooperatives, so the study team will cooperate with the team of Component #1 of the project to conduct the study in the next quarter.

As stated in Quarterly Executive Report #05, the analysis of the investment on the equipment of ACs in Angkor Borei district shows that the investment on harvester machine and truck is more profitable than the warehouse and dryer. Two ACs such as Ta Ey Rung Roeung AC and Sromok Sok Sen Chey AC among 4 ACs identified in Angkor Borei district are interested to invest on harvester machine and truck.

- Investment of Sromok Sok Sen Chey AC on harvester machine and truck: the total investment is about 65,500 USD. Normally, this AC could has its own capital about 5,000 USD, so this AC prefers to request for loan around 60,500 USD with interest rate 8% per year and for 5 years.
- Investment of Ta Ey Rung Roeung AC on truck: the total investment is about 20,000 USD and this AC prefers to request for loan around 15,000 USD with interest rate 8% per year and for 5 years.

A proposal on “Rice collection and commercialization for agricultural cooperative in Takeo” has been submitted by DAE-MAFF to SCCRP project, but then withdrawn by DAE considering that:

1. SCCRP project would not provide full subsidy on investments (as stated during a Component #3 meeting with AFD and SNEC on April 1st, 2014 – See § 3.11.2 page 30 in this report).
2. Ta Ey Rung Roeung AC and Sromok Sok Sen Chey AC are interested to invest on harvester machine and truck but not on the warehouse, whereas DAE consider that such investments could be difficult to manage and lead to problems with cooperatives.

DAE mentioned that ACs could submit directly their proposal to SCCRP project if they are interested.

3.7.2. APPROACHING MFIS FOR THE FINANCING OF INVESTMENTS

The draft business plans of Ta Ey Rung Roeung ACs have been develop, the meeting with MFIs such as Amret and Vision Fund³¹ were conducted to present the request for loan of Ta Ey Rung Roeung AC and

³⁰ Cf. Quarterly Executive Report #05, § 3.2.1. pages 24-27.

³¹ RDB was not approached because SNEC project coordinator said that RDB would not be likely to make a quick decision in May/June because of the foreseen change in RDB management team.

discuss about conditions to provide loan to FOs by MFI and also to discuss about Credit Mechanism to provide loan to FOs (in relation with Component #4)³²:

3.7.2.1. MEETING WITH AMRET

Project team has met Amret on May 29, 2014 at Amret Head Office. So far, Amret has never provided loan to cooperatives but they have provided loan to Village Association (VA)³³. In each VA, there are around 10-20 groups and each group is composed by between 3-6 members. The maximum loan per member is 375 USD/member with interest rate between 3%-3.5%/month for the duration of 12 months. Amret also provide loans to Small and Medium Enterprise (SMEs) for amount between 15,000 USD to 50,000 USD, at rates of 1.2 to 1.5 %/month, with a minimum of 150% collateral (immovable assets).

3.7.2.2. MEETINGS WITH VISION FUND

Project team has met Vision Fund (VF) on May 30, 2014 at VF Head Office. Vision Fund has a pilot project in cooperation with World Vision and CEDAC (Centre d'Etudes et Développement Agricole Cambodgien) to provide loan to ACs. So far, 13 ACs have got a loan from VF. The duration of loan is between 6 to 36 months with amounts between 5,000 USD to 25,000 USD. The interest rate is 1.45% to 1.70%/month depending on the amount of loan and the kind of collateral mobilized, notably. Based on the meeting, VF will meet Ta Ey Rung Roeung AC to study more about this cooperative. VF is also interested to meet FAEC and FCFD to envisage possible partnership, as introduced by the project team during the meeting.

On June 9, Vision Fund (represented by its Branch Manager for Takeo province) met Ta Ey Rung Roeung Agricultural Cooperative in Angkor Borei district. VF said they could provide loan to Ta Ey Rung Roeung Cooperative for an amount of 10,000 USD with interest rate between 1.60%-1.70%/month for a duration of 2 years ½. This was relatively higher than what the cooperative has anticipated (interests of 1.2 to 1.3 %/month) and thereof the cooperative did not yet made decision regarding the loan offer.

3.8. MANAGERIAL CAPACITY BUILDING OF FOs INVOLVED IN CONTRACT FARMING AND PADDY COMMERCIALIZATION

3.8.1. MOBILIZATION OF MR HY THY

AVSF-CIRD-ADG team has been completed with Mr Hy Thy as a part time consultant with the position of Assistant Team Leader³⁴ and a specific role in providing advice, training and backstopping support to some Farmer Organizations involved in the Pilot Innovative Actions for paddy commercialization, notably contract farming. Mr Hy Thy is mobilized for an equivalent of 3.6 full time months spread over a duration of 8 months.

It is notably anticipated that Mr Hy Thy will work with the FOs which have signed contract farming agreement with BRICo and Loran in Battambang, then with the Organic Paddy Producers Cooperatives in Preah Vihear.

³² Both Amret and Vision Fund have attended Horus restitution meeting regarding the scenarios for the creation of a dedicated credit mechanism for Farmer Organizations in June 2014. See § 4.3.2. page 32 in this report.

³³ Village Association are used rather as a relay to ease the provision of credit to their individual members and provide guarantees, but they are not organization that will actually use the capital to implement activities at association level, so this model is actually very far from what the project would foresee as loans to cooperatives, which would rather be comparable to SME loans.

³⁴ AFD has granted non-objection for the mobilization of the consultant by letter No SM/kl – L 286/14 dated May 7, 2014.

