

■ Support to the Commercialization of Cambodian Rice Project

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Supreme National Economic Council (SNEC)

SUPPORT TO THE COMMERCIALIZATION OF CAMBODIAN RICE PROJECT

QUARTERLY EXECUTIVE REPORT #1

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CAMBODIAN RICE PROJECT**

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ACRONYMS

AC	Agricultural Cooperative
ACBN	Agricultural Cooperative Business Network
ACDF	Agricultural Cooperatives Development Fund
ACM	Assistant for Coordination and Management (in SCCRP project management team)
ACMES	Ayeyawady Chao Phraya Mekong Economic Cooperation Strategy
ACT	Agriculture Certification Thailand
ACTAE	Towards Agroecology Transition in the Mekong Region Project
ADB	Asian Development Bank
ADC	Agricultural Development Communities
ADF	Agriculture Development Fund (ADF)
ADG	Aide au Développement Gembloux
AEA	Agro-Ecosystem Analysis
AEC	ASEAN Economic Community
AFD	Agence Française de Développement French Agency for Development
AFDI	Agriculteurs Français et Développement International
AFO	Accounting and Finance Officer (in SCCRP project management team)
AFTA	ASEAN Free Trade Agreement
AIMS	Accelerating Inclusive Markets for Smallholders Project (IFAD) project
ALCO	Asset Liability Committee (banking)
ALiSEA	Agroecology Learning Alliance in South East Asia
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	Accompagnement du Risque de financements des investisseurs privés en intervention AFD
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 Southeast Asian Nations
ASIrri	Projet Appui aux Irrigants et aux Services aux Irrigants
ASPIRE	Agriculture Services Program for Innovation, Resilience and Export (IFAD project)
ASYCUDA	Automated System for Customs Data
AusAID	Australian Agency for International Development
AVSF	Agronomes et Vétérinaires Sans Frontières
BFS ExCo	Banking and Finance Solutions Executive Committee (of CRF)
BRC	British Retail Consortium
BritCham	British Cambodian Chamber of Commerce
C2A	Commission Agriculture et Alimentation de Coordination Sud (French development NGO platform)
CAC	Crédit Agricole Consultants
CACA	Cambodian Agricultural Cooperative Alliance
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	Chambre de Commerce et d'Industrie / Franco-Cambodian Chamber of Commerce
CDC	Council for the Development of Cambodia
CDRI	Cambodia Development Resource Institute
CEDAC	Centre d'Etude et de Développement Agricole du Cambodge
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
CIRAD	Centre International de Recherche Agronomique et de Développement
CIRD	Cambodian Institute for Research and Rural Development
CO	Certificate of Origin
CoC	Code of Conduct
COAA	Cambodian Organic Agriculture Association
COSTEA	Comité Scientifique et Technique Agricole
CREA	Cambodia Rice Exports Association
CRX	Cambodia Rice Export Meeting (facilitated by IFC)
CSR	Corporate Social Responsibility
DACP	Department of Agricultural Cooperatives Promotion
DAE	Department of Agricultural Extension
DAI	Department of Agriculture Industry
DAL	Department of Agriculture Legislation
DANIDA	Danish International Development Agency
DDM	Demand Driven Model
DFID	Department for International Development (UK)
DGRV	Deutscher Genossenschafts- und Raiffeisenverband (German Cooperative & Raiffeisen Confederation)
Dis.	District
DMC	Direct-seeding Mule-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 exporters supported by IFC)
ESP	Environmental and Social Policy
ESR	Equitable, Solidaire, Responsable, Franches, Solidarity, Responsibility, Eco-cert owned standard
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	Deutsche Gesellschaft für Internationale Zusammenarbeit / 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'Échanges 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	Institut de Recherche Appliquée des Méthodes de Développement
ISC	Institute of Standards of Cambodia
ISF	Irrigation Service Fee
IT	Information Technologies
IVY	International Volunteers of Yamagata
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 Prea Sihanouk Agricultural Cooperative
NOP	National Organic Program (USA organic standards)
NPACD	National Policy for Agricultural Cooperatives Development
NPD	National Project Director (in SCCRP project management team)
NSC	National Standard Council
NSDP	National Strategic Development Plan
NWISP	North-West Irrigation Sector Project (ADB/AFD)
OA	Organic Agriculture
OACP	Office of Agricultural Cooperatives Promotion
ODM	Offer Driven Model
OPM	Open Paddy Market
O&M	Operation and Maintenance (of irrigation schemes)
PAO	Project Administration Officer (in SCCRP project management team)
PADAC	Programme Appui au Développement Agricole au Cambodge
PADEE	Project for Agriculture Development and Economic Empowerment (IFAD/FAO project)
PBA	Program Based Approach
PC	Project Coordinator (in SCCRP project management team)
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 (in SCCRP project management team)
PPAP	Phnom Penh Autonomous Port
PPCR	Pilot Program for Climate Resilience
PPD	PublicPrivate Dialog
PPP	Project Procurement Plan
PPP	PublicPrivate 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
RiceSDP	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
SCM	Scoring Criteria Method
SEA	South East Asia
SIAL	Salon International de l'Agroalimentaire (Paris)
SME	Small and Medium Enterprise
SMP	Sansom Mlup Neo
SNEC	Supreme National Economic Council
SOWSREF	Secretariat of the One Window Service for Rice Export Formality
SPS	Sanitary and Phytosanitary
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 Phu (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
UK	United Kingdom
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

