

■ Support to the Commercialization of Cambodian Rice Project
[AFD Grant - CKH-1077-01-S and CKH-1077-02-T]



Supreme National Economic Council (SNEC)

SUPPORT TO THE COMMERCIALIZATION OF CAMBODIAN RICE PROJECT

QUARTERLY EXECUTIVE REPORT #09

JANUARY – MARCH 2015

15 May 2015

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ACRONYMS

AC	Agricultural Cooperative
ACBN	Agricultural Cooperative Business Network
ACDF	Agricultural Cooperatives Development Fund
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
AFDI	<i>Agriculteurs Français et Développement International</i>
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
ASiri	<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>
BFS ExCo	Banking and Finance Solutions Executive Committee (of CRF)
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
CO	Certificate of Origin
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
DACP	Department of Agricultural Cooperatives Promotion
DAE	Department of Agricultural Extension
DAI	Department of Agro-Industry
DAL	Department of Agriculture Legislation
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>
Dis.	District
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
EoI	Expression of Interest
EPWG	Export Promotion Working Group (informal group of rice exporters supported by IFC)
ESP	Environmental and Social Policy
EU	European Union
ExCo	Executive Committee
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
FMP ExCo	Farming and Milling Productivity Executive Committee (of CRF)

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
GMP ExCo	Global Market Promotion Executive Committee (of CRF)
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
IP	Intellectual Property
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
NPACD	National Policy for Agricultural Cooperatives Development
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/FAO 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
PR	Public Relations
PSC	Project Steering Committee
PSG	Paddy Selling Group
RBA	Rice Bank Association
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
SMP	<i>Sansom Mluh Prey</i> NGO
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) Ltd.
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
UNIDROIT	International Institute for the Unification of Private Law
USA	United States of America
USAID	United States Agency for International Development
USP	Unique Selling Proposition
VAHW	Village Animal Health Worker
VF	Vision Fund
WASP	Water and Agriculture Sector Project (financed by AFD)
WB	World Bank
WCS	Wildlife Conservation Society
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; extension being now considered). 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.

This report is the 9th Quarterly Executive Report of the project. It covers the period from January 1st to March 31, 2015.

During this period, important governance and organizational reforms were implemented in the Cambodian Rice Federations. Several specific Executive Committees were created to ensure better efficiency, and the by-laws of CRF were revised, notably with a provision to reserve three seats to representatives of Farmer Organization in the Board of Director.

FAEC and FCFD had there General Assemblies in January. Unfortunately FAEC GA has rejected the proposal of a quick merging of the two Federations.

CRF's Global Market Promotion took the lead on the process of branding Cambodian rice that SCCRP will support notably by commissioning consultants to develop the control and certification mechanisms for the users of the collective brand.

Regarding involvement of Farmer Organizations in paddy commercialization, Kampong Prasat cooperative has successfully implemented its contract with Golden Rice, and all the 1,500 tons of paddy delivered by ACs in Preah Vihear to AMRU have received the organic certification (against both EU and USA standards) from Ecocert.

Regarding development of additional regulations and guidelines on CF, the Taskforce had its first meeting and its composition has then been completed with new members appointed.

Last, RDB continued its internal work to implement reforms. Very significant moves are undertaken by the Bank management which are very good signs of the strong willingness to implement the desired reforms.

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"> CRF General Assembly: approval of revised statute. CRF “branding working group” is promoted to “Global Market Promotion Executive Committee”. CRF establish its “Farming and Milling Productivity Executive Committee” General Assemblies of FAEC and FCFD (FAEC GA rejects the merging with FCFD). 	<ul style="list-style-type: none"> FAEC and FCFD develop a clear catalogue of service and service fees rates. 	<ul style="list-style-type: none"> The proposed merging between FAEC and FCFD was rejected by FAEC General Assembly. FO Federations are late in developing a set of fees to be paid against services provided to their members.
C#2 <ul style="list-style-type: none"> Regular activity of CRF’s Global Market Access ExCo. Draft joint action plan prepared for the process of Branding of Cambodian rice. ToR of a mission on control and certification mechanisms for the brand have been drafted. 	<ul style="list-style-type: none"> Recruit the consultant to develop the control and certification mechanisms for the users of the collective brand. Pursue CRF’s GMA ExCo work, notably to define brand requirements (product and process). 	
C#3 <ul style="list-style-type: none"> Successful implementation of Contract Farming in Kampong Prasat with Golden Rice. ECOCERT has issue organic certificate (for both EU and USA market) for the 1,500 tons of paddy delivered by cooperatives to AMRU in end 2014. More than 900 t of paddy sold by FWUCs’ “Paddy Selling Groups” in this quarter. Field review of pilots implemented in 2014. 1st meeting of the Taskforce on Contract Farming, then formal appointment of new members to join this taskforce. 	<ul style="list-style-type: none"> DAI and DACP start the implementation of their own initiatives of pilot actions (after revision of the proposals). Start the follow-up of activities in support to organic paddy supply chain in Preah Vihear. Capitalization workshop on Contract Farming. Start the work of the full Taskforce on Contract Farming policy and regulations. 	<ul style="list-style-type: none"> BRICo changed its mind on contract for Sen Kraob, whereas FOs had already ordered seeds. Development of new contract farming with Golden Rice is temporarily suspended due to the request from MAFF to ensure proper registration of varieties proposed by Golden Rice. MAFF has made only verbal comments to the project on this issue, nothing by written.
C#4 <ul style="list-style-type: none"> Shortlist of applicants for further Technical Assistance to RDB approved, and RfP sent to shortlisted firms. Productive consultations between project team, RDB and FO Federations to further explore options of credit to FOs. RDB increase of capital (+ 26 million USD) is registered by NBC. 	<ul style="list-style-type: none"> Selection and negotiation of contract with service provider for Technical Assistance to RDB. 	

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

1.1. WORK WITH THE CAMBODIAN RICE FEDERATION

1.1.1. OVERALL MANAGEMENT OF PARTNERSHIP WITH CRF

1.1.1.1. CRF ACTION PLAN FOR 2015

On 2 January 2015, CRF Secretary General has informally sent to Mr Ung Luyna, SCCRP project coordinator, and unofficial draft of CRF plan of action for 2015. SCCRP Project Management Advisor has sent informal comments on that action plan on the same day in order for CRF to have time to consider those comments before its Executive Committee meeting.

After its approval by CRF Board, the action plan has been printed within CRF Annual report and distributed to CRF members during the Annual General Meeting on 6 February 2015.

1.1.1.2. REVIEW OF SUPPORT PROPOSED BY SCCRP TO CRF

On 19 January 2015, SCCRP Project Management Advisor¹ had a meeting with Mr Lun Yeng (Secretary General) and Mr Ith Vichit and Mr Poeuv Bunrith in CRF office to discuss again possible support proposed by the SCCRP project to CRF. During this meeting, an up-date was made on the four topics already proposed by SCCRP project for support/partnership with CRF. Main outcomes of the discussion on those four topics have been summarized by SCCRP Project Management Advisor and sent to CRF on 21st January. Those main outcomes are recalled in Box 1 below.

Box 1: Main outcomes of the discussion on project support to CRF on 19/01

■ **Institutional support, statute, governance:** This topic was confirmed as an important subject for CRF to work on during the first mandate of the executive Committee by CRF leaders in May and August 2014 (Cf. Quarterly Executive Report #06, § 1.2.4.1., page 6 and Quarterly executive Report #07, § 1.1.1. page 3). The visit to *Intervéres* in Paris in October (Cf. Quarterly Executive Report #08 page 3) was considered as a contribution to the reflection on this subject. But SCCRP project has not been associated by CRF to on-going internal discussion (in late 2014) on the statute and internal rules. Only a revised draft of statute was informally sent to SCCRP Project Management Advisor on 8 January 2015, and comments were sent back by project to CRF on 14 January (See § 1.1.2.1. below). During the meeting on 19 January 2015, CRF has indicated that the revised statutes will be endorsed by CRF Executive Committee before to be submitted to the approval of the General Assembly scheduled on 6 February 2015. After this formal approval of the revised statute, CRF has indicated that additional improvement might be identified and considered, but that the revision of the statute will not be any longer a core subject on which CRF would give a strong focus in 2015. The idea of mobilizing a consultant/facilitator to support these reforms (proposed in a note sent by the PMA to SNEC and AFD in December) is thereof considered as no-longer relevant. Possibly a review of the functioning and governance of CRF could be proposed and supported later on to draw lessons on the experience, gather feedback from members, and propose some additional revisions, but this would not be before 2016.

(...)

¹ Project Coordinator was also expected to take part in this meeting but has been mobilized by MEF on another subject at the last minute.

(...)

■ **Branding and Promotion of Cambodian Rice:** Support to the branding of Cambodian Rice is the subject that is the most advanced. CRF has formally established a Working Group on branding (and more generally on international market promotion: it has been later on renamed as the “Global Market Promotion Executive Committee”) which has started to reflect on the concept and content of the brand. SCCRP project, besides the participation of its PMA in the group, has proposed to contribute by mobilizing expertise to develop the control plans and mechanism to verify the compliance of operators and products with the brand requirements (+ possibly expertise to develop the legal documentation, notably to draft the rules on use and management of the collective mark – See Part 2. in this report). SCCRP project will also continue to consider co-financing of promotion actions (as it did in the recent month by co-financing the booth in SIAL, the promotion diner in Paris or the Cambodian Rice Festival, as examples), but preferably after the brand has been developed and to support its promotion rather than supporting sporadic events with a less consistent promotion content. Besides, the promotion of the brand will require significant investments and it is preferable to reserve resources for that stage.

■ **Improving commercial linkages between FOs and millers/exporters:** While discussions with CRF has been on-going since several month (Cf. notably Quarterly Executive Report #07 page 3) for the establishment of a working group this subject (under the umbrella of CRF, but with a close collaboration with SCCRP project which have facilitated numerous pilot actions in this matter and also with FO Federations), the group has not yet been established at the time of the meeting with CRF. During the discussion on 19 January, SCCRP project has informed about the creation of a Public Sector taskforce on Contract Farming (led by MAFF/DAI) that will need to be fed with inputs from the economic stakeholders in order to properly address farmers and business sectors demands and concerns and be service-oriented. Since this taskforce is now established, it is now urgent to set up this group. Besides, CRF has confirmed that SCCRP project would be allowed to be represented in this working group (as it is the case for the one on branding).

■ **Joint review of the Rice Policy:** the proposition to implement a joint review of the Cambodian Rice Policy (and possibly the development of a second phase 2016-2020?) has been recalled during the meeting. Based on the feedback from SCCRP project coordinator, it would be easier for SNEC to engage a joint review of the policy with CRF if a formal letter to propose this work is sent by CRF to SNEC. Based on such a request, SNEC could seek approval of the principal with MEF and discuss with CRF the modalities for the implementation of such a joint review.

Additional meeting more specifically dedicated on the preparation of CRF participation in the taskforce on Contract Farming policy and regulations took place in SNEC on the 18th of February, with Mr Lun Yeng (CRF Secretary General) and Mr Phang Phalla, newly appointed officer of CRF in charge of the “Farming and productivity” related activities.

1.1.2. REFLECTION ON CRF STRUCTURE, STATUTE AND GOVERNANCE: REVISION OF CRF STATUTE

On 8 January 2015, the Secretary General of CRF has informally sent a draft of revised statutes of the Cambodian Rice Federation to SCCRP Project Management Advisor and Coordinator. This draft was expected to be reviewed by the Executive Committee of the CRF, then submitted to the General Assembly in the end of January.

On 14 January, SCCRP PMA has sent extensive comments and suggestions on this draft before its submission to decision making bodies in CRF.

Statutes have then been discussed within CRF Board, then submitted to CRF General Assembly on 6 February. The General Assembly endorsed the statutes by (some comments were made but not visibly integrated in the document during the GA).

Whereas the principal of electoral colleges and of decision making by unanimity of colleges suggested by the SCCRP (based on the principles that apply for inter-branch organizations in Europe and many other countries) has not been incorporated in new statutes, the reforms adopted by the General Assembly are still a good move in the direction of a more balanced representation of farmers. Three seats in the CRF Board of Director will be reserved for farmers' delegates, appointed by representative Federations of FOs.

1.1.3. CRF FINANCIAL MANAGEMENT AND SUSTAINABILITY

On February 2, 2015, CRF has convened a meeting of exporters (gathering the top 15 exporters), which has approved the principle of collecting export fees from its exporting members, at a level of \$0.50 per ton of long-grain white rice and \$1 per ton of fragrant rice in order to raise money to implement its action plan. It was decided that the export fee will start to apply from the 1st of March 2015.