3.8.2. FIRST SUPPORT PROVIDED TO FOS IN BATTAMBANG

His first field mission has been conducted from 11 to 13 June 2014 in Battambang. He visited the 3 Farmer Organizations which have signed contract with buyers (Nikum Preah Sihanouk AC, Svay Ar FWUC and Petsat documbey Aphiwatk Kasekor Khum Run Chrey). The main objective of the mission was to understand more about those FOs especially related to the way they foresee the management of paddy collection, delivery and payments in the frame of the contracts.

3.9. KNOWLEDGE MANAGEMENT, CAPACITY BUILDING AND NETWORKING

3.9.1. WORKSHOP ON CONTRACT FARMING TO SHARE LESSONS LEARNT FROM TRAINING IN THAILAND

On 2 May 2014, a workshop was organized in SNEC in order to share lessons learnt on contract farming, notably based on the lessons learnt from the training attended by Mr Yi Bunhak and Mr Ouk Saroeun³⁵ in Thailand in early March 2014. The workshop was introduced by Mr Ung Luyna, Project coordinator for SNEC, and by Mr Kong Pheak, Deputy-Director of DAI. The workshop was attended by officers of DAI and DAE, and of 4 PDAs (Battambang, Takeo, Kampong Cham and Kampong Thom), as well as members of project team and few other participants from other organizations.



△ Workshop on contract farming in SNEC on 2nd of May 2014.

Mr Tith Samon has made a brief presentation of progresses of contracting between FOs and rice mills (BRICo and Loran). Then presentations were made by Mr Ouk Saroeun and Mr Yi Bunhak based on elements from the training they have attended in Thailand. A case study on contract farming for sugar cane production was briefly presented. The workshop continued with a questions and answers and open discussion session.

3.9.2. ACMES WORKSHOP ON CONTRACT FARMING IN MOC

On May 21, 2014, 4 members of the project team (Mr. Jean-Marie Brun, Mr. Yi Bunhak, Mr. Tith Samon and Mr. Sok Sarang) participated in the workshop on contract farming organized under the ACMECS³⁶ at the Ministry of Commerce. The presenters (from Thailand) have informed that a Memorandum of Understanding (MoU) was signed between Cambodia and Thailand on June 11, 2013 with the objective of supporting the development of cross-border contract farming agreements. The MoU and some of its application were briefly presented during the workshop.

3.9.3. STUDY ON EXISTING PRACTICES OF CONTRACT FARMING IN CAMBODIA

The field study on current practices of Contract Farming in Cambodia implemented by Ms Selvie Dany (Student from Gembloux University, Belgium) and Mr Oern Rathana (Student from Prek Leap National Agriculture College) has been implemented during this quarter. Three cases of contract farming were studied:

- Contract between CEDAC-Enterprise and farmers of the Prey Kdouch Agricultural Cooperative in Takeo province

³⁵ Cf. Quarterly Executive Report #06, page 38.

³⁶ ACMES = Aycyawady Chao Phraya Mekong Economic Cooperation Strategy.

- Contract between Angkor Kasekam Roongroeung (AKR) and farmers of the Angkrong Agricultural Association in Kampong Speu province
- Contract between Seng Bunsor and the Agricultural Cooperative of Chrey in Battambang province

A restitution meeting to present the results of the study was organized at SNEC office on May 28, 2014 with 14 participants. The analysis and the recommendations of the study have focused on impact of contracts on the local context, pros and cons of CF for farmers and firms, assessment of the external support, arbitration of disputes if any, economic analysis, gender, pricing arrangement and transparency, etc.

A Power Point presentation of the findings is available with the project team. Students will finalize their report in the coming months.

3.9.4. REGIONAL WORKSHOP WITH STRUCTURED LEARNING VISIT ON SUCCESSFUL CONTRACT FARMING MODELS IN THAILAND

From 16 to 22 June 2014, Mr Phat Sophany³⁷ took part in the Regional Workshop and Structured Learning Visit on Successful Contract Farming models organized in Thailand by the Mekong Institute. 34 people have attended this regional workshop coming from 4 countries (Cambodia, Lao PDR, Myanmar and Vietnam). The main objectives of this regional workshop and visits are 1) to identify best practices of contract farming in linking smallholder farms to modern market and value chains; 2) to analyse the opportunities, challenges and impact of contract farming to small farmers and their implications to policy; 3) to reflect on the lessons learned from successful multinational agri-business companies and provide recommendations to improve cross-border contract farming policies and management to ensure benefits to small farmers

3.9.5. SHARING PROJECT EXPERIENCE: EXCHANGE WITH STUDY TEAM OF COORDINATION SUD / C2A.

Coordination Sud is a platform of International Development NGOs in France. Coordination Sud has set a working group known as “C2A” (= “*Commission Agriculture et Alimentation*”, i.e. Agriculture and Food Commission) which facilitate reflection and dialog on Agriculture and Food Security issues, publish notes and documents and is active in the dialog with the public sector on these topics. C2A has recently published a short note on Contract Farming in Developing Countries, and a small team has been commissioned by *Coordination Sud* to provide a more detailed study. AVSF is notably involved in this team, and a contact was made with the SCCR project to get feedback on our experience. A skype meeting took place with the Project Management Advisor on June 13, 2014.

It has been agreed that some elements from the project’s lessons learnt would be shared with C2A team in charge of the study in July, and that elements from one case study from Ms Selvie Dany and Mr Oern Rathana (See § 3.9.3. on previous page) would also be shared with them.