WIPO	World Intellectual Property Organization
WRC	World Rice Conference
WRMSDP	Water Resource Management Sector Development Program (ADB)
WTO	World Trade Organization
WVI	World Vision International

UNITS AND MEASURES

ha	Hectare
kg	kilogram
KHR	Cambodian Riel
km	kilometer
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) initiated by the Supreme National Economic Council and funded by the Agence Française de Développement (AFD) French Agency for Development for an initial period of 3 years (January 2013 to December 2015) now officially extended for two more years until 31st December 2017.

This report is the 13th Quarterly Executive Report of the project. It covers the period from January 1st to March 31, 2016, for technical components 1 to 4.

During this period, the project has started to associate two additional FO Federations and bridge them with CRF: in total, now, five FO Federations (FAEC, FCFD, FWN, FNN and CFAP) are officially members of the Farming and Milling Productivity Executive Committee of CRF. Five FO Federations have prepared and agreed on a procedure to appoint their three representatives to seat in the Board of Directors of CRF.

Regarding the branding process, the name and draft logo have been approved by CRF, but a few decisions are still pending regarding the quality management and legal requirements. TÜV Rheinland has issued a checklist to ease the collection of opinions and feedback from exporters, members of the GMP ExCo.

The implementation of the last Contract Farming agreements signed in 2015 was reviewed. The two contracts signed by cooperatives in Stung Treng have been unsuccessful (no or very limited volumes actually delivered, apparently largely due to respect by the miller of the conditions stated in the contract regarding location and transport and commission for cooperatives). The contract signed between FWUC Kroch Saeuch and Phour Kok Ky mill in Pursat was more satisfactory, with 150 of paddy delivered (in line with the contract). New opportunities of contract have to be explored by the project team for 2016, including possibly another partnership between an exporter and FOs for the supply of organic paddy.

The contract for the Technical Assistance to Rural Development Bank has been finalized and signed, and the Technical Advisor from Mekong Strategic Partners took office in RDB from 1st March 2016.

AFD headquarter undertook a supervision mission on the project in end of January and early February.

Last, consultants have started to be mobilized from March 2016 to implement a review and updating of the Rice Policy, under the supervision of SNEC.

Table 1 next page provides a summary of outcomes during this quarter, foreseen steps and concerns.