CRF has started to work with MoC to explore the possibility to link the process of fee collection with the issuance of Certificate of Origin by MoC, but CRF Secretary General said that it will probably take a few months for the system to be operational.

On 6 February, a financial report for the period May to December 2014, audited by an independent auditor, was presented to CRF General Assembly.

CRF has also approved the principle of an annual membership fee of 200 USD per member.

1.1.4. CRF CODE OF ETHIC

A code of ethic has been prepared by CRF and was presented to the General Assembly. This document intends to avoid fraudulent practices or commercial misconducts that would be harmful for the whole image of Cambodian rice.

CRF has also introduced a Discipline Executive Committee in its organization chart which will have a major role regarding the supervision and enforcement of the application of the Code of Ethics.

1.1.5. CREATION OF EXECUTIVE COMMITTEES: CRF GETTING MORE OPERATIONAL

1.1.5.1. PRINCIPAL OF THEMATIC EXECUTIVE COMMITTEES

The Cambodian Rice Federation has acknowledged that from its formal creation in May 2014 and until the end of the same year, achievements were limited and the Federation has faced difficulties to get operational and efficient. In early 2015, it has been proposed internally (then approved by the General Assembly meeting in February) to create thematic Executive Committee with a decision making power on their respective fields in order to boost the efficiency of the federation.

At least two of those Executive Committees have been established during this quarter:

- Global Market Promotion Executive Committee.
- Farming and Milling Productivity Executive Committee.

Other ones are about to be established, notably:

- Banking and Finance Solutions Executive Committee.
- Cost Competitiveness Executive Committee.

1.1.5.2. GLOBAL MARKET PROMOTION EXECUTIVE COMMITTEE

The “branding working group” which had its first formal meeting on December 22, 2014 ² has slightly evolved since then. It has been renamed (first as “Global Market Access Executive Committee”, then finally as “Global Market Promotion Executive Committee”- GMP ExCo), some members expressed their lack of time to attend regularly and were replaced and new co-head were appointed. SCCRP project is invited to join all the meeting of the GMP ExCo as an observer/partner. The GMP ExCo had frequent and regular meetings during this quarter³.

Branding of Cambodian Premium Jasmine Rice is the main subject on which this committee has been working so far (See Part 2. in this report). But this ExCo has also discussed other issues such as pricing situation of Cambodian Rice exports.

1.1.5.3. FARMING AND MILLING PRODUCTIVITY EXECUTIVE COMMITTEE

The Farming and Milling Productivity Executive Committee (FMP ExCo) has been established in March (after SCCRP project has repeatedly encourage CRF to set up this group of representatives of millers and FOs – notably – in order to open a formal space of discussion of partnership between FOs and paddy buyers. The three FO Federations with which the project is working (FAEC, FCFD and FWN) are all represented in the FMP ExCo.

FMP ExCo has met two times in March (on 17 and 27). SCCRP project is also invited to join all the meeting of the GMP ExCo as an observer/partner.

1.2. SUPPORT TO FEDERATIONS / NETWORKS OF FARMER ORGANIZATIONS

1.2.1. EXPLORING THE OPTION OF A MERGER BETWEEN FAEC AND FCFD

1.2.1.1. DECISIONS OF GENERAL ASSEMBLIES ON A MERGER

Further to the preparation work conducted on a possible merging of FAEC and FCFD (see notably Quarterly Executive Report #07, pages 10-12), the proposal of a merging has been submitted to FAEC and FCFD General Assemblies in January 2015 (respectively on 16 January for FAEC and 20-21 January for FCFD).

Whereas FCFD has approved the proposed merger, the General Assembly of FAEC has rejected it, but has approved a second scenario consisting in creating a “Union of Federations” between FAEC and FCFD⁴. According to AVSF consultant in charge of the support to FO Federations for SCCRP, the proposal endorsed by FAEC does not consist in the creation of a formal entity (no registration of the “Union of Federation”) but the two Federations would just continue to experiment their work together (as it is already the case since about one year, in the frame of the support provided by SCCRP Project) for some period to understand and know more about each other. A new MOU might be developed between FAEC and FCFD to go further in the integration of their activities, yet still keeping the two legal entities for the time being.

² Cf. Quarterly Executive Report #08, page 4.

³ Five during this Quarter, on 5th and 29th January, 10 February, 4th and 24th of March.

⁴ During preparation meetings with project consultants, it was not planned to present different scenarios, but just to present the proposed merging and to submit the decision to merge for a “yes or no” vote. But in the last minute FAEC leaders unilaterally have decided to submit to the vote a choice between two options instead of a vote “for” or “against” the merger.

1.2.1.2. CLARIFICATION OF THE SCENARIO PROPOSED BY FAEC

Following up on the decision of FAEC General Assembly to reject the merger with FCFD, the project consultant in charge of the support to FO Federation (Mr Phat Sophany, AVSF) had a meeting with 7 members of FAEC Executive Board and with the two technical officers of FAEC and FCFD on 6th March 2015.

The objective was to clarify the idea of FAEC Executive Board on how to better integrate the activities of the two Federations instead of considering a full merging. According to the report from this meeting by Mr Phat Sophany, FAEC intentions are: (1) to improve management capacities, internal policies, services provision, and building trust for members and relevant partners. (2) to increase bargaining power with agriculture input supplier companies, rice-millers and relevant institutions. (3) to exchange technical experiences and share information with members. (4) to participate to agriculture policy making, and (5) to gather more voices / representativeness for advocacy work. (Note that these intentions would justify as well the option of merging the two Federations and thereof does not really explain why that scenario was rejected by FAEC General Assembly).

FAEC position can be interpreted as a will to extend the duration and the scope of the “test” partnership (joint activities between FAEC and FCFD, that is already on-going since mid-2014) before possibly considering again a possible merger. It is maybe also a way to re-negotiate and better formalize the modalities of the management of those joint activities. A schedule will be draft in order to organize the technical assistance required to clarify the intentions and (re-)define practical modalities of collaboration between the two Federations.

1.2.2. PARTNERSHIP WITH INPUTS SUPPLIERS

1.2.2.1. FACILITATION OF ACCESS TO QUALITY RICE SEEDS

A meeting with six Paddy seed producer groups took place in FAEC office in Tram Kak, Takeo, on 23rd January 2015 in order to discuss on paddy seed supply and technical service provision to members. The paddy seed producer groups supported by AFSA project, are producing *Phka Romdul* variety, on 16 ha at Takeo and Kampong Speu provinces. About 20 tons of rice seeds are available with 95% up purity rate and at the price of 2,500 KHR/kg⁵. Technical support will be provided to buyers/farmers by the producer groups. FO Federation TA will share all relevant information to members of FAEC and FCFD in order to gather purchase orders for the next wet season.

1.2.2.2. IMPLEMENTATION OF PARTNERSHIP ALREADY DEVELOPED WITH FERTILIZER COMPANIES

BAYON HERITAGE COMPANY (PENDEY FERTILIZER)

Meeting with Bayon Heritage Company (Pendey fertilizer) was conducted on 22 January in order to understand their new sale offer for FOs. The company discounts 2,000 riels/bag for FO who buy during January to April. The company has also informed about the availability of three new kind of chemical fertilizers such as 18.18.15+TE, 18.18.13s and 15.15.15. The information was shared to FOs members of the Federations with the list of fertilizers available.

⁵ This is the price to be paid to the seed producers. Additional remuneration for FAEC and/or FCFD for the service still has to be discussed.

Note: payment of commission by Bayon Heritage company agreed with FAEC has not been done yet. The fertilizer supplier said that the payment will be done during the wet season⁶.

1.2.2.3. MEETING WITH NEW INPUT SUPPLIERS

FAEC and FCFD have met UCA Agricultural input supply Company, on 23 March 2015 at UCA office in Battambang, to introduce FCFD/FAEC and discuss possible conditions of services. UCA is an agricultural input supply company, with his head office located in Phnom Penh. UCA distributes more than 350 references of products/agricultural inputs in Cambodia, mainly selling to farmers in Battambang. UCA invited FCFD to visit its agriculture stores and to visit their demonstration farms at Thmar Kaul, Battambang. UCA expressed interest to work in partnership with FO Fed in the future, but modalities of partnership have not been defined yet.

1.2.3. PADDY TRADE FACILITATION

1.2.3.1. PARTICIPATION IN MEETINGS WITH GOLDEN RICE

On 9 January, FAEC and FCFD had a meeting with Golden Rice to discuss possibilities of Contract Farming for *Phka Champa* and *Phka Kravanb*. The two federations also took part in the exchange visit in Golden Rice mill and in Kandal on 22 January 2015 (See § 3.2.2.1., page 16 in this report). They have then shared information to some of their members (the ones which have potential to grow dry season or early wet season non-photosensitive varieties).

1.2.3.2. TOT ON BOOK KEEPING FOR COLLECTIVE PADDY SELLING OPERATIONS

FAEC, FCFD and FWN board members took part in a Training of Trainer on Book Keeping for Paddy Selling organized by the project on 27 February in SNEC. (Cf. § 3.5.2. page 23 in this report). Further to this training, the 8 Committee members of Trapeang Russey AC in Kampong Svay district, Kampong Thom province were trained. Mr Nil Sopheap (FCFD) has also relayed part of the training to two associations and one community based organization in Ba Phnom and Kampong Trabek districts, Prey Veng.

1.2.3.3. SUPPORT TO PADDY COLLECTION AND SELLING BY FOs IN TAKEO

FAEC has provided some support/monitoring to two FOs in Takeo commercially involved in the commercialization of paddy/rice:

- Udom Soryia AC has purchased paddy for selling to middlemen or to mill and sell milled rice to their members or villagers.
- Kranh Khmao FO (RBA) has bought paddy from its members to stock and sell to CEDAC Enterprise.

FAEC support in these operations consisted in:

- Facilitation for FOs to access training on paddy inspection / quality assessment provided by Golden Daun Keo Rice mill.

⁶ Cf. Quarterly Executive Report #08, § 1.2.2.2. page 5. Note that the amount of commission to be paid by the two companies for orders made in 2014 is only 240,000 KHR. Previous report was mentioning more than 100 USD, but it was a mistake because only a part of the 21.5 tons of fertilizer ordered via FO Federation was ordered from the two companies who have agreed to pay commission to FAEC and FCFD.

- Facilitation of experience sharing between FOS on such commercial activities and training on management on rice trade activities and bookkeeping.
- Technical support to FO on fertilizer use.

Price paid to FO members for their paddy when bought by the FO was about + 200 KHR/kg in the case of Kranh Khmao. Kranh Khmao FO bought paddy rice from their members at 1,300 to 1,400 KHR/kg, whereas local middlemen were offering only 1,100 to 1,200 KHR/kg, and the FO sold to CEDAC Enterprise at 1,600 to 1,700 KHR/kg.

1.2.4. SUPPORT FO ACCESS TO CREDIT SERVICES

1.2.4.1. MEETINGS WITH RURAL DEVELOPMENT BANK

FAEC and FCFD have met the Rural Development Bank on 29 January 2015 to discuss possible development of Credit mechanisms for Farmer Organizations. See § 4.2.1.1. page 29 in the present Report.

1.2.4.2. FACILITATE ELABORATION OF LOAN REQUESTS

FAEC and FCFD have conveyed information to their members about possible opportunities of loans to FOs by RDB, and have then provided support (with the help of projects consultants in charge to support FO Federations) to develop loan requests. Six loan requests are under preparation by Agricultural Cooperatives or Pre-Cooperative Unions with the support of FAEC and FCFD and will be submitted to RDB in April 2015.

1.2.4.3. REVISION OF FCFD AND FAEC SCORING CRITERIA METHOD

The “Scoring Criteria Method” (SCM) used by FCFD and FAEC to evaluate capacities and management of FOs has started to be revised by the two Federations with the support of project’s consultants (Mr Christophe Goossens and Mr Phat Sophany), notably in order to adapt the tools to Agricultural Cooperatives or FOs more focused on commercial activities.

It is foreseen that the scoring of members of FAEC and FCFD could be used as an important source of information to pre-screen FOs eligibility to credit facilities proposed by RDB or by other Financial Institution. This possible use of the SCM was underlined in Horus mission’s report in 2014 and RDB has confirmed its interest for this.

The SCM method was presented to RDB on 26 February, and feedback was asked to the bank in order to better take into account its need and integrate information that are likely to be useful for a FI in the perspective of this use of the SCM as a pre-screening tool to identify eligible FOs.