3.9.6. MEETING WITH JAPAN DEVELOPMENT INSTITUTE

On May 23, 2014 SCCRP project team has met representatives of the Japan Development Institute (JDI) and General Directorate of Agriculture (GDA) which together have a project of Mini Rice Centers³⁸. JDI is notably supporting the development of storage and drying facilities for paddy in some selected cooperatives. One of the targeted cooperatives is *Samaki Senprasream* AC in Prey Pado commune, Prey Kabas district,

³⁷ Institutional Capacity Building Consultant, part of AVSF-CIRD-ADG team, in charge of the support to FO Federations. Note that Mr Sok Sarang and Mr Yi Bunhak were not eligible to attend this workshop (with all costs covered by the Mekong Institute) because they have attended a previous edition of the same workshop.

³⁸ “Mini Rice Center Pilot Project by Agricultural Cooperatives in Cambodia”.

Takeo, which has been visited by the Component #3 project team in March³⁹. Whereas SCCR Project would not provide fully subsidized investment as JDI is doing, it was proposed to involve this cooperative in further linkages with millers for the commercialization of their paddy. In case deals are foreseen, managerial capacity building to this cooperative could also be considered as a complementary input to JDI/GDA investment.

3.9.7. MEETING WITH PROMOTION OF INCLUSIVE AND SUSTAINABLE GROWTH IN THE AGRICULTURE

SECTOR: FISHERIES AND LIVESTOCK

On June 23, 2014, the Project Management Advisor had a meeting with Mr Mel Jones, Team Leader and Agriculture Sector Institutional Development Expert for the “Promotion of Inclusive and Sustainable Growth in the Agriculture Sector: Fisheries and Livestock” project financed by EU and hosted by MAFF. The purpose was to exchange information on our respective projects in order to enhance coordination and synergies. This EU project is focused on livestock and fisheries and thereof shall not have overlapping in term of sub-sector. Yet discussion has shown that on institutional and regulatory crosscutting issues, some activities could require coordination. In particular, Mr Mel Jones has indicated that the EU project intends to provide support to the Secretariat of the Technical Working Group on Agriculture and Water (TWGAW) in order to reactivate this group (which has been less active than before during the very recent years). Value chains and contract farming approach could be part of the subjects proposed for discussion.

Further to this discussion, possible involvement of the TWGAW in the process of policy and regulation development for contract farming has been added by the PMA in the proposed approach (See § 3.10 below). The EU project could usefully provide case studies on livestock sector notably in order to avoid a bias in the development of policies and regulation if based on rice sector only.

3.9.8. PARTICIPATION IN WORKSHOPS ON SEEDS MULTIPLICATION AND USE AND SEED RELATED REGULATION ISSUES

Project Management Advisor has participated in two workshops regarding seed multiplication and seed use issues, both organized by CIRD under IFC project:

- Workshop on seeds and seeds regulation⁴⁰, organized in Phnom Penh on 16 of June 2014,
- Workshop on aromatic rice seeds multiplication and use, organized in Siem Reap on 20 of June 2014.

3.10. POLICY AND REGULATORY ISSUES ON CONTRACT FARMING

A meeting was organized at SNEC office on May 29, 2014 between members of Component #3 team and representative of DAI to identify issues to be addressed regarding Contract Farming policies and regulations. The purpose was in particular to identify needs for further policies and regulation, map on-going actions in this matter, identify stakeholders involved, flag possible contributions of the project and define an approach/roadmap and a time frame.

DAI has provided some inputs in these matters. Based on the proposition of DAI-MAFF during the meeting, the team of C#3 has drafted the arrangement and process of a taskforce and draft arrangement and process of Contract-Based Agricultural Production Committee (CBAPC).

³⁹ See Quarterly Executive Report #05, § 3.2.3., page 28.

⁴⁰ Two members of SCCRP project attended the morning session of this workshop, but not the afternoon session because of overlapping timing with Horus mission restitution.

A more comprehensive concept note on the proposed approach was then developed by the Project Management Advisor and sent to DAI and C#3 team. Feed-backs on this note are expected to be provided in July, and the note will then be submitted to the Project Steering Committee meeting scheduled for August 2014.

3.11. GENERAL COORDINATION OF THE COMPONENT #3

3.11.1. MONTHLY COORDINATION MEETINGS

Regular coordination meeting of the Component #3 took place, on a monthly basis, to review progresses of activities and plan actions for the following month. Meetings were coordinated by Mr Sok Sarang on April 8, May 8 and June 6.

3.11.2. DISCUSSION ON PROJECT POLICY ON SUBSIDIES

Following PMA's note dated 18 March 2014, a meeting took place in SNEC on 1st April 2014 with notably the Project Management Advisor, AFD representative, AVSF-CIRD-ADG team and DAE counterpart officer. One of the main subjects was to discuss and decide the policy of the project regarding subsidies to FOs. The following decisions were made:

- The meeting has confirmed the possibility for the project to consider subsidies to FOs for investment in equipment (such as dryers, warehouses, harvesting equipment, trucks...) related to the development of their commercial activities for paddy marketing. Nevertheless the decision of subsidies shall be taken case by case, considering the relevance of the proposed investment and the business plan.
- Subsidies shall cover only a part of the investment costs and cannot be 100% subsidies. The main part of the investment costs shall be covered by the FO own funds or by a loan contracted by the FO.
- Subsidies can also be used to cover part of the interest rate of the loan until an affordable credit mechanism for FOs is in place (Component #4). Besides, the project could directly provide a guarantee to the bank/MFI in order to reduce the level of collateral required (as a transitory solution before the Guarantee Fund envisaged is in place).