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	<p>§ CRFs Farming and Milling ExCo resumed work.</p> <p>§ 5 FO Federations agree on a process to select their representatives in CRF Board</p> <p>§ 5 FO Federations officially accepted as full right members of CRF Farming and Milling Executive Committee</p>	<p>§ Finalize proposal of MoUs with FO Federations</p> <p>§ CRF General Assembly and Election of Board of Directors (second mandate)</p>	<p>§ Low reactivity of CRF on various issues and proposals sent to the Federation (e.g. offer of support for training on food standards, branding process, etc.)</p>
C#2	<p>§ Validation of brand name and logo by GMP ExCo, endorsed through a larger meeting of CRF.</p> <p>§ TÜV summarized key points to validate in a checklist and requested approval of GMP ExCo members.</p>	<p>§ Validation by CRF GMP ExCo of the proposed brand requirements regarding quality management and process and system for verification of compliance</p> <p>§ Prepare and file application for registration of the certification mark in Cambodia (expected input from WIPO expert)</p> <p>§ Disseminate information to CRF members / potential brand users.</p> <p>§ Prepare and validate draft action plan and time frame for brand management and promotion</p>	<p>§ Pace of meeting of GMP ExCo has slowed down: lack of reactivity of ExCo members to provide feedback to TÜV proposals</p>
C#3	<p>§ Failure of implementation of Contract Farming with Khan Chan Hean rice mill in Stung Treng (no or limited quantities of paddy delivered).</p> <p>§ Relative success of the Contract Farming between Phour Kok Ky mill and FWUC Kroch Saeuch in Pursat.</p> <p>§ Taskforce of Contract Farming policy and regulation officially established by formal decision of MAFF</p> <p>§ Very limited progress on the manual on Contract Farming</p>	<p>§ Contract with Henri Capitant Association for the writing of the legal part of the Manual on Contract Farming.</p> <p>§ Prepare new campaign for organic paddy Contract Farming in Preah Vihear.</p> <p>§ Explore new potential pilots for Contract Farming (possibly: organic paddy supply with Signature of Asia, SRP with BRICo, Golden Rice, AMRU &).</p>	<p>§ Composition of the Taskforce on Contract Farming has been significantly changed in MAFF formal decision, with more officers from MAFF and less experts and economic stakeholders than in the previous informal group</p>
C#4	<p>§ Signature of the contract with TA to RDB and start implementation</p>	<p>§ Validation of RDB's new policy of credit to Farmer Organizations and dissemination to FO Federations and networks + start the identification of loan requests</p>	<p>§ RDB takes long time to validate the new credit policy to FOs. The offer may come too late to address needs for wet season 2016.</p>
C#5	<p>§ AFD Paris supervision mission.</p> <p>§ Consultants for Rice Policy review are mobilized.</p> <p>§ Visit of H.E. Ung Luyna in France and participation in Round Table organized by AFD and CIRAD.</p>	<p>§ Implementation of Rice Policy Review: First workshop on the review of the findings</p> <p>§ Finalize ToR for study on value chain distribution and rice observatory</p>	

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

1.1. SUPPORT TO THE CAMBODIAN RICE FEDERATION

1.1.1. ON-GOING AND NEW OPERATIONAL PARTNERS WITH CRF

1.1.1.1. WORK WITH THE GMP EXCO ON THE BRANDING INITIATIVE

The main operational partnership of SCCR project with Cambodian Rice Federation is still on the development of a collective brand for Cambodian premium Jasmine rice (see more details on the progresses of this work in Section 2 of this report, pages 14 and 15). This process is led by the Global Market Promotion Executive Committee of CRF in which Project Management Advisor is participating as an advisor/observer.

1.1.1.2. WORK WITH FMP EXCO ON IMPROVED INTERFACE BETWEEN FOS AND MILLERS/EXPORTERS

SCCRP project took part in launching the Farming and Milling Productivity Executive Committee¹ and proposed content and support, first discussed between project team and CRF members (Phalla and Mr Yan Pich, CRF officers in charge of Farming and Milling) on 17 February 2016. A Concept Note² was then prepared by SCCR Project Management Advisor to propose possible activities and support to FMP ExCo, also in line with the objectives of the Component #3 of the SCCR project.

The FMP ExCo has then resumed its activities. A meeting took place on the 26th of March. During this meeting, the representation of FOs within this Executive Committee was consolidated. A proposal was made by SCCR project (based on the Concept Note mentioned above) to support two initiatives, to be implemented under CRF umbrella and in partnership with FO Federations, as follows:

- § Promotion of Contract Farming approach and support to FOs and millers/exporters to establish links and build partnership. In addition to further development of partnerships between FOs and millers/exporters (which is also mainly the scope of the Component #3 of SCCR project) the purpose of the work with FMP ExCo would also be to reflect on services that CRF could sustainably develop and offer to its members to contribute to Contract Farming development in the rice sector. Three potential roles were identified in the SCCR project presentation, but to be further explored and discussed
 - o Providing information and advice to CRF members on Contract Farming (taking notably into consideration SCCR project experience, and, when available, the Manual on Contract Farming in Cambodia being developed by SCCR with MAFF).
 - o Facilitate linkage between potential partners, for instance through organization of business matching events.
 - o Possibly develop an offer of service for mediation or conciliation of dispute in Contract Farming implementation.