On March 11, in an e-mail addressed to project consultant, RDB (Deputy CEO) has provided extensive comments and inputs to contribute to this reform of the Scoring Criteria Method and make it more usable for the bank.

These inputs have been considered in the revision of the SCM.

The assessment each AC is scheduled to be implemented in May 2015, following the description of guidelines and training to the FAEC/FCFD representatives selected to undertake the work. The selection of FAEC representatives was done in March. FAEC is getting financial supports from the Belgian DG-D to implement this assessment. Support for FCFD is not yet decided.

1.2.5. SUPPORT TO THE ESTABLISHMENT AND DEVELOPMENT OF COOPERATIVE UNIONS

FAEC has organized meetings with FOs interested to establish Cooperative Unions in order to further discuss the objectives of such unions. Three groups of FOs were involved (one in Prey Veng and 2 in Takeo, as seen in the Table 2 below). The main interest of Cooperative Unions is to scale-up commercial activities of FOs (input supply and selling of agricultural production, in particular paddy) in order to reach a critical mass to interest commercial partners.

To support the process of creation of these three ACUs, two rounds of meetings were conducted during this quarter on 12-13 February and 19-20 March for Takeo, and on 16-17 February and 16-17 March for Prey Veng.

Two other Cooperative Unions are under preparation in Kampong Thom and Battambang provinces with the support of FCFD, following the same process.

Table 2: List of Pre-Cooperative-Unions supported by FAEC and FCFD

Facilitator	Name of Pre-Union of ACs	Location	Number of FOs
FAEC	Pre-ACU Kampong Trabek	Kampong Trabek dis., Prey Veng	4 FOs (2 ACs)
	Pre-ACU Angkor Chum	Angkor Borey dis., Takeo	3 ACs
	Pre-ACU Samaki Trapeng Kranhung	Tramkok dis., Takeo	6 FOs (3ACs)
FCFD	Pre-ACU Vathanakpheap	Kg Svay and Stoung dis., Kampong Thom	4 ACs
	n/a	Sangke and Banan dis., Battambang	2 ACs

For all these Pre-Unions of Cooperatives, Statute and Internal Rules have already been drafted with participation of committee members of the FOs involved, and support from FO Federation and project consultant (Mr Phat Sophany), taking into account existing draft by-laws for Cooperative Unions prepared by MAFF.

1.2.6. CONSOLIDATION OF FO FEDERATIONS' REPRESENTATION AND ADVOCACY ROLE

1.2.6.1. REPRESENTATION OF FARMER ORGANIZATIONS IN CAMBODIAN RICE FEDERATION

Mr Samart Veasna took part regularly in CRF Board meeting.

FAEC and FCFD, as well as FWN, took part in CRF General Assembly on 6 February (See § 1.1.2 pages 4-5 in this Report) and in the two first meetings of the Farming and Milling Productivity Executive Committee of CRF on 17 and 27 of March (See § 1.1.5.3. page 6 in this Report). The three FO Federations or networks are considered as full right members of this Executive Committee of CRF.

1.2.6.2. NGO FORUM MEETING ON AGRICULTURE DEVELOPMENT STRATEGIC PLAN

On 26 February, 2015 Mr. Samarth Veasna has participated in a consultative workshop organized by the NGO Forum on the draft Agriculture Development Strategic Plan 2014-2018.

1.2.7. ADMINISTRATIVE AND MANAGERIAL SUPPORT / FINANCIAL SUSTAINABILITY

1.2.7.1. REVISE AND PRECISE THE FEDERATIONS WORK PLAN FOR 2015

FAEC and FCFD have developed their work plan for year 2015 in an Excel sheet that has been shared with project consultants and with AFD project officer. This work plan is show in Annex 1 of the present report.

1.2.7.2. REVIEW THE RATE OF INDEMNITY (FOOD AND ACCOMMODATION ALLOWANCES)

FAEC and FCFD have re-assessed the policies for the level of indemnities and allowance paid to Board members or other FO representatives while implementing missions for the Federations.

For instance, in FAEC, a stricter procedure have been discussed and approved by Board members to manage allowance payments. FAEC representative invited to join an event or a meeting will need to require approval from the Board before to engage costs. Payment for allowance were be strictly monitored through per-diem sheet and calculated based on time of leaving from based station, working time and time of returning home.

1.2.7.3. DEVELOPMENT OF FO FEDERATIONS INCOMES

Whereas FAEC and FCFD acknowledge the need to develop incomes from the services they provide (which was also enhanced by AFD supervision mission in November-December 2014), there has been little progress in defining a clear catalogue of services and pricing scale for the different services to Federation members (or non-members).

This is highlighted as a major expected outcome of the support to FAEC and FCFD for the next quarter.

1.2.7.4. FAEC WEBSITE

FAEC has started to work (with the support of ADG) on the development of its website and has gathered information to be displayed on the website.

1.2.8. OVERALL REVIEW OF THE IMPLEMENTATION OF THE SUPPORT TO FAEC AND FCFD

The Table 3 (next page) proposes a summarized overview of progresses and achievements regarding different elements of FAEC and FCFD action plans. More detailed monitoring tables are available with FAEC and FCFD quarterly reports prepared for SNEC project.

Table 3: Monitoring of indicators and milestones of the support to FO Federations (end March 2015)

	Indicators / Criteria	Progress Status	Comments
INSTITUTIONNAL	Strategic action plan developed	100 % ■■■■	Plans develop during 1 st semester 2014.
	MOU with FAEC and FCFD signed	100 % ■■■■	MOU were signed in June 2014.
	Recruitment of TAs by the two Federations	100 % ■■■■	Recruitment done during previous quarter.
	Equipment of Federations offices	100 % ■■■■	Offices equipped in July 2014.
	Revision of Scoring Criteria Method	50 % ■■□□	Revision engaged with consultants and inputs from RDB.
	Improve Federations' Financial management procedures	60 % ■■□□	See previous quarter reports + revision of allowances system during this quarter
	Implement 5 steps to explore possible merging of FAEC and FCFD	100 % ■■■■	5 steps were implemented, but merging decision is not taken (FAEC GA opposed).
	Inclusion of new members in Federations	25 % ■□□□	5 New members in FAEC.
SERVICES	Form pre-unions of cooperatives	25 % ■■□□	By laws and internal rule drafted for 4 Pre-Unions of Cooperatives
	Communication / meetings with rice millers	50 % ■■□□	Cf. previous reports.
	Booklet on paddy supplying abilities	75 % ■■■□	Booklet produced in 100 copies in 2014.
	Training on paddy quality assessment	50 % ■■□□	Cf. previous reports.
	Ease relations with input suppliers (fertilizer / pesticides...)	100 % ■■■■	Cf. previous reports.
	Technical training on rice cropping	35 % ■□□□	Training and demo supported by suppliers on fertilizer use.
	Improve access to quality seeds	25 % ■□□□	Meeting conducted with FO able to supply seeds. Federation proposes to act as intermediary.
	Training on seeds multiplication	0 % □□□□	
COM' AND ADVOCACY	Ease access to credit	25 % ■□□□	Meeting with RDB + start to support members to prepare loan application.
	FAEC/FCFD Websites	60 % ■■□□	FCFD website up-dated. Meeting took place to prepare FAEC site.
	Participation in public events	100 % ■■■■	Strong participation of FO Federation in Cambodian Rice Festival, Cambodian Rice Forum, World Food day...
	Documents / publication	75 % ■■■□	FAEC and FCFD leaflets available. Posters produced for events.
	Development of advocacy strategic plan	100 % ■■■■	Done in Quarter #07
	Representation / Participation in CRF	100 % ■■■■	CRF statutes revised to reserve 3 seats to FO representatives in CRF Board. FAEC, FCFD and FWN are all members of the FMP ExCo.
	Consultation on draft model of by-laws on AC Unions	75 % ■■■□	Consultation implemented and comments sent to DAE/MAFF but request for a meeting with DAE still pending.

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

2.1. QUALITY LABEL / CAMBODIAN RICE DIFFERENTIATION: TOWARD OF COLLECTIVE BRAND FOR CAMBODIAN PREMIUM JASMINE RICE

2.1.1. MEETINGS OF CRF BRANDING WORKING GROUP / GMP ExCo

Further to the first meeting of the CRF Branding Working Group⁷ held on December 22, the working group remained active despite some restructuration (some members step out of the group because of lack of time available to be present on a regular basis). The Branding working group has been renamed “Branding Executive Committee”, then “Global Market Promotion Executive Committee (GMP ExCo)” as part of a reform of CRF internal organization, reflecting the fact that this group is now empowered to make decisions in his field of competence.

The GMP ExCo met 5 times during this quarter, on 5th January, 29th January, 10th February, 4th and 24th of March. SCCRP Project Management Advisor took part in all of those meetings except 29/01 due to overlapping schedule.

During this Quarter, the GMP ExCo:

- Has validated the principle of the creation and registration of a Collective Trademark to differentiate and be used as a seal of quality for Cambodian Premium Jasmine Rice.
- Has defined the scope of the type of rice that would enter in this “brand”, i.e. premium wet season photosensitive Cambodian varieties, namely *Phka Rumduol*, *Phka Rumdeng*, *Phka Romeat* and possibly *Somali* (to be confirmed for this last one).
- Has agreed on the principle of an external mission to develop the modalities of the verification of the compliance of products and brand users with the brand requirements (see 2.1.3. next page) and approved the proposed ToR for that mission. This mission is foreseen to be financed by SCCRP project.
- Has approved the principle of an external mission to develop the brand, the artwork / visual of the collective trademark and the promotion material and promotion plan. This mission is foreseen to be financed by IFC project. The GMP ExCo has revised the ToR for this mission (prepared by IFC) and final version shall be approved in April.

2.1.2. MEETING WITH DEPARTMENT OF IP RIGHTS IN MoC

On 20 January 2015, CRF (Mr Lun Yeng and Mr Poeuv Bunrith) and SCCRP (Mr Jean-Marie Brun) have met the Department of Intellectual Property of the Ministry of Commerce in order to present the intention of CRF to develop a collective brand for Cambodian premium rice, and to discuss the possible IP tool to protect CRF mark. Mr Sim Sokheng, Director of the Department, indicated that MoC will be ready to register collective trademark very soon (from February 2015, according to him), and that international registration of Cambodian collective trademark could be possible then from May 2015. It seems that a collective mark would be the right tool to use for this purpose. According to Mr Sim Sokheng, it would not be mandatory to hire an agent to proceed with international registration, unless there is an opposition in the process of registration, in which case an agent would be required.

⁷ Cf. Quarterly Executive Report #08, page 20.

2.1.3. PREPARATION OF A MISSION ON CONTROL PLANS FOR VERIFICATION OF COMPLIANCE WITH BRAND REQUIREMENTS

SCCRP Project Management Advisor has drafted the Terms of Reference for a consultant mission to work on the mechanisms of verification of compliance of the branded products and brand users with the brand requirements⁸. The draft ToR were shared with the members of the GMP ExCo, discussed and approved by this ExCo on the 4th of March. The ToR and a Request for Expression of Interest were then submitted to AFD non-objection on March 13, 2015 (SNEC letter No 011/15).

2.1.4. PREPARATION OF AN OVERALL ACTION PLAN FOR THE BRANDING PROCESS

Considering that the branding of Cambodian Premium Jasmine rice is an ambitious project and is expected to mobilize in a coordinated way inputs from several stakeholders / partners, the SCCR project has required CRF to draft a concept note / roadmap to elaborate on the concept of the collective trademark proposed for branding and to flag the main steps and inputs from partners in that process.

A first draft was prepared by Mr David Van, advisor to CRF, then completed by SCCR project advisor before to be submitted it to SNEC, IFC and CRF's GMP ExCo members on 11 March 2015. IFC has endorsed the draft document on 19 March. GMP ExCo will review this work plan in April.

2.2. QUALITY LABEL / CAMBODIAN RICE DIFFERENTIATION: INFORMATION ON THE CONCEPT OF PROTECTED GEOGRAPHICAL INDICATION

2.2.1. INFORMAL EXPLANATION ON THE CONCEPT OF GI ON THE REQUEST OF SOME MILLERS

On 6th February, the Project Management Advisor and the Team Leader⁹ of Component #3 had a lunch meeting with the CEO of BRICo and a few other millers, on the request of BRICo, to provide some explanation on the concept of Protected Geographical Indication.