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

4.1. UP-GRADING RDB: IMPLEMENTATION OF KPMG RECOMMENDATIONS

4.1.1. FINALIZATION OF KPMG MISSION

AFD has sent to RDB some comments on KPMG deliverables on April 2, 2014.

Deliverable B4 has been sent by KPMG to RDB on May 27, 2014. Some comments were sent on the same day by SNEC Project Management Advisor, notably regarding the fact that the report delivered provide recommendations about the content of an Operating Manual but is not the Operating Manual itself (whereas “Operating Manual” was the deliverable as per the ToR annexed to KPMG contract). But KPMG has replied that this adjustment of B4 deliverable was proposed and agreed since the mission kick-off meeting on May 29, 2013. RDB (being directly in charge of the management of this consultant contract⁴¹) was asked to comment on this point but did not specifically expressed concerns.

A meeting took place on June 4 at RDB for KPMG to gather feedback on B4 report as well as other deliverables. Some specific comments were formulated by RDB during that meeting.

KPMG has provided a final report on June 20, 2014 (electronic version) which has been approved by the client (RDB). AFD will proceed to final payment to KPMG in early July 2014, closing KPMG contract.

4.1.2. RDB REFORMS

Further to the meeting in MEF on RDB reform on March 27, 2014 ⁴², RDB and MEF have started to work on an action plan to implement the reform of RDB. A first meeting was organized in RDB with H.E. Son Kun Thor, KPMG, AFD and SNEC project team on April 11, 2014.

Mr Ung Luyna, SNEC project coordinator, took part in several meetings with RDB and MEF to follow-up on the reform process engaged, and MEF undertook actual moves toward RDB reform, including the formulation of new sub-decree on the establishing the RDB. The new sub-decree was endorsed by the Royal Government on 11 June 2014, which creates a basis to orient the Bank to policy-base financial service in agriculture sector. The next expected development is the appointment of the new CEO and members of Board of Director to undertake the reform.

4.2. LEGAL CONSULTANT MISSION

During the meeting between RDB, KPMG and SNEC Project Management Advisor on June 4, 2014, it was recalled that DFDL did not finalize its mission and has provided no input for several months. RDB was asked to consider, in consultation with AFD, what shall be done about DFDL contract: consider a suspension and revision⁴³ of the ToR before resuming the work, or consider a cancellation of the contract?

⁴¹ Cf. SNEC letter to RDB dated 1st February 2013.

⁴² Cf. Quarterly Executive Report #05, pages 41-42.

⁴³ Considering that conversion of RDB from a Specialized Bank to a Commercial Bank seems not anymore on the agenda, the relevance of DFDL ToR has become disputable.

4.3. DEVELOPMENT OF A CREDIT MECHANISM DEDICATED TO FARMER ORGANIZATIONS

4.3.1. DELIVERY OF HORUS DRAFT REPORT FOR PHASE 1 AND COMMENTS

Further to the implementation of Horus Development Finance mission (phase 1) in February 2014 ⁴⁴, Mrs Christine Westercamp has sent to SNEC a draft report for Phase 1 on April 20, 2014.

Comprehensive and detailed comments on the report were sent by SNEC (jointly on behalf of PMA and Project Coordinator) on May 21, 2014. Horus as acknowledged the comment but did not yet provided a revised version of the report. Yet, Mrs Christine Westercamp has indicated that comments would be taken into account in the slide presentation for the restitution meeting.

4.3.2. RESTITUTION OF FINDINGS OF PHASE 1 OF HORUS MISSION

Horus findings and proposed scenarios for the development of Credit Mechanisms to FOs have been presented in a restitution meeting in SNEC on June 16, in presence of SNEC project leadership and members of project team, representatives of MEF, AFD, RDB, Amret and Vision Fund.

Three scenarios have been proposed by Horus:

- **Scenario 1:** Credit is provided to Farmer Organizations by a partner Financial Institution (typically an MFI or a bank implanted in rural areas). RDB is providing refinancing to the partner Financial Institution (possibly using the ASDF).
- **Scenario 2:** Rural Development Bank directly provides the loans to FOs (possibly using the ASDF). Guarantee Fund is hosted in another bank.
- **Scenario 3:** Credit is provided to Farmer Organizations by a partner Financial Institution (as in Scenario 1) but this FI is directly refinanced by MEF (possibly by a direct allocation of a part of the ASDF) and not via RDB.

All scenarios include a Guarantee Fund (to complete FO collateral, but allow to reduce the collateral requirement). Federations of FOs are also proposed in all scenarios as partners to screen eligible FOs, provide support and take part in the risk sharing.

The edited slide presentation was sent by Horus to SNEC after the restitution workshop.

4.3.3. NEXT STEPS

Horus is expected to deliver an edited report for phase 1 in July.

It is then expected that MEF, SNEC and RDB make a decision on the preferred scenario to implement. Based on this orientation, the Terms of Reference of the second phase of Horus mission might need to be adjusted before to mobilize this second input from the consultants.

4.4. NETWORKING AND DISCUSSION ON FINANCE ISSUES

4.4.1. BRIEFING OF H.E. MEY KALYAN ON COMPONENT #4

The Project Management Advisor had a meeting ⁴⁵ with H.E. Mey Kalyan (Advisor to SNEC) on April 2, 2014 in order to present projects activities and expectations regarding Component #4 (Reform of RDB and development of Credit Mechanism to FOs).