¹ This FMP ExCo had not been active for the whole second semester of 2015.

² Developing the interface between producers (Farmer Organizations) and Rice Millers / Exporters: Supportive proposal of SCCR project to Cambodian Rice Federation Farming and Milling Productivity Executive Committee. Concept Note prepared by SCCR Project Management Advisor, dated 18 February 2016

³ See § 1.2.4.2. Extension of participation of farmers in FMP ExCo, page 2 in this Report

⁴ See Developing the interface between producers (Farmer Organizations) and Rice Millers / Exporters: Supportive proposal of SCCR project to Cambodian Rice Federation Farming and Milling Productivity Executive Committee. Draft Concept Note prepared by SCCR Project Management Advisor, dated 18 February 2016.

§ Development and sharing of information between CRF members on offer and demand of pad (paddy selling platform)

For all services envisaged above, more discussions are needed with economic stakeholders of CRF to finetune the needs and the approach. CRF and SCCRP project (in collaboration with FO Federations) are planning to organize workshop(s) to discuss the issues and validate the description of needs and expected services. Tentatively, a workshop is foreseen to be organized in May 2016.

1.1.1.3 EXPLORE SUPPORT TO CRF TO ORGANIZE TRAININGS ON FOOD STANDARDS

On 9 and 11 of March, two different rice exporters have informally (and separately) asked the Project Management Advisor if SCCRP project would support them to organize training for their staff on BRC food standards. Exporters who have approached the project have indicated that they would like to contribute to the costs, but that since the training could be done for 20 to 25 persons in one time, they would like to share the costs with other exporters to reduce cost per trainee.

From SCCRP team project point of view, organizing jointing sessions for millers/exporters on such items and so sharing the costs is typically the kind of service that a professional business association would offer to their members. To support the organization of such training would make sense if it is done with CRF as the organizer, in order to develop capacities for such practical service provision to members and thereby to consolidate the Federation and embed the service within a permanent institution in order to ensure sustainability.

The Project Management Advisor has first check with Project Coordinator and AFD if they would agree on the principle to provide a limited amount of subsidy to cover part of the costs of the trainers for training on food standards for millers, if CRF takes the responsibility to organize the training sessions, register participants and gather fees from the members to organize the logistics. After an informal principal agreement was given verbally by project coordinator on 18th of March and by email on 24th of March by AFD, an email was sent on 23rd of March to CRF President and General Secretary to propose support on this matter. Tentative conditions were indicated in the email recalled in the Box 1 below.

At the end of March, CRF had not yet replied to this offer of support.

Box1: Tentative conditions proposed to CRF for the mobilization of SCCRP project support to contribute to finance training sessions of millers/exporters on food standards (to be organized by CRF)

"Trainings have to be organized by CRF, and registration of trainees is coordinated by CRF. This will offer an opportunity to develop training organization at CRF level, which is an easy and useful service that CRF can/should provide to its members.

"Selection of trainers is based on lower quotation from at least three qualified service providers (accredited to provide the service for the standards that are the subject of the training sessions). Validation of the curriculum and choice of trainer by SCCRP project before the training is conducted by CRF.

"CRF contract the trainer and manage the logistic (room rental, etc

(Continue next page)

⁵ British Retail Consortium. Although BRC food safety standards first began in the UK, they became recognized as global food safety standards. <http://www.brcglobalstandards.com/>

(&Continued from previous page)

"Trainer has to provide an invoice addressed to CRF with the amount of fees and separate mention of VAT applied. SCCRP project will contribute by reimbursing CRF for 50% of the amount of trainer fees (exclusive of VAT). No other costs will be covered by SCCRP."

"Contribution will be paid by SCCRP project post (after the training took place) based on the invoice by the trainer addressed to CRF + proof of payment by CRF + attendance list of trainees."