⁸ ToR named as "Development of control plans, procedures and tools for the verification of compliance with CRF collective brand requirements", Procurement reference: # CKH-1077-C-15-01.

⁹ Both of them were involved in the implementation of MoC project (financed by AFD) on the protection of Geographical Indications in Cambodia from 2007 to 2010.

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 BRICO

In the last quarter of 2014, FWUC *Svay Ar* and *Petsat Phum Doeumbey Aphivat* association had ordered respectively 10 and 4 tons of *Sen Kraob* seeds from Tuol Samrong station, in the perspective of new contracts with BRICo in early 2015. But in the meantime, in January, BRICo has finally decided not to make contract farming for *Sen Kraob* variety. Then following that information, a meeting has been organized on January 30, 2015 with leaders and members of *Petsat Phum Doeumbey Aphivat* association, leaders of FWUC *Svay Ar* and representatives of Toul Samroang station. *Petsat Phum Doeumbey Aphivat* has nevertheless maintained an order of 1.9 tons of seeds (instead of 4 tons initially ordered), whereas the FWUC has fully cancelled its order due to BRICo change of plan. Tuol Samrong station representatives have been comprehensive and indicated that hopefully they can sell the seeds they have produced to other clients.

On the other hand, BRICo has now expressed that they would still be interested to make contract for *Phka Rumduol* variety instead, for wet season 2015. Yet no concrete move was done by BRICo so far to prepare such contracts.

3.2. CONTRACT FARMING BETWEEN GOLDEN RICE AND FARMER ORGANIZATIONS

3.2.1. IMPLEMENTATION OF CONTRACT FARMING AGREEMENTS SIGNED IN THE PREVIOUS QUARTER

3.2.1.1. CONTRACT WITH KAMPONG PRASAT AC (KANDAL)

A contract between Golden Rice and Kampong Prasat AC was signed on 10 October 2014 for the production of 40 to 50 tons of *Phka Champa*¹⁰ paddy. A total of 42.755 tons were sold by the cooperative to Golden Rice, for a total value of 10,902.52 USD (see Table 4 below).

Table 4: *Phka Champa* paddy sold by Kampong Prasat AC to Golden Rice under Contract Farming

Volume contracted	Volume harvested	Average Yield	Volume sold to Golden rice	Fixed price (fresh paddy)	Total Amount (1USD=4,000 KHR)
40-50 tons	42.855 tons	3.3 t/ha	42.755 tons	1,020 KHR/kg	10,902.52 USD

This contract was successfully implemented and satisfactory for both parties. To cover transactions / coordination costs, 740,000 KHR were contributed by AC members to the cooperative, and 100 kg of paddy were also given by the farmers participating in the operation to be milled and used for food for primary school students¹¹.

Golden Rice and Kampong Prasat AC have expressed a joint interest to consider the preparation of a new contract for *Phka Kravanh* variety.

¹⁰ *Phka Champa* and *Phka Kravanh* varieties are described in the Quarterly Report #08, footnotes No 32 and 34, pages 21 and 22.

¹¹ Kampong Prasat Agricultural Cooperative is historically closely linked with other community organization and activities implemented in the village, which include primary school, clean water and sanitation, etc. as explained by the leader of the cooperative during the visit on 22 January 2015.

3.2.1.2. OTHER CONTRACTS SIGNED IN DECEMBER 2014 WITH COOPERATIVES IN TAKEO AND KAMPONG CHHNANG

The harvest of *Phka Kravanb* by *Chey Chummas* AC in Kampong Chhnang and by *Ampil Meanchey* AC and *Sromok Soksenchey* AC in Takeo has started in the end of March, but the final balance of the implementation of these three contracts with Golden Rice will be done in April 2015.

Ampil Meanchey AC has faced difficulties with the crop due to water shortage in February. One meeting has been organized on 25 February 2015 with local irrigation supplier, PDA and local authorities (village chief and commune leaders) at Ponley commune, Angkor Borey district to discuss the issue. It was estimated that about 100 ha of rice fields in Ponley commune (including 9 ha were *Phka Kravanb* is grown under contract with Golden Rice) are affected by the water shortage. Two reasons for the water shortage were found: (i) for 2015, the local irrigation supplier increased the numbers of contracts with other farmers to supply water irrigation within the commune which was estimated about 187 ha, (ii) pumping machines of local irrigation supplier had to be repaired frequently, especially during the flood time (sourced from river), thus, making the storage of water in the reservoir insufficient to supply the irrigation in dry season. It was agreed during the meeting that the Chief of the District Office of Agriculture would report to PDA for the issue to be raised during meeting at provincial level in order to seek a solution.

3.2.2. DISSEMINATION, CONTACTS AND PERSPECTIVES WITH OTHER FOS

3.2.2.1. PROMOTION OF CF PERSPECTIVES FOR PHKA KRAVANH AND PHKA CHAMPA IN GOLDEN RICE FACTORY



△ Visit of “Phka Champa” variety rice field (contract between Golden Rice and Kampong Prasat AC) with FOs representatives on 22 January 2015.

On 22 January 2015, representatives of FWN¹², FAEC, FCFD and of other FOs (notably 5 Agricultural Cooperatives from S’ang and Kandal Stueng in Kandal province) were invited to join a meeting in Golden Rice factory in Kampong Speu to present opportunities of Contract Farming with Golden Rice to grow the new non-photosensitive rice varieties (*Phka Champa* and *Phka Kravanb*) introduced by the company.

Presentation was followed by a visit of the factory, a lunch offered by Golden Rice and in the afternoon a visit of Kampong Prasat AC and of the rice fields of its members where *Phka Champa* variety was grown (see picture above).

3.2.2.2. INTEREST OF THREE COOPERATIVES OF KANDAL STUENG DISTRICT

After participation of their leaders in the visit in Golden Rice, three Agricultural Cooperatives (*Thong Kdey Rung Roeng*, *Samaki Khum Preah Put* and *Rik Chamroen*), all located in Kandal Steung district, Kandal

¹² FWUC from *Prey Nup* (including several representatives from Polders 1, 2, 4 and 6), leaders of FWUCs from Kampong Thom province (*Stung Chinit*, *Tnaot Chum*, *Beng Leas* and *Tang Krosang*) and from *Por Pi Dem* FWUC in Banteay Meanchey province.

province, have expressed their interest and sent to Golden Rice list of interested members and rice field surface available (approximately 67 ha for the three ACs). The documents now are subject to approval by Golden Rice management. Yet contract farming might not be signed soon with these ACs, or at least not with the project team facilitation unless the issue of the variety registration raised by MAFF is addressed on time (see following paragraph).

3.2.3. ISSUE OF HOMOLOGATION OF *PHKA KRAVANH* AND *PHKA CHAMPA* VARIETIES AND IMPORT PROCEDURES FOR SEEDS

3.2.3.1. CONCERNS FROM MAFF ABOUT *PHKA KRAVANH* AND *PHKA CHAMPA* LEADS TO STRICT RESTRICTIONS ON VARIETIES ALLOWED IN CF FACILITATED BY THE PROJECT

The project counterpart officers assigned by MAFF (DAE and DAI) have raised questions regarding the legality¹³ of *Phka Kravanh* and *Phka Champa* varieties disseminated by Golden Rice.

The issue was raised during Component #3 coordination meeting on 3rd and 5th of March. On 5th of March notably, MAFF counterpart officer have invited a representative of CARDI (Mr. Ung Sopheap) to provide additional information or insight on the issue, who indicated that to date 38 varieties only are “released” by MAFF. According to him, all these varieties can be used (and not only the 10 varieties recommended by MAFF). It is still not clear if the use of other varieties than the 38 “released” by MAFF is considered as “illegal” (hundreds of other varieties are currently grown in Cambodia, covering very significant surfaces). It seems it cannot be declared as “illegal” but MAFF would not endorse any responsibility on such varieties and DAI may not endorse contract farming signed for varieties not registered by MAFF.

Given the remaining incertitude on these legal issues, it was pragmatically agreed that the SCCRP project would primarily stand on a “conservative” position regarding the matter of varieties used in Contract Farming facilitated by the project, i.e. the SCCRP team will facilitate CF only for the 38 varieties released by MAFF, unless/until MAFF instruct the project by written that the scope can be enlarged to other varieties¹⁴. It has to be noted that this position will reduce a lot the potential of development of Contract Farming with the facilitation of the project, and is likely to limit a lot the number of interesting pilot cases that can be successfully undertaken from now on¹⁵. So we strongly hope that MAFF can notify the SCCRP project that more varieties can be considered.

It has to be noted also that this limitation would not apply to the “Paddy Selling Group” model, as in that case the principle is to help FOs to sell the paddy already produced by their members, without necessarily an influence or orientation on the initial choice of varieties the members grow.

3.2.3.2. SUPPORT THE INITIATION OF A PROCESS FOR REGISTRATION OF *PHKA KRAVANH*

It is acknowledge by both consultants and MAFF counterparts of SCCRP that varieties introduced by Golden Rice represent an interesting potential and have led to fruitful Contract Farming that have benefited

¹³ It was actually difficult to clarify the nature of the problem (is it a problem of non-respect of the procedures for the import of seeds? Or is it a problem of non-homologation of the variety? Or both? First one is easy to address because procedures are known and for Golden Rice to follow them – if it was not already the case – would not be a big issue and would require only the time needed for quarantine and phyto-sanitary checks. But issue of variety homologation / registration is more confused, and even the legal requirements seem not to be clear yet since the implementation regulations under the seed law are not yet endorsed).

¹⁴ On 6th of March, the PMA has drafted a letter that SCCRP project management could send to GDA to notify this position require further instruction. An edited version was proposed on 19th of March. But at the end of the quarter this letter was not yet formally sent to GDA.

¹⁵ From the beginning of the project implementation up to now, 17 Contract Farming agreements were signed. Among those 17 contracts, only the 8 contracts signed by AMRU in Preah Vihear (mainly for *Phka Rumduol* varieties) are compliant with this new requirement. All contracts signed in 2013 and 2014 with Golden Rice, BRICo and Loran would not pass this condition since the varieties used were not in the list of the 38 registered by MAFF.

to both parties. It was thereof agreed that MAFF/GDA (and possibly with some initial facilitation of the project) could help to register in the fastest delay the variety introduced by Golden Rice.

For this purpose, one first meeting with the Department of Rice Crop (DRC/GDA) has been organized on the 17th of March 2015 and facilitated by project team with participating of project counterpart staff of DAI and DACP and with a representative of Golden Rice company.

Golden Rice has proposed to focus on *Phka Kravanh* first because it has more potential (shorter crop cycle). To proceed with the registration/homologation of *Phka Kravanh* variety, Golden Rice would have to:

- Prepare and submit a letter to MAFF Minister for approval of procedure of registration of the variety within GDA, with, in annexes: (i) an agreement letter provided by Vietnamese company that supplied the paddy seeds to Golden Rice to grant the right to use the variety in Cambodia, and (ii) a technical notice on morphology, biology and chemical characteristic/content of the variety.
- As a follow-up and upon instruction by MAFF, Golden rice shall work with the Department of Rice Crop to implement the full protocol of trials of the variety that are foreseen to be undertaken in four provinces (Takeo, Kampong Speu, Svay Rieng and Battambang).

Further to the meeting in DRC, one field visit has been jointly organized on 26 March 2015 by project and Golden rice for the Department of Rice Crop in Takeo, on one of the sites where *Phka Kravanh* paddy is produced by a cooperative (*Sromok Sok Senchey* AC) under contract with Golden Rice. It was considered that the paddy fields there could be considered, for the process of registration of the variety, as one site of on-farm adaptation trials. The production of Phka Kravan paddy growing by Sromok Sok Senchey AC satisfied official of DRC in particular the yield of paddies (estimated in average is 5 tons per hectare of surface land). The officer of DRC accepted the variety can be grown on farm in Takeo province. However there still is the requirement to carry out on station adaptation trials in other provinces such as in Takeo, Kampong Speu, Svay Rieng and Battambang in order to crosscheck and make sure that variety will definitely bring the benefit to farmers.

3.3. CONTRACT FARMING FOR ORGANIC PADDY WITH COOPERATIVES IN PREAH VIHEAR

3.3.1. FINAL VERIFICATIONS AND ORGANIC CERTIFICATION (EU AND USA STANDARDS)

From 14 to 18 January 2015, a field visit was conducted by SNEC consultants for Component #3 with COrAA in order to cross check documents of the 8 cooperatives and verify the implementation of corrective measures requested by Ecocert¹⁶.