⁴⁴ Cf. Quarterly Executive Report #05, pages 43-44.

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

5.1. PROJECT COMMUNICATION AND COORDINATION WITH OTHER PROJECTS AND STAKEHOLDERS

Regular meeting took place along this quarter with IFC rice sector project team with whom SCCRP has very close collaboration and coordination.

Besides exchange of information with other development partners or projects took place, notably with “Promotion of Inclusive and Sustainable Growth in the Agriculture Sector: Fisheries and Livestock” project financed by EU⁴⁶ and with the Japan Development Institute and GDA regarding their “Mini Rice Center Pilot Project”⁴⁷.

The Project Management Advisor also took part in a presentation (by Enrique Aldaz-Carroll, Senior Country Economist at World Bank) and discussion on the improvement of rice trade logistic. This meeting was held in World Bank Office on June 24, 2014.

5.2. MANAGEMENT, ADMINISTRATIVE AND LOGISTIC ISSUES

5.2.1. RENEWAL OF PROJECT ADVANCE, MANAGEMENT OF EXCHANGE VALUE AND BUDGET MONITORING

During this 6th Quarter, SNEC has submitted the first request for the renewal of project advance on the project bank account. This has led to a rectification on the assignment of exchange rate value for each of the expenditure made in US Dollar with this project advance: whereas in the early stage of project implementation, AFD had proposed the principle of “first in – first out” to manage the exchange rate, AFD has now indicated that the exchange rate of the renewal of the advance shall retroactively be applied on all the expenditures made prior to this renewal and that are used to justify this renewal of the advance. More explanation on this issue have been provided in the Quarterly Financial Report #06, page 9.

5.2.2. NON-OBJECTIONS AND CONTRACTS AWARDED IN THE PERIOD

The following non-objections were granted by AFD during this quarter and subsequent contracts were signed:

- Contract with ISC for scaling up of pilot action of FWUCs Paddy Selling Groups;
- Mobilization of Hy Thy for managerial capacity building of FOs (under AVSF-CIRD-ADG contract);
- Selection and contracting of Agland for international market study;
- Contract with COrAA for support to Organic Cooperatives and linking with millers/exporters;
- Change in Horus consultant team;
- Contracts for support to FAEC and to FCFD.

5.2.3. UP-DATE OF TERMS OF REFERENCE FOR SNEC OFFICERS ASSIGNED TO PROJECT

On June 16, 2014, SNEC has sent up-dated Terms of Reference of SNEC officers assigned to the project implementation, which include slight revision of the tasks and time assigned.

⁴⁵ On the request of H.E. Mey Kalyan.

⁴⁶ Cf. § 3.9.7. page 29 in this report.

⁴⁷ Cf. § 3.9.6. page 28 in this report.