Further to inspections conducted during previous quarter and corrective measures undertaken and communicated to Ecocert, an additional mission of inspector was conducted in January (from 20th to 22nd) to verify implementation of corrective measures. Mr. Bunthoeun (AMRU), Ecocert's inspector accompanied by the COrAA team made visit at two selected cooperatives in order to verify consistency of the selling documents of the two cooperatives with the purchasing documents available at AMRU warehouse in Kampong Cham province. Next day, the team visited AMRU rice mill and warehouse to inspect storage condition of organic paddy; in the same day, the team visited AMRU processing unit in Phnom Penh on packaging and CO₂ fumigating methods.

The assessment by Ecocert was satisfactory, and organic certificate (for both EU and USA standards) was issued and sent to AMRU on 31 January 2015 for all the paddy supplied by the eight cooperatives involved with AMRU.

¹⁶ Cf. Quarterly Executive Report #08, page 29.

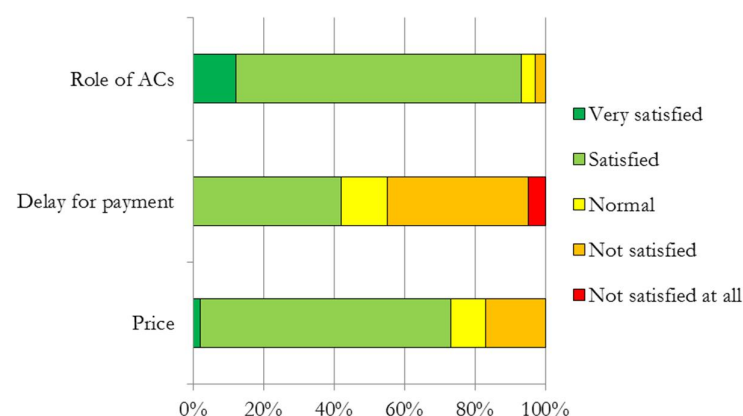
AMRU has started to export organic rice since February 2015.

3.3.2. OVERALL REVIEW OF SEASON 2014

Figures on the delivery of paddy by cooperatives to AMRU, with details on quality categories and value of sales have been already compiled and presented in the previous Quarterly Report¹⁷. Yet additional surveys and follow-up have been conducted during this quarter to get a more qualitative point of view from cooperative leaders and members and reflect about further steps required to consolidate the organic paddy supply chain in Preah Vihear.

In late January, COrAA has conducted a survey with 106 farmer households involved in the organic paddy value chain with the eight cooperatives in Preah Vihear.

Figure 1: Level of satisfaction of organic cooperatives members in Preah Vihear for season 2014 on three criteria



The survey was based on standard questionnaires, which provide some information notably regarding the level of satisfaction of members of cooperative with their involvement in the organic paddy supply to AMRU. Farmers have expressed a high level of satisfaction regarding the price obtained for their paddy and the role of their Agricultural Cooperatives. They were more reserved about the issue of delay of payments which, for some of them, appears as a reason of dissatisfaction (See Figure 1, opposite).

Source: COrAA surveys.

From 4 to 6 February, some of the cooperatives were visited by Mr Hy Thy and other members of the team to assess issues related to the management of the cooperatives. Needs for further consolidation of managerial capacities of the cooperatives were underlined during this visit.

From 10 to 15 March, the project team (Team Leader of Component #3 with counterpart officers from MAFF) has conducted a mission in Preah Vihear and has visited the 8 cooperatives, to draw lessons from the experience of 2014 and to discuss about the future support and the scenarios to ensure a sustainable implementation of all the functions required to maintain the certification and the management of the transaction with AMRU (see next paragraph).

3.3.3. PERSPECTIVES FOR CONSOLIDATING THE SUSTAINABILITY OF THE ORGANIC PADDY SUPPLY CHAIN

The Project Management Advisor has prepared a concept note¹⁸, issued on 24 February 2014, to develop perspectives for scaling-up and consolidation of the sustainability of the organic rice value chain in Preah Vihear. The note proposes scenarios and approach for follow-up action to consolidate the organic rice value chain. Among key elements developed, we can highlight:

- The identification of key functions that need to be sustained in the long term, independently from any external support (/subsidy).

¹⁷ Cf. Quarterly Executive Report #08, pages 23 to 29.

¹⁸ J.-M. Brun, "Scaling-up, consolidating and building sustainability of Organic Rice value chain in Preah Vihear: Concept note for discussion", 24 Feb. 2015.

- The need for a professionalization of cooperatives, which could be achieved by mutualizing resources and possibly setting up a cooperative union to hire professional staff.
- The possibility to externalize some services (e.g. backstopping of internal control inspectors and consolidation of internal control data that could be outsourced to a service provider such as COrAA, yet to be paid based on the additional value generated by the organic certification and not by subsidies).
- The possibility to test credit mechanism associated to Contract Farming for this case, based on the solid partnership between AMRU and cooperatives.
- The possibility, in addition to detailed annual contracts for paddy supply, to sign a Memorandum of Understanding acknowledging the intention a building a medium-/long- term partnership between AMRU and cooperatives, in order to provide more visibility and security for both parties who need to consider investments.

The note is also proposing elements of implementation strategy and timeframe.

The mission of project team in Preah Vihear in mid-March (See § 3.6.2. page 23 in this report) has been a first opportunity to discuss with cooperatives about the possible scenarios to build the sustainability of the rice value chain and in particular ensure the ability to sustain key functions necessary to maintain the certification and the proper management of paddy collection and sales to AMRU. The option of a cooperative union was notably discussed and generally well received and supported by cooperative leaders.

Then on 31st of March, a full day meeting of all parties involved was organized in SNEC in order to discuss possible scenarios and modalities of support to consolidate the organic paddy supply chain. 12 cooperatives of Preah Vihear were present ¹⁹ (the 8 cooperatives involved in 2014 + 4 potential cooperatives that could be associated), AMRU, COrAA, DACP, PDA, RDB, SNEC project team, AFD...



Consultation meeting between stakeholders of organic paddy supply chain in SNEC on 31st March 2015 ▷

This consultation has been very useful to explore the possible scenarios and discuss some of the key issues, in particular regarding the need to progressively “wean” this organic supply chain from project subsidies and to build its financial and organizational sustainability²⁰. But a number of expected decisions could not yet be taken at that stage and will require further consultation. Since AMRU has just recently started the export of organic rice, AMRU chairman expressed that he still need more time to get more feedback from his clients and be able to estimate volumes that he could commit to buy in 2015 and possible evolution of the premium price (budget simulation prepared by the project team clearly show that the average level of premium received by cooperatives last year²¹ would not be sufficient to cover all required costs and leave a sufficient share of the premium to farmers in order to maintain their interest and commitment).

Negotiations will continue in April/May 2015.

¹⁹ Each cooperative was represented by three leaders.

²⁰ Comprehensive minutes of the meeting have been prepared by Mr Sok Sarang and are available.

²¹ In average, 128 KHR/kg, with significant variability depending on the quality category of the paddy supplied – See Quarterly Executive Report #08 page 25.

3.4. SCALING-UP OF PADDY SELLING GROUPS IN FWUCs

3.4.1. PADDY SALES BY PSG IN THIS QUARTER

Three Paddy Selling Groups have proceeded to collective sales of paddy in this last quarter of 2014:

- Pralay Ekapheap FWUC (also referred to as “Po Pi Deum”) has sold 731 tons of *Sen Kruob* paddy, for a total amount of 195,227 USD, and an estimated additional value of + 2,621 USD compared to individual selling (+1.34%) – See more details on this case in Box 2 below.
- Teuk Chhar FWUC has sold 100 t of white rice for a total amount of 20,643 USD, and an estimated additional value of + 208 USD compared to individual selling (+1.01%).
- Tnaot Chum FWUC has sold 80 t of white rice for a total amount of 16,165 USD, and an estimated additional value of + 165 USD compared to individual selling (+1.02%).

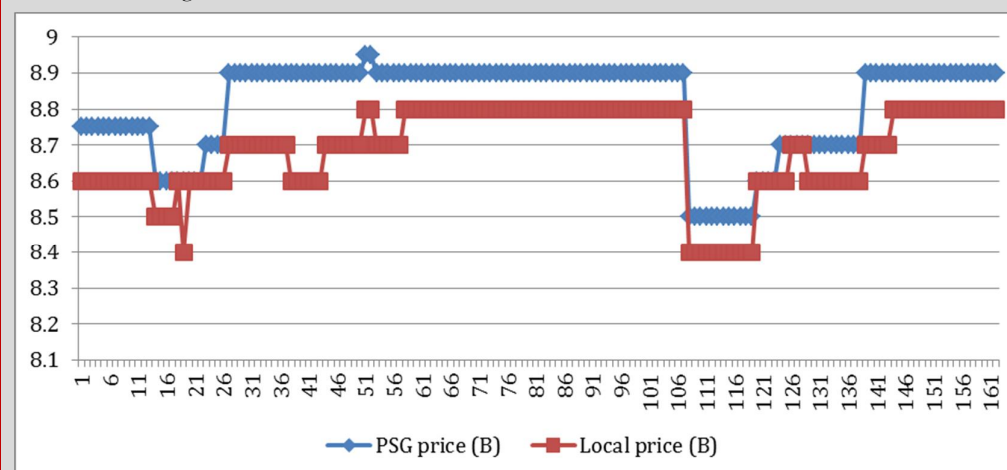
Box 2: Details of sales operation by Pralay Ekapheap PSG in this quarter

PSG in Pralay Ekapheap FWUC could facilitated and arranged to sell paddy rice more than their plans (731 t, against a plan for 600 t) during dry season 2015 and generated value added amount of 2,621USD.

Four different company/buyers bought paddy rice from PSG (see Table below). It is noted that Golden rice is the one who bought less volumes than others (32 t) but this company have more conditions than other.

No.	Company Name	Total volume (kg)	Amount (Thai Baht)	Average of Value + (Thai Baht)
1	Phalla	489,774	4,356,393.7	0.14
2	Poa Pahit	145,373	1,257,643.5	0.06
3	Fong Vun	64,063	544,535.5	0.10
4	Golden Rice	32,447	283,911.3	0.15
	Total	731,657	6,442,484.0	0.12

During this period, there were 161 transactions of PSG's selling activities. The maximum price was 8.95 Thai Baht/kg and min is 8.4 Thai Baht/kg. As shown in Graph below, the price of PSG were at least equal local price but most of the cases, PSG price was higher and average of value added price is 0.12 Thai Baht/kg.



3.4.2. CUMULATED RESULTS OF PADDY SELLING GROUPS FROM MAY 2014

The Table 5 below presents an up-date of the sales of paddy by Paddy Selling Group from 1st of May 2014. In total, 6,025 t of paddy have been sold by FWUC's Paddy Selling Groups from 1st of May 2014, for a total value of 1,538,288 USD, and an estimated net additional income for farmers of + 17,510 USD (+1.40 %).

Table 5: Volumes of paddy sold, value and estimated additional profit in 8 Paddy Selling Groups involved in the period of implementation from 1st May 2014 to 15th April 2015

FWUCs	Province	Volumes sold	Gross amount	Estimated additional profits ⁽¹⁾		Cost for PSG leaders	Net profit for PSG members
				(value)	(%)		
<i>Angko</i>	Kg Thom	284 t	57,385 USD	493 USD	+ 0.86 %	53 USD	440 USD
<i>Beung Leas</i>	Kg Thom	442 t	91,241 USD	920 USD	+ 1.01 %	55 USD	865 USD
<i>Ping Pong</i>	Battambang	2,555 t	642,462 USD	9,557 USD	+ 1.49 %	1,743 USD	7,814 USD
<i>Pralay Ekapheap</i> ⁽²⁾	Ban. Meanchey	1,464 t	389,973 USD	5,740 USD	+ 1.47 %	991 USD	4,749 USD
<i>Krouch Saench</i>	Pursat	715 t	212,609 USD	2,664 USD	+ 1.25 %	747 USD	1,917 USD
<i>Stung Chinit</i>	Kg Thom	385 t	107,810 USD	1,850 USD	+ 1.72 %	359 USD	1,492 USD
<i>Tenk Chbar</i>	Kg Cham	100 t	20,643 USD	208 USD	+ 1.01 %	70 USD	138 USD
<i>Tnaot Chum</i>	Kg Thom	80 t	16,165 USD	165 USD	+ 1.02 %	70 USD	95 USD
TOTAL		6,025 t	1,538,288 USD	21,597 USD	+1.40 %	4,088 USD	17,510 USD

⁽¹⁾ Estimated additional profits is the additional price obtained by selling collectively compared to individual selling. It is the difference between price offered by buyers (local collector or millers within the area) to individual farmer and the price offered to PSG members by the buyer(s) selected by Paddy Selling Group (for equivalent quality).

⁽²⁾ *Pralay Ekapheap* is also referred to as "Po Pi Deum". Figures presented here are cumulated for two different period of sale (733 tons were sold in wet season and 731 tons in this last quarter as detailed above).

3.5. CAPACITY BUILDING OF FOS INVOLVED IN PADDY COMMERCIALIZATION

3.5.1. FOLLOW-UP MISSION TO ASSESS USE OF MANAGEMENT TOOLS IN BATTAMBANG AND PREAH VIHEAR

3.5.1.1. FOLLOW-UP IN BATTAMBANG

Mr Hy Thy, consultant for component #3, implemented one mission in Battambang from 4th to 5th January 2015 in order to get feedback from the three FOs involved in Contract Farming (*Nikum Preah Sihanouk AC*, *FWUC Svay Ar*, and *Pet Sat Phum Doeumbey Aphivat Association*) on the use of management and book-keeping tools for paddy commercialization. In the three cases, the tools were not always used because the FO has not always served as an actual intermediary between farmers and miller. FO leaders said they had not enough time to manage, and the FO members were often delivering the paddy to the mill by themselves.

Yet, the accounting of the three FOs was verified and completed/corrected during the mission and the FO leaders said that they feel comfortable with the method and able to implement by themselves next time.

3.5.1.2. FOLLOW-UP IN PREAH VIHEAR

The same follow-up mission took place in Preah Vihear in two steps: 5 ACs were visited by Mr Hy Thy from 14 to 18 January 2015 and the other 3 ones from 4 to 6 February. These missions were the opportunity to clarify some points and complete and verify the accounting records of each of the 8 cooperatives. For the 5 cooperatives visited in January, cross-checking was made on the consistency of volumes of paddy sold by members to cooperative as indicated on delivery receipt and purchasing invoices, with volumes sold to AMRU. A few corrections had to be made, which was important to ensure a clean

consistency of matter accounting documents before the second inspection by ECOCERT for the organic certification.

3.5.2. TRAINING OF TRAINER ON BOOK KEEPING FOR PADDY SELLING

One Training of Trainers on management and book keeping of paddy selling by Farmer Organization was organized on 27 February 2015 in SNEC office. The training was provided by Mr Hy Thy. The objective was to build the capacity of the management committee of FCFD, FAEC and FWN in term of ability to provide support to members in paddy commercialization management, accounting and internal audit, so that they could provide such trainings to those Federations' members and also service to other FOs, non-members of FCFD and FAEC.

24 participants attended the training, from FCFD, FAEC, FWN, ISC, ADG, and AVSF. The topics covered included: how to create FO bank account, how to estimate cost of FO paddy commercialization activities, how to make work plan and timesheet, how to use tools for FO paddy commercialization, how to use calculator, how to use bookkeeping for paddy commercialization activities, and how to check bookkeeping. All participants were very active and very interested by the training content.

3.6. KNOWLEDGE MANAGEMENT AND CAPACITY BUILDING

3.6.1. REVIEW AND ANALYSIS OF CASES OF CONTRACT FARMING IMPLEMENTED IN TAKEO AND BATTAMBANG

The project team and project counterpart staff of DAI and DACP has carried out the case study on lesson learnt on contract farming of pilot innovative actions in Battambang and Takeo provinces. The pilot innovative action of contract farming in Battambang province have been implemented in 2014 by Loran rice mill with FWUC *Svay Ar* (Canal No 1) and *Nikum Preah Sihanouk* AC and by BRICo rice mill and *Petsat Phum Doeumbey Akphivat* association. In Takeo province, the pilot innovative action has been implemented by Golden rice mill and Sromok Sok Senchey AC.

A preliminary report (draft) was shared inside project team in mid-February. A number of important comments have been made by the Project Management Advisor, and the conclusions and recommendations needs significant reviewing. Moreover, the report will be compiled with additional analysis of Preah Vihear case study (below).

3.6.2. REVIEW AND ANALYSIS OF CASES OF CONTRACT FARMING IN PREAH VIHEAR

The study on Contract Farming with 8 ACs involved in farming contract for growing and supplying organic paddy to AMRU has been conducted by SCCRP project team²² with the objective of analysing this case of pilot action and drawing lessons learnt from the contract farming between the 8 ACs and AMRU Rice, and also to identify issues to be addressed to consolidate the sustainability of the organic paddy supply chain (See § 3.3.3 pages 19-20 in this report). Based on the results of the study, some recommendations have been raised for contributing to the development of draft format of the contract farming and contract farming guideline. A report of the study in Preah Vihear is being drafted.

3.6.3. PREPARATION OF A CAPITALIZATION WORKSHOP ON CONTRACT FARMING

AFD supervision mission report (sent to SNEC on 25th February 2015) suggested the organization of a capitalization workshop on Contract farming, notably to share experiences from the pilot.

²² Mr Sok Sarang, Team Leader for Component #3, Mr Ouk Saroeun and Mrs Svay Samnang from DACP, Mr Yi Bunhak from DAI. Officers of the provincial Department of Agriculture were also associated in the field mission.

The Project Management Advisor has drafted a concept note on the possible objectives and content of such a workshop, which was first shared on 26th of March with Project Coordinator and Team Leader of Component #3 in order to get first feedback.

It will then be discussed more broadly within Component #3 coordination meeting and with the Taskforce on Contract Farming and CRF's Farming and Milling Executive Committee, which are expected to be associated with the organization of this workshop which shall also be used as an opportunity to get inputs from economic stakeholders regarding constraints and expectations for the development of Contract Farming, in particular in the Cambodian rice sector.

It is anticipated that this workshop will take place in the second half of May 2015.

3.6.4. PROMOTION OF AMRU'S CONTRACT FARMING EXPERIENCE ON BTV

Mr Song Saran, Chairman of AMRU Rice, has been invited in a BTV show in which he gave a 15' interview about his experience of Contract Farming in Preah Vihear. He explained about the principle of the contract farming and the procedure implemented as well as the mechanism for price determination, number of cooperatives involved and volume of paddy delivered to AMRU.



3.7. POLICY AND REGULATORY ISSUES ON CONTRACT FARMING

3.7.1. FIRST MEETING OF THE TASKFORCE ON POLICY, GUIDELINES AND REGULATIONS FOR CONTRACT FARMING

Further to the first steps for the constitution of the Taskforce on policy, guidelines and regulation on Contract Farming, a first meeting has been organized on 9th January 2015 at SNEC office with participation of 14 persons from SNEC and SCCRP consultants, MAFF (GDA, DAI, DAE/DACP, DAL), RDB and Association Henri Capitant.

The main objectives of the first meeting are to present objectives/expected outcomes/approach and mechanism of the taskforce on Contract Farming. A focus was given to the composition and role of the taskforce, and a discussion took place on the composition, concluded by the decision to invite a few more members, notably representatives of the Ministry of Justice, Ministry of Commerce and from the private sector (via CRF, for rice sector).

The importance of the inputs from economic stakeholders in the process was strongly enhanced by the project team. It was underlined that the development of additional policies, guidelines and regulation shall be primarily driven by an identification of concerns and constraints of the private sector and shall try to address these concerns.

3.7.2. MOBILIZATION OF NEW MEMBERS TO COMPLETE THE TASKFORCE

Further to this first meeting and to the decision to include other institutions, SNEC has sent letters to Ministry of Commerce and Ministry of Justice requesting these two Ministries to appoint representative to take part in this process.

The Ministry of Justice has appointed Mr San Sophorn, Director of Cabinet of the Minister of Justice, by a letter addressed to SNEC Chairman, dated 26 February 2015.

The Ministry of Commerce has appointed Mr You Mab, Head of the Direction of Private Sector Development, by a letter addressed to SNEC Chairman, dated 20 March 2015.

The Project Management Advisor had several meetings and communication with CRF during this quarter to urge the creation of a working group / executive committee that would cover the topic of improvement of partnership between FOs and rice millers / exporters. The Farming and Milling Productivity Executive Committee was finally set up and had its first meeting on 17 March. During that meeting the SCCRP's PMA made a brief presentation on the possible linkages between the project and this ExCo, and have requested the FMP ExCo to appoint representatives to join the Taskforce on policy, guidelines and regulation on Contract Farming. The ExCo has immediately decided to appoint three of its members: Mr Samart Veasna (member of CRF Board, Co-head of CRF FMP ExCo, Vice-President of FCFD), Mr Pov Norm (member of CRF Board and of FMP ExCo) and Mr Rin Seyha (member of CRF's FMP ExCo).

3.7.3. NEXT STEPS

Now that the Taskforce composition is officially extended, the project management team will work with the Department of Agro-Industry on the preparation of the next meeting that is expected to take place in April 2015.

3.8. GENERAL COORDINATION OF THE COMPONENT #3

3.8.1. MONTHLY COORDINATION MEETINGS

Regular coordination meetings of the Component #3 took place to review progresses of activities and plan actions for the following month, or discuss coordination issues. Meetings were coordinated by Mr Sok Sarang (and in some case Mr Christophe Goossens) on 12 January, 3rd and 5th of March.

In early March, among subjects discussed, the respective roles of project's consultants and counterpart from MAFF were discussed, and counterpart officers have proposed to take the lead on some new pilot actions. DAI and DACP have then sent proposal to the Project Coordinator (see below).

Another subject of discussion (notably on 5th of March) was the issue of the use, in contract farming, of varieties that are not homologated or registered by MAFF (a representative of CARDI has attended this meeting on the invitation of MAFF). The issue was raised after MAFF has questioned the legality of the use of unregistered varieties such as so called *Phka Champa* and *Phka Krawanh* introduced by Golden Rice (and thereof the ability for SCCRP project to continue to facilitate such contracts).

3.8.2. INITIATIVES OF DAI AND DACP

DAI and DACP have both proposed to take the leadership in (part of) the pilot actions of Contract Farming to be implemented in 2015. Mr Ouk Saroeun (DACP) and Mr Yi Bunhak (DAI) have sent two proposals (one for DACP and one for DAI) to the Project Coordinator Mr Ung Luyana in the second half of March 2015. On 23rd and 24th of March, Mr Sok Sarang (Team leader for Component #3) and Mr Jean-Marie Brun (Project Management Advisor) have jointly review and formulated comments on these proposals, addressed to the Project Coordinator, on his request.

Both proposals cover different geographic area (except for one overlap, see Table 6 opposite) but are relatively similar in term of activities and involve both Departments (DAI and DACP) in the implementation.

Table 6: Provinces covered in draft proposals of DAI and DACP

Provinces in DACP proposal	Provinces in DAI proposal
Svay Rieng	<u>Battambang</u>
Prey Veng	Takeo
Kampong Chhnang	Preah Vihear
<u>Battambang</u>	
Steung Treng	

These activities consist in identifying potential Agricultural Cooperatives and interested buyers, organizing meeting between them, explaining the concept of Contract Farming and presenting the guidelines and regulations, then facilitating the negotiation of formal contract farming agreement, registering these contracts and follow-up the implementation.

Whereas the initiative is generally welcome, it seems that the coverage in term of number of provinces might have to be reduced in order to consider time availability (including the need for DAI and DACP to take part in other pilots and in the activities of capitalization and Taskforce work). Besides, it was also advised that the consultant team for Component #3 implementation shall keep the leadership on the pilot in Preah Vihear given the specificity of the case and the main challenge to address which consist in sustaining the organic certification over the project duration.

Proposals will be discussed in the first C#3 coordination meeting in April. It is anticipated that the geographical area will be reduced.

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

4.1. UP-GRADING RDB: RDB REFORMS AND IMPLEMENTATION OF KPMG

RECOMMENDATIONS

4.1.1. IMPLEMENTATION OF REFORMS BY RDB IN THIS QUARTER²³

4.1.1.1. RECRUITMENT AND HR

There were two new recruitments in this Jan-Mar 2015 period: one for the IT Office and the other for the Accounting Office. All departments were asked to review their staff requirements and to make requests for extra staff, if required. Importantly, the credit department, which is very much understaffed in order to fill in its new structure and to ensure some degree of segregation of duties, has already planned and requested to recruit four more staff.