ANNEXES

ANNEX 1: PMA TIMESHEETS

APRIL 2014

		Location	Activities
Tuesday	1	a.m. SNEC	Prepare meeting on project policy for subsidies - follow up issues on C#1 (CRF) + C#2 (market study contract)
		p.m. SNEC	Meeting on subsidy policy and on follow up of actions with ISC and CoRAA
Wednesday	2	a.m. SNEC	Meeting with Dr. Mey Kalyan about RDB reform and rural finance
		p.m. SNEC	Work with Phat Sophany and Sokkheang on MOU with FAEC and FCFD - minutes of meeting of 01/04
Thursday	3	a.m. SNEC	Finalize draft table for coordination by objectives - Meeting with Sreyon + Sothy (FCRE) - Comment CF Loran
		p.m. MAFF / SNEC	Meeting with Dr Mak Soeun (FO representation in CRF) - Up-date SNEC team ToR - Note on article for FCRE
Friday	4	a.m. SNEC	Work on CoRAA contract for support to organize paddy cooperatives
		p.m. SNEC	Work on CoRAA contract for support to organize paddy cooperatives - Check project accounting of March
Saturday	5	a.m.	
		p.m.	
Sunday	6	a.m. (home)	Finalize CoRAA draft contract
		p.m.	
Monday	7	a.m. SNEC	Revise ToR of consultant for FO management capacity building - Review ISC second version of proposal
		p.m. SNEC	Brief discussion with Luyana - reply to AFD (Sideth) concerns on C#3 - Quarterly Financial report
Tuesday	8	a.m. SNEC	Component #3 Coordination Meeting
		p.m. SNEC	Component #3 Coordination Meeting + various e-mail and correction in the records in budget monitoring
Wednesday	9	a.m. SNEC	Finalize Financial Report Q#05 - Comments and amend farmers' commitment letter for CF with Loran
		p.m. SNEC	Prepare draft contract for ISC on pilot action (PSG) year 2 - Meeting with Ung Luyana
Thursday	10	a.m. SNEC	Work on Quarterly Report #05
		p.m. SNEC	Check FCRE financial report - complete ISC draft contract - Work on Quarterly Report #05
Friday	11	a.m. SNEC / AFD	Work on Quarterly report #05 - Meeting with AFD on C#3
		p.m. RDB / SNEC	Meeting at RDB on follow up of upgrading process - Meeting with CoRAA
Saturday	12	a.m.	
		p.m.	
Sunday	13	a.m. (home)	Final comments on ToR for capacity building of FO (AVSF-CIRD-ADG)
		p.m.	
Monday	14	a.m. (home)	Revise CoRAA draft contract and ToR for follow up action in Year 2
		p.m.	
Tuesday	15	a.m. (remote)	Revise ISC contract and ToR for PSG action in 2014 - Exchange on article on inter-profession with C. Coronel
		p.m. (remote)	Comments on deliverable 3 of Agland market study - Work on Report Q#05
Wednesday	16	a.m.	
		p.m.	
Thursday	17	a.m. SNEC	Additional comments to Agland - Reply to CoRAA questions - Work on Quarterly Report #05
		p.m. SNEC / home	Work on Quarterly Executive Report #05
Friday	18	a.m. SNEC	Final adjustment on ISC and CoRAA contract for ANO - Phone meeting with Bas (IFC) - review contract FCFD
		p.m. Topaz / SNEC	Meeting with CCFC on rice export promotion in France - Review contract FCFD + mail to consult AFD
Saturday	19	a.m.	
		p.m.	
Sunday	20	a.m.	
		p.m. (home)	Work on Quarterly Executive Report #05
Monday	21	a.m. SNEC	Discussion with Phat Sophany (ask clarification on report) - Work on Executive Report #05
		p.m. SNEC / AFD	Final adjustment on ToR for capacity building of FOs - Meet AFD and IFC to solve issue on Agland contract
Tuesday	22	a.m. SNEC	Request ANO for mobilization of Hy Thy - revision on Agland contract + request for ANO + revise FCFD contract
		p.m. SNEC	Draft request ANO for contract FCFD - Review compilation of spending with project advance - Jan 13 - Mar 14
Wednesday	23	a.m. SNEC	Final update in Agland contract - Synthesis of expenditures 01/01/2013 - 31/03/2014
		p.m. SNEC	Last revision ISC contract - meet Sreyon /FCRE financial report - Revise FAEC contract - Comment /Angkor Borei
Thursday	24	a.m. SNEC	Reply to IFC - Adjustments Agland contract -
		p.m. SNEC	Meeting Sok Sarang on C#3 activities - Meeting with AVSF (M. Sophoan and G. Robin) - Amend CoRAA contract
Friday	25	a.m. SNEC	Request ANO on selection of Agland - Continue Amend CoRAA contract - issue /training on advocacy for FO Fed
		p.m. SNEC	Continue the amendment of CoRAA draft contract - ANO on FAEC contract - Meeting with C#3 team on CF
Saturday	26	a.m.	
		p.m. (home)	Work on Quarterly Executive Report #05
Sunday	27	a.m.	
		p.m.	
Monday	28	a.m. SNEC / Loran / travel	Meeting with Ok. Lim Bun Heng (Loran) - Draft letter to CDC - Leave to Battambang end of morning
		p.m. Travel - Battambang	Travel to Battambang - Review C. Coronel article on inter-professions -
Tuesday	29	a.m. Battambang	Meeting with BRICo and FOs on contract farming in BRICo mill
		p.m. Battambang	Meeting with Loran and FOs in Loran Rice
Wednesday	30	a.m. Travel	Travel back to Phnom Penh
		p.m. SNEC	Meeting with C#3 team and G. Robin