4.1.1.2. IT SYSTEM UP-GRADE

A decision was made to upgrade RDB's existing IT or management information system, known as TriCube, to be better able to store and provide more information for use in decision making on credit, operations and basic risk management. It will also be better able to supply the Credit Bureau of Cambodia with credit information of RDB's borrowers. The IT office has been working with the relevant departments on their information requirements so as to request the software developer for assistance. The IT upgrade request is currently going through procurement procedures.

4.1.1.3. RISK MANAGEMENT POLICY

The risk strategy was refined to be more specific. It now states that higher credit risks shall be permitted to allow achievement of development objectives, especially because of the inherent risks in the rural/agricultural sectors, the target sectors are still in the infant stage and not yet internationally competitive and the limited ability to diversify sectors/products/services due to specific mandate and specialised license. At the same time, operational, financial and other risks should be conservatively managed to ensure accountable use of public funds while providing adequate capital to absorb potentially higher unexpected losses. Risk parameters have already been defined based on this strategy and the whole policy is expected to be approved in April 2015.

4.1.1.4. ASSET-LIABILITY COMMITTEE (ALCO)

The ALCO's roles and responsibilities have been defined and the establishment document and committee composition has been drafted pending approval by CEO. It includes the standard procedures for voting, meeting structure as well as standard reports that need to be prepared ahead of time for use in the meeting to ensure efficient and effective decision making. It is expected ALCO will be approved in April 2015 and will become one of the key committees for discussing not only asset-liability issues but management issues in general.

²³ This part is based on inputs provided by RDB. It reflects actions undertaken by the Bank in full autonomy from the project intervention. Yet it is understood that these actions are partly a follow-up on the inputs of Technical Assistance provided by project (notably KPMG mission implemented in 2013-2014).

4.1.1.5. INTERNAL CONTROL

The internal audit department has been busy compiling the internal control framework of the Bank to meet NBC requirements but will also serve as a basis for identifying internal control weaknesses and areas needing rectification. It can be used as a reference tool for better transparency.

4.1.1.6. INCREASE OF CAPITAL

The capital injection of \$26 million mentioned last time has been registered at the NBC. RDB's net worth, as defined by the NBC is now around \$45 million. RDB is now applying for registration of the extra capital for incorporated entities with the Ministry of Commerce.

4.1.2. RECRUITMENT OF FURTHER TECHNICAL ASSISTANCE TO SUPPORT TO IMPLEMENTATION OF REFORMS

Further to the reception of Expression of Interest, scoring and submission of conclusions to AFD in last December²⁴, AFD has replied on 6th January 2015 and has recommended to re-advertise the Call for Expression of Interest. The Call for EoI was thereof re-published on 14 January 2015. Deadline for application was 11 February 2015 at 11:30 am Cambodian Local Time. Companies which had applied in December were informed that they can either submit an improved EoI or otherwise maintain their previous Expression of Interest that would still be considered. By the expiration of the deadline, SNEC has received three new Expression of Interests, all from the three firms which have already applied in December (replacing thereof their initial application). Two of those firms have added an associated partner in their EoI (while applying alone in the first round). The EoI were submitted electronically by the following three companies:

- Mekong Strategic Partners (MSP) in association with BD-LINK.
- SOFRECO in association with PLANET-FINANCE
- KPMG

The Procurement Committee has scored the 3 EoIs on 20 February 2015. The three applications qualified with the minimum score of 70 pts and were thereof shortlisted. Request for non-objection was sent to AFD on 24th February and AFD has granted its non-objection on the shortlist and the bidding document on 25th of March. Request for full Proposal were sent to the three shortlisted companies on 30 March, with the following documents to ease preparation of proposal for the applicants:

- Summarized SME Loan Policy in English
- Table of Loan and advance classified by type of clients as at Jul 2014
- RDB's annual report 2013
- Organization and Functioning of the Risk Management Department (English)
- Final Report of banking and legal technical assistance to RDB

The deadline for submission of full proposals is Monday 11 May 2015.

²⁴ Cf. Quarterly Executive Report #08, § 4.1.2.3. page 37.

4.2. DEVELOPMENT OF A CREDIT MECHANISM DEDICATED TO FARMER ORGANIZATIONS

4.2.1. ACTIONS UNDERTAKEN FOR BETTER BRIDGING AND SYNERGIES BETWEEN COMPONENTS #3 AND #4

4.2.1.1. MEETING BETWEEN RDB, PROJECT TEAM AND FO FEDERATIONS

On 29 January, a meeting was organized by the project in RDB, with some members of the project team (including Department of Agricultural Cooperatives Promotion) and with representatives of FAEC and FCFD in order to discuss the modalities of further work regarding the development of credit mechanisms for Farmer Organizations.

4.2.1.2. PARTICIPATION OF RDB IN COMPONENT #3 COORDINATION MEETING

RDB representative has attended the Coordination Meeting of Component #3 on 3rd of March 2015.

4.2.1.3. REVISION OF SCM BY RDB

As stated in § 1.2.4.3. (page 9 in this report), the Scoring Criteria Method used by FCFD and FAEC to evaluate the capacities and performance of their members was presented to RDB in February and improved with the inputs from RDB on the following month. It is anticipated that, by using this tool, FAEC and FCFD could pre-screen FOs and transmit information to RDB, allowing the bank to pre-select eligible FOs applying for loans and contributing thereof to reduce risks and transaction costs.

4.2.1.3. FOLLOW-UP MEETING BETWEEN RDB AND PROJECT TEAM: IDENTIFICATION OF PRIORITY PILOTS

On 19 March 2015, a new meeting took place with RDB in order to further discuss on the development of pilot models for credit to Farmer Organizations. The meeting was led by Mr Sam Vongsy, Deputy CEO of RDB and Mr Ung Luyna, Project coordinator, with the participation of 3 other officers of RDB and 4 members of the project consultants' team. The need to enhance synergies between components #3 and #4 of the project was again recalled. The main conclusions regarding models and pilot activities considered are summarized in the Box 3 below:

Box 3: Main orientations agreed between SCCRP and RDB regarding the development of models and pilots of credit to FOs, after meeting on 19/03

1. RDB continues the implementation of the pilot it has started to develop in Banthey Meanchey. The SCCRP project team does not have to get involved in the implementation of this pilot, but might assess the results after implementation in order to draw lessons from this model.

2. RDB is proposing loans to ACs involved in the organic paddy supply (Contract Farming) with AMRU, but mainly to finance their Credit and Saving activities. The SCCRP project welcomes this initiative, but few additional financial needs, directly related to the cooperatives' commercial activities as part of the contract farming, might be identified during a stakeholder meeting (foreseen to take place in Phnom Penh on 31st of March) gathering all the partners in this CF pilot. This could notably include the pre-financing of cooperatives / union's staff or of cooperatives' service providers that will be required to sustain the functions related to Internal Control System and Organic Certification and to the management of harvest, collection and delivery to AMRU. Based on the outcome of the organic value chain stakeholder meetings, these needs will be clarified (timing and amount) and if there is a need for a specific loan to cooperatives, RDB might develop a specific offer or might consider to incorporate this in its loans to ACs.

(...)

(...)

3. Regarding other credit to Agricultural Cooperatives (primarily, or possibly other type of FOs) for their commercial activities in the value chain: to follow-up on Horus mission implemented by Mrs Christine Westercamp in 2014, RDB will work with FAEC and FCFD (and with SCCRP consultants working with them) to develop possible credit offers and conditions, based on practical “cases” (loan requests) that will be developed by end of May 2015. The reflection on the development of a more flexible credit mechanism to ACs/FOs will include the use of the FO Federation “scoring tool” as a primary step in the assessment process, that is foreseen to contribute to save some time and transaction costs for the bank. Project could provide guarantee on pilot loans made as part of this scheme, as a temporary solution prefiguring a sustainable credit guarantee mechanism that will be further developed if the interest is confirmed. The second phase of Horus mission could be mobilized to work with RDB on the development of this mechanism.

4. For the last idea discussed during the meeting, i.e. proposing a credit offer associated to mid-term storage of paddy sold by FOs to millers (via a warehouse and a third party assessment of paddy quality): it was agreed to keep this in mind for further consideration. The model of selling by FOs via a system of “auctions” for paddy batches kept in warehouse, with a third party assessment of the quality of each batch should first be discussed with economic stakeholders (within CRF) in order to validate the principles and in particular verify that the issue of buyers’ trust in the information on quality is addressed. Only then, if this first step confirm an interest of paddy buyers, the project team would come back to RDB to explore if RDB could propose a side offers for buyer to get delay payments (and delivery) against a deposit + the use of the paddy batches as the collateral.

4.2.2. PRACTICAL CASES OF LOAN TO FOs ON-GOING OR ENVISAGED

4.2.2.1. RDB PILOT CREDIT MECHANISM IN BANTHEAY MEANCHEY

RDB is implementing its own pilot action in Bantheay Meanchey, which involved groups of farmers associated to a local businessman involved in purchasing and storage of paddy. Loans actually go through this business and are made to Farmer Groups as in-kind loans (purchase of inputs / fertilizers provided as a loan to the farmer groups) and deduction of the reimbursement of the loan at the paddy harvest.

4.2.2.2. PILOT CREDIT OFFER TO AGRICULTURAL COOPERATIVES IN PREAH VIHEAR

In March, RDB has visited some of the Agricultural Cooperatives in Preah Vihear (involved in the Contract Farming with AMRU) and is considering the provision of loans to these cooperatives to support their saving and credit activities, with interest rate at 1 %/month. Note that this offer has not been discussed with the SCCRP project and is distinct from the support that SCCRP intend to provide to the development of credit mechanisms to FOs, that shall be more dedicated to support the development of FOs commercial activities in agricultural value chains).

Separately, RDB was also invited to take part in the meeting between AMRU and 12 organic cooperatives of Preah Vihear that took place in SNEC on 31st of March 2015 (See § 3.3.3. pages 19-20 in this Report). RDB could envisage financing AMRU working capital (but this is subject to assessment of AMRU business plan and risk assessment) and RDB could also explore possible financing of ACs or Cooperative Unions to finance their costs required notably to sustain the certification system. But no commitment can be taken by RDB at this stage.

4.2.2.3. FURTHER DEVELOPMENT OF CREDIT SERVICES TO FOs

FAEC and FCFD are working with some of their members to elaborate request for loans with proper business plan and documentation to be submitted to RDB. All these requests will be dedicated to finance

commercial activities of cooperatives / FOs (See § 1.2.4.2 page 9 in this report). First requests will be introduced to RDB in April. They are expected to serve as practical cases to further work on the development of an adapted credit offer of RDB to FOs.

Project guarantee might be considered to cover the risks inherent to these very first pilots, using them for RDB to better assess the level of risks.

4.2.2.4. CREDIT OFFER FOR TERM PAYMENT OF PADDY SOLD BY FOS?

Another possible mechanism of credit to the rice sector that could involve Farmer Organizations has been evoked in a concept note²⁵ prepared by the Project Management Advisor about the possible development of a platform for FOs to sell their paddy, based on a third party assessment of quality of each batch, trustworthy enough to allow buyers to place offers without actually seeing the paddy. Paddy would have to be centralized in large warehouse (in order to centralize the service of quality assessment/certification), and thereof a side service of delayed payment (and delivery) could be associated with this system using the stock as the collateral. The credit would be offered to the buyers and not to the FO in that case, but since it would be associated with the selling by FOs, it would provide a side interest for buyers and thereof put the FOs in a better position to bargain prices.

The idea has been briefly presented in the Component #3 Coordination meeting on 3rd of March, but would require to be further developed and explored. Component #3 team should take over further exploration of the proposed principle. It is also suggested to discuss the concept within CRF's Farming and Milling Productivity Executive Committee.

4.2.3. MOBILIZATION OF SECOND PHASE OF HORUS MISSION ON CREDIT TO FOS

The various discussions between project, FO Federations and RDB, described above, have also evoked how the pending second phase of HORUS Development Finance's mission (contracted in 2014 to work on Credit mechanisms for FOs) could be mobilized and adjusted to the recent evolutions. Horus will be re-contacted in April to plan that second phase of the consultant's input.

²⁵ J.-M. Brun, Proposed pilot action on improved paddy quality recognition and storage + bidding/auction system – Concept note for discussion, 26 February 2015.