MAY 2014

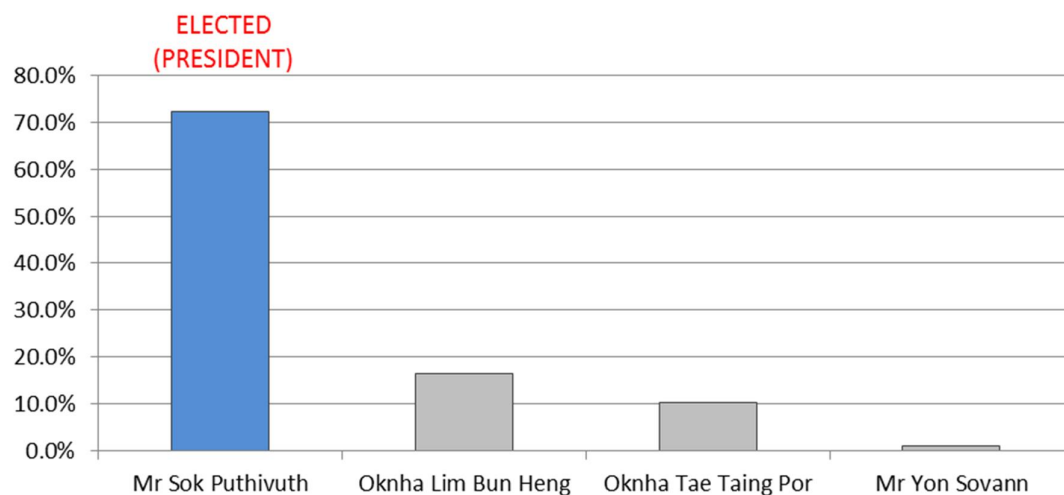
		Location	Activities
Thursday	1 a.m.	SNEC	Work on Quarterly Executive Report #05
	p.m.	SNEC	Work on Quarterly Executive Report #05
Friday	2 a.m.	SNEC	Workshop with DAI, DAE, + 4 PDAs on Contract Farming (sharing lessons learnt from training in Thailand)
	p.m.	SNEC	Crosscheck info on Component #3 - Proofreading of Quarterly Executive Report #05
Saturday	3 a.m.		
	p.m.		
Sunday	4 a.m.		
	p.m.		
Monday	5 a.m.	MoC	Meeting of the taskforce on the organization of elections of CRF
	p.m.	SNEC	Briefing meeting with Hy Thy - Discussion with Tith Samon on CF - Finalize and send Quarterly Report #05
Tuesday	6 a.m.	SNEC	Read and comment HORUS report for Phase I
	p.m.	SNEC	Reply AFD comments on CoRAA and on mobilization Hy Thy
Wednesday	7 a.m.	SNEC	Read and comment HORUS report for Phase I + various administrative issues (draft request ANO...)
	p.m.	SNEC	Read and comment HORUS report for Phase I
Thursday	8 a.m.	SNEC	Coordination meeting Component #3
	p.m.	SNEC	Coordination meeting Component #3 (continued) - proceed with administrative issues (signature contracts...)
Friday	9 a.m.		
	p.m.		
Saturday	10 a.m.		
	p.m.		
Sunday	11 a.m.		
	p.m.		
Monday	12 a.m.	SNEC	Read and comment HORUS report for Phase I
	p.m.	SNEC	Meeting with Ung Luyna (up-date information / RDB - miscellaneous) - Finalize comments on Horus report
Tuesday	13 a.m.	AFD	Discussion on procedures for management of advance + miscellaneous subject
	p.m.	SNEC	Miscellaneous mails on C#3 - Skype discussion with Horus ...
Wednesday	14 a.m.	SNEC	Up-date table of monthly and quarterly objectives
	p.m.	SNEC	Answer AFD questions / disbursements 2013 - mails on C#3 - amend plan + next step on contract farming
Thursday	15 a.m.	SNEC	Work on concept note for process of consultation of coopeartives on regulation on Cooperative Unions
	p.m.	SNEC	SNEC project team meeting
Friday	16 a.m.	SNEC	Work on concept note for process of consultation of coopeartives on regulation on Cooperative Unions
	p.m.	SNEC	Meeting with AFD + team of support to FO Federations
Saturday	17 a.m.		
	p.m.		
Sunday	18 a.m.		
	p.m.	SNEC	e-mails to team about CF facilitation - Meeting with FOs member of CRF
Monday	19 a.m.	MOC	1st General Assembly / elections of Cambodian Rice Federation
	p.m.	SNEC	Brief meeting on revision of contracts with FAEC + FCFD - Reporting
Tuesday	20 a.m.	SNEC	Exchanges with DAE on collaboration on legal framework
	p.m.	SNEC	Re format the request for payment and support documents (to be presented in USD instead of Euro)
Wednesday	21 a.m.	SNEC	Work on the revision of FCFD and FAEC contracts
	p.m.	MOC	Seminar on Contract Farming in MOC
Thursday	22 a.m.	SNEC	Work on the revision of FCFD and FAEC contracts
	p.m.	SNEC	Review sub-decree on RDB reform - propose a SNEC DAI meeting for planning - Comments to Agland deliv. #3
Friday	23 a.m.	SNEC	Various e-mails - Meeting with GDA and JDI
	p.m.	AFD / SNEC	Meeting with CoRAA and AFD - Review CoRAA contract with Winfried -
Saturday	24 a.m.		
	p.m.		
Sunday	25 a.m.		
	p.m.		
Monday	26 a.m.	SNEC	e-mail exchange about FCRE closing - Review ToR for PDA Battambang - Final adjustment CoRAA contract
	p.m.	SNEC	First draft SC Agenda - Reporting
Tuesday	27 a.m.	SNEC	Comments to KPMG on deliverable B4 -
	p.m.	IFC office / SNEC	Meeting with IFC - Discussion with project coordinator
Wednesday	28 a.m.	SNEC	Meeting with CRF on perspective of collaborations - Conference call with IFC and Agland on market study
	p.m.	SNEC	Restitution of study on Contract Farming - discussion with Sok Sarang and G. Robin
Thursday	29 a.m.	AMRET / SNEC	Meeting with AMRET on credit to FOs - Revise FCFD contract
	p.m.	SNEC	Meeting with DAI and SNEC on CF policies and regulation work plan - Revised FAEC contract + MOU FAEC-FCFD
Friday	30 a.m.	Vision Fund	Meeting with Vision Fund on credit to FOs - clarification to CoRAA on invoicing
	p.m.	SNEC	Meeting with DAE (Ouk Saroeun) - Various administrative issues
Saturday	31 a.m.		
	p.m.		

JUNE 2014

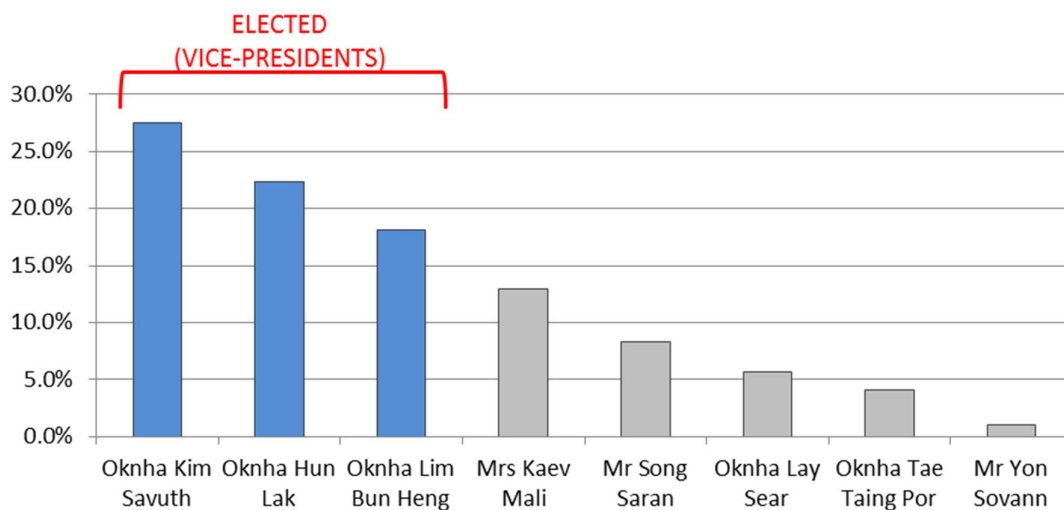
		Location	Activities
Sunday	1	a.m.	
		p.m.	
Monday	2	a.m.	Meeting with FAEC and FCFD about financial procedure - Meeting with APICI project intern students
		p.m.	e-mail about issue on CF with FWUC Svay Ar - review ToR for PDA Battambang
Tuesday	3	a.m.	e-mails about Agland restitution - Start to prepare note on Component #3 for Steering Committee
		p.m.	Meeting with Hy Thy on support to FO management - Discussion with Tith Samon on CF
Wednesday	4	a.m.	Various mails - Note on Component #3 for Steering Committee
		p.m.	Meeting with RDB and KPMG - Review ToR for the assessment of Agriculture Support and Development Fund
Thursday	5	a.m.	Administrative issues - Reporting
		p.m.	Revise AVSF invoice and timesheets - Point on Agland restitution timing - Note on C#3 for Steering Committee
Friday	6	a.m.	Component #3 Coordination meeting + additional discussion with CoRAA
		p.m.	Component #3 Coordination meeting (continued) + Final editing of FAEC contract further to AFD comments
Saturday	7	a.m.	
		p.m.	
Sunday	8	a.m.	(home) Final editing of FCFD contract further to AFD comments
		p.m.	
Monday	9	a.m.	Miscellaneous tasks on Component #3 - Meeting with EMC consultant (consultants for BRICo on CF)
		p.m.	Revise proposed agenda for workshop in Kg Thon (C#3) - Meeting with Yi Bunhak and Tith Samon
Tuesday	10	a.m.	Review HORUS presentation for restitution meeting
		p.m.	Brief note on project for IRAM report - Preparation on workshop with organic coop + millers/exporters
Wednesday	11	a.m.	Review deliverable 4 and 5 of Agland (market study)
		p.m.	Review deliverable 4 and 5 of Agland (market study) + check project accounting - May 2014
Thursday	12	a.m.	E-mails about preparation of workshop in Preah Vihear - Phone discussion on FCFD and FAEC contracts
		p.m.	Note on Horus restitution meeting for H.E. Seilava - Review cashflow plans of FAEC & FCFD and adjust contracts
Friday	13	a.m.	Review deliverable 4 and 5 of Agland (market study - France report)
		p.m.	Meeting with CoRAA+ T Samon - Skype meeting with Horus - Skype meeting with AVSF/C2A study team on CF
Saturday	14	a.m.	
		p.m.	
Sunday	15	a.m.	
		p.m.	
Monday	16	a.m.	IFC workshop on access to seeds and seed sector regulatory constraints
		p.m.	Restitution workshop of HORUS Development Finance mission - phase 1
Tuesday	17	a.m.	Review deliverable 4 and 5 of Agland (market study - USA report)
		p.m.	Debriefing with Horus mission - Meeting with Ung Luyna
Wednesday	18	a.m.	Finalize comments on Agland report for USA market - revise proposed procedure for NCCCF (contract farming)
		p.m.	revise procedure NCCCF - Note on Component #3 and policy stakes for Contract Farming for Steering Com.
Thursday	19	a.m.	Note on Component #3 and policy stakes for Contract Farming (continued)
		p.m.	Read and comment Agland report on Chinese market - Travel to Siem Reap
Friday	20	a.m.	IFC/CIRD workshop on Seed multiplication and use of quality seeds
		p.m.	IFC/CIRD workshop on Seed multiplication and use of quality seeds - Travel back to Phnom Penh
Saturday	21	a.m.	
		p.m.	
Sunday	22	a.m.	
		p.m.	
Monday	23	a.m.	Meeting with CoRAA on business matching workshops with buyers
		p.m.	Meet Mel Jones (EU project / MAFF) - Final revision of FAEC and FCFD contracts - Minutes of Horus restitution
Tuesday	24	a.m.	Meeting on logistic issues for the rice sector - Comments agenda + forms for organic rice business matching
		p.m.	Up-date table on monthly and quarterly objectives
Wednesday	25	a.m.	Finalize up-date table on monthly and quarterly objectives - Note on Component #3 and policy stakes for CF
		p.m.	SNEC project team meeting
Thursday	26	a.m.	Review Agland market study country report for Cote d'Ivoire
		p.m.	Meeting with SNEC team + DAI on the roadmap for legal and policy aspects on CF
Friday	27	a.m.	Various calls and e-mail on support to CRF, notably regarding branding
		p.m.	Revise note on Component #3 and policy stakes for Contract Farming after meeting with DAI and C#3 team
Saturday	28	a.m.	
		p.m.	
Sunday	29	a.m.	
		p.m.	
Monday	30	a.m.	Prepare meeting with H.E. Ros Seilava - Review market study report on Germany case
		p.m.	Start to review market study report on Singapore - Meeting with Hy Thy - Meeting with C. Goossens + S. Phat

ANNEX 2: RESULTS OF THE ELECTION OF CAMBODIAN RICE FEDERATION ON 19 MAY 2014

Election of CRF President



Election of CRF Vice-Presidents



Election of CRF Executive Committee Members