ANNEXES

ANNEX 1: FAEC AND FCFD JOINT WORK PLAN FOR YEAR 2015

N°	Activity	Step	Who	With whom	Year 2015												
					Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
1	Institutional Support																
1.1	Merging meeting between both FO Federations (FAEC and FCFD)	Define the functions of the Fed-Union and next action plan	Fed TA	Fed Rep			x										
		Clarify Fed-Union structure and revise statute and internal rule for Fed-Union institutional strengthening	Fed TA	Fed Rep				x									
		Design action plan	Fed TA	Fed Rep					x								
1.2	Revise and conduct Scoring Criteria Method	Verify an existing SCM	Christophe	Team			x x										
		Internal meeting, discussion, verify and approve	Christophe	Team				x									
		Training and coaching	Christophe	Fed Rep				x									
		Scoring Criteria Methode evaluation process	Fed Rep	Fed TA					x x x								
1.3	Re-assess the level indemnity policy (meal, travel, accommodation)	Organize meeting with FO Fed Board to set new compensation rules	Fed TA	Fed Rep			x										
		Assist FO Fed Representatives to acquire a "service delivery approach" instead of a "project approach"	Sophany	Fed TA													
1.4	Create Financial policy	Study an existing Financial policies	Fed TA	Sophany					x								
		- Develop rules for profit sharing between farmers, FO, FO Union, AC Union, FO Fed, and Fed Union.							x								
		- Constitution of a Fed Union guaranty fund.															
		- Clarify the responsibilities and functions for each level (Fed Union; FAEC-FCFD; AC Union; FO; member; non-member) to access credit for members.															
		- Develop ideal credit mechanism															
		Meeting with Fed-Union Boards members to discuss, verify and approve on Financial policy	Fed TA	Fed Rep						x							
		Publishing of Financial policy	Printing house	Fed TA								x x					

N°	Activity	Step	Who	With whom	Year 2015												
					Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
1 Institutional Support																	
1.5	Create bidding procedure policy	Study an existing policies and formalize the procurement procedures for agricultural input	Fed TA	Sophany				x									
		Define role and responsibility of the Fec Fed TA Union in the organisation of global bidding process for agricultural inputs supply	Fec Fed TA	Sophany					x								
		Meeting with Fed-Union Boards members to discuss, verify and approve on bidding procedure polic	Fed TA	Fed Rep						x							
		Publishing of bidding procedure policy	Printing house	Fed TA							x x						
1.6	Create FO Fed membership policy	- Define clear roadmaps to incorporate, formalize and legalize FWUC, PSG. - Set rights and duties for existing members, new members, and non-members to access Fed services. - Revise Statute and internal rules of Fed-Union and Fed Union.	Fed TA	Fed Rep					x								
		Meeting with Fed-Union Boards members: to discuss, verify and approve the internal rule and statute with FO Fed Board members with focus on how new members can join and how and why old member are leaving the structure	Fed TA	Fed Rep						x							
		Publishing of membership policy	Fed TA								x x						
1.7	Create services catalogue and conditions of delivery offered to members	Meeting to indentify the services catalogue	Fed TA	Fed Rep					x								
		Publishing of services catalogue	Printing house	Fed TA							x x						
		- Advertize and report on these services to FO members and members - Approach rice-millers, buyers, and exporters to advertize services and negotiate payment to FO Fed and Fed Union for these services	Fed TA	Sophany								x	x	x	x	x	

N°	Activity	Step	Who	With whom	Year 2015													
					Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
1 Institutional Support																		
1.8	Facilitation for recruitment new FO Fed members	Meeting with Fed Board Members to identify new target province or potential members	Fed TA	Fed Rep							x							
		Extension FO Fed function and policies to FO	Fed TA	Fed Rep										x			x	
		Recruitment new FO Fed members	Fed TA	Fed Rep														x
1.9	Facilitation for Access to technical support for FO Fed Board members	Training Need Assessment	Fed TA	Fed Rep				x										
		Identify and negotiation with Consultant	Fed TA	Sophany							x							
		ToT	Fed TA	Consultant											x	x		
1.10	Improve the level of membership fee and make income through service provision	Design 2016 annual work plan	Fed TA	Fed Rep						x								
		Discussion with board committee of FO Fed for decision on membership fee	Fed TA	Fed Rep									x x					
		Revise listing of services, source of payments, fee levels ...	Fed TA	Sophany										x x				
		Develop communication tools (leaflet, newsletter, website, facebook ...) to be demand driven for services	Fed TA	Sophany				x x			x			x			x	
		Define supports (training manuals, capacity, handouts, ...) for services	Fed TA	Sophany														
		Present membership fee and service provision to FO Fed member during General Assembly in 2016	Fed TA	Fed Rep				x x			x			x		x		x

N°	Activity	Step	Who	With whom	Year 2015												
					Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
2	Service provision to members (preparatory work for the 2015 rice campaign assisting FO to overcome the scale problem specifically for procurement of supply and access to information and services)																
2.1	Supports provided to FO wishing to become AC or Pre-ACU and formalize the legalizatio	Preparation guideline for meeting with FO Fed members	Sophany		Fed TA		x x										
		Identify potential/interested FO Fed members for pre-ACU forming	Fed TA	Fed Rep		x											
		Introduce pre-ACU's principle (statute and internal rule), benefit and discussion with FO Fed members	Fed TA	Sophany		x x											
		Discussion on pre-ACU statute and internal rule	Fed TA	Sophany			x x										
		Pre-ACU leaders election and identify and implementing collective activitie	Fed TA	Sophany				x x									
		ToT on business plan for FO fed board members	Fed TA	Sophany					x x								
		Activities implementing	Fed TA	Fed Rep							x x	x x	x x	x x	x x		
2.2	Facilitate to build and manage intermediary storage for pre-ACU or FO	Meet Fed-Union and develop the strategy to negotiate and organize the investment on intermediary storage with rice-millers and FO/AC Union	Sophany	Fed Rep					x x								
		Develop conditions in the credit mechanism for FO/pre-ACU to access investment funds from Financial Institutions to build intermediary storag	Fed TA	Sophany						x x							
		Deliver a certificate of performance to each FO after being evaluate by SCM, in order to advertize to potential investors	Fed TA	Fed Rep							x x						
		Action plan to approach and negotiate with investors (rice millers, buyers, ...)	Fed TA	Sophany									x x				

N°	Activity	Step	Who	With whom	Year 2015											
					Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2.3	Assessing paddy supply data of FO members	Organize an exchange visit for Pre-ACU	Fed TA	Fed Rep							x					
		Create rice production assessment template	Fed TA	Sophany								x				
		Training on procedures (bookkeeping, receipts ...) for PSG	Fed TA	Sophany								x	x			
		Data collection and data entry	Fed TA	Fed Rep									x	x		
2.4	Opening the discussion on the benefit sharing among farmers	Facilitate the explanation of profit sharing and benefit distribution to FO and members	Fed TA	Sophany										x		
2.5	Facilitation Fertilizer trade and agricultural input for FO Fed members	Verify fertilizer needs assessment template	Fed Ass	Fed Rep				x								
		Extention Fertilizer trade to FO Fed members	Fed TA	Sophany				x								
		Identify members needs/ Fertilizer needs assessment of FO members	Fed Ass	Fed Rep				x	x							
		Identify and negotiation with Fertilizer Fed Ass supplier Companies	Fertilizer Fed Ass	Fed Rep					x	x						
		Facilitation the contract between FO and Fed Ass Fertilizer Company	Fed Ass	Fed Rep						x						
		Technical support to FO Fed members on fertilizer implementation	Fed TA	Fed Rep						x	x			x		
2.6	Facilitation for Access to Rice seed for members	Identify and meeting with paddy seed suppliers	Fed AT	Fed Rep				x								
		Design paddy seed needs assessment template	Fed TA	Sophany				x								
		Extention paddy seed needs to FO Fed members and identify members need	Fed TA	Sophany				x	x							
		Paddy seed buying or contracting with suppliers	Fed TA	Fed Rep					x	x						
		Training on paddy seed multiply	Consultant	Fed TA						x	x					
		Facilitate for technical support to paddy seed producer group	Consultant	Fed TA							x		x		x	
		Technical support to FO Fed members on paddy seed selling	Fed TA	Sophany										x		

N°	Activity	Step	Who	With whom	Year 2015											
					Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2.7	Set up internal control system on paddy seed production for Fed FO members	Meeting with paddy seed producers and Fed TA identify volunteer	Fed TA	Sophany					x							
		Training on paddy seed controlling process	Consultant	Fed TA						x x						
		Controlling paddy seed producers	Volunteer	Fed TA							x	x			x	
2.8	Facilitate the access of Farmer Organizations to credit mechanism	Create a Fed Union guaranty fund from FAEC-FCFD own resources	Fed TA	Sophany			x									
		Assist Fed Union in their service to Financial Institutions to pre-screen FO to access credit following SMC method	Fed TA	Sophany				x x								
		Assist FAEC-FCFD, Fed Union to develop credit proposal and negotiate with RDB and other Financial Institutions (and guidance of HORUS mission)	Fed TA	Sophany					x x							
		Technical support to FO Fed members on credit implementation	Fed TA	Sophany						x	x	x			x	
2.9	Facilitation paddy trade for FO Fed members	Facilitation for paddy matching meeting between FO fed members with rice miller	Fed TA	Sophany										x x x x	x x x	
		Technical support to paddy selling groups	Fed TA	Sophany										x x x x	x x x	
2.10	Facilitate the access to Technical support for FO Fed Members	Identify members needs	Fed TA	Fed Rep					x x							
		Meeting with stakeholders or service providers	Fed TA	Sophany						x x	x x					
		Provide technical training to FO leaders	Consultant	Fed TA								x x	x x	x x		

N°	Activity	Step	Who	With whom	Year 2015												
					Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
3	Communication																
3.1	Develop and create the production of communication tools to enhance business linkages between FO and private sector such as: Leaflet, FO Fed website, Name card ...	Internal meeting to discuss on how to design Leaflet, FO Fed website, Name card...?	Fed TA	Sophany			x										
		Identify and meeting with service providers	Fed TA	Sophany				x x									
		Create or printing process	Printing house/con sultant	Fed TA					x x x								
		Up-date/upload information	Fed TA	Consultant							x	x					
3.2	Print booklet on rice production/paddy supply data	Develop a set of data and format of database	Fed TA	Sophany					x x								
		Training on how to collect effective data to FO leaders	Fed TA	Sophany						x x							
		Collect rice production data from members and non-members	Fed TA	Fed Rep								x x x					
		Compile the data base and book let design	Fed TA	Sophany									x x				
		Publish/printing booklets	Printing house	Fed TA									x x				
		Distribute booklets to stakeholder	Fed TA	Fed Rep										x x			
		Organize promotion (roles and targets), and support negotiations (for selling and for payment of services) with buyers	Fed TA	Fed Rep											x x		
3.3	Develop FO Fed database	Verify FO data base template	Fed TA	Sophany				x x									
		Training on how to collect data to FO Fed Board members	Fed TA	Sophany						x x							
		Data collection process	Fed TA	Fed Rep							x x						
		Data entry	Fed TA	Fed Rep								x x					
3.4	Press conference (TV, Radio...)																

N°	Activity	Step	Who	With whom	Year 2015												
					Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
4 Lobby-in/advocacy and networking																	
4.1	Following-up the legal framework of MAFF	Prakas on Unions of Cooperatives	Fed TA	Sophany		x	x	x		x	x		x				
		The legal framework on agri-Coop Alliance	Fed TA	Sophany		x	x	x		x	x		x				
		The organization and functioning of the Agricultural Cooperative Development Fund	Fed TA	Sophany		x	x	x		x	x		x				
		Agricultural Cooperatives shall be encouraged by and enjoy preferential treatment from the Royal Government of Cambodia	Fed TA	Sophany		x	x			x			x				
4.2	Participation to Working-Groups to continue advocacy efforts	Task force on CF	Fed TA	Fed Rep													
		Task force on seed	Fed TA	Fed Rep													
		Task force on ...?	Fed TA	Fed Rep													
4.3	Participation of Fed-Union with CRF in the board of an inter-professional organisation	Participation to first meeting	Fed TA	Fed Rep			x										
		Define roles and responsibilities of Fed-Union in an inter-professional organisation	Fed TA	Fed Rep				x									
		Screening qualified FO representatives with experiences on paddy commercialization	Fed TA	Fed Rep					x								
		FO representatives participation to WG and Task Forces	Fed TA	Fed Rep							x	x	x	x	x		
4.4	Participation the meeting/workshop/main events	Participation the Cambodian Rice Federation General Assembly	Fed TA	Fed Rep													x
		Participation the Cambodian Rice Festival	Fed TA	Fed Rep												x	
		Participation the Cambodian Rice Forum	Fed TA	Fed Rep												x	
		Participation the 6th National Farmer Forum	Fed TA	Fed Rep													
		Other ...?	Fed TA	Fed Rep													