"Training will be charged by CRF to trainees: these trainees shall cover the rest of the costs (50% trainer fees + 100% of VAT and other cost + 100 % of logistic costs + possibly a service charge for the organization by CRF)."

"There shall be no other-funding by other donors / development partners of any training sessions."

"For each training session, there shall be at least 20 trainees registered."

"For a given training session, there should be not more than 5 participants coming from the same milling / exporting company."

"Information on training organized (including training content, number of training days and tentative dates, and costs charged to trainees) is sent by CRF to 100% of its members (millers and exporters), and registrations are then on a 1st come 1st served basis (registration participating confirmed with their payments received by CRF)."

"CRF will clearly assign one officer to manage and coordinate these operations."

1.1.2. INSTITUTIONAL SUPPORT GOVERNANCE

During the previous quarter, draft terms of reference for institutional support to CRF were sent to CRF President in November 2015, but CRF did not formulate comments at that time and said that CRF advisor would provide comments later on.

On 7th of January 2016, SCCRP Project Management Advisor had a meeting with Rod Bassett, advisor to CRF. During that meeting, Rod Bassett has indicated that CRF has already hired a local company to develop financial policies and financial management procedures for CRF. This part of the support (that was embedded in the proposed ToR sent in November) should therefore be removed from the proposed support of SCCRP.

The rest of the ToR proposed by SCCRP, focused on CRF governance and representativeness, was seen as relevant by Mr Bassett. But during discussions it was judged premature for CRF elections (foreseen to take place in May 2016) before to launch this institutional support, first because CRF would be quite busy in early 2016 and second because this process of institutional reform would probably take time and could be disrupted by a change of CRF Board during its implementation.

It was therefore considered that the proposed support would be kept in standby for the first half of 2016, then proposed and engaged with the new Board, after CRF elections.

1.1.3. CRF'S VIEWS ON FUTURE OF RICE SECTOR AND PROPOSED STRATEGY AND ACTION PLANS

1.1.3.1 PREPARATION OF CRF'S 5-YEAR RICE SECTOR DEVELOPMENT STRATEGY

Since end of 2015, CRF has started to undertake the preparation of a 5-year strategic plan. On 6 January SCCRP project team took part in a meeting organized on by CRF Cambodia Rice Farm Production Strategic Development. The project has also mobilized representatives of FAEC and FCFD to attend this

⁶ Cf. Quarterly Executive Report #12, §.2 page 8.

meeting. The purpose, as defined by CRF, was to identify key issues/problems that need to be addressed and hypothesis that will contribute to the development of the new Cambodian Rice Federation farm production strategy. This meeting was expected to contribute to feed an overall reflection for the development of a five-year rice sector development strategy for CRF.

During this meeting, Rod Basset has presented a model of modernization of paddy farming based on heavy mechanization, allowed by pulling together smaller farms in units of 100 or more to allow large mechanization to be used. Project PMA has expressed concerns and doubts about this model that does not sufficiently take into account the economic elements and rational of smallholder farmers. Besides, the fact that it was elaborated without large consultation with smallholder farmers weaken this strategic planning on the production side of the rice sector.

1.1.3.2 CAMBODIAN RICE FESTIVAL AND CAMBODIAN RICE FORUM

The Cambodian Rice Federation has organized the Cambodian Rice Festival on the 24th and the Cambodian Rice Forum on 25th and 26th January in Sokha Hotel, Phnom Penh. CRP project representatives took part to all these events. The Forum has been used by CRF to present its views and envisaged actions regarding the Cambodian Rice sector, with specific sessions dedicated to specific topics (like seeds, paddy production, finance, export promotion and branding, etc.). Presentations delivered by CRF on each of the topics were followed by a discussion by selected panelists. It should be noted that the time available for exchanges with the audience of the forum was extremely reduced, limiting the ability of all participants to express comments or questions.

1.1.3.3 CRF COLLABORATION ROUNDTABLE WITH DEVELOPMENT PARTNERS

On 3rd of March CRF organized a Collaboration roundtable with various development partners in order to present its views and envisaged actions for the development of Cambodian Rice sector, and to seek supports and partnership from donors. CRF has notably presented proposed orientation regarding seed production, export and branding, and modernization of paddy production. (See page 5 and above). CRF has also proposed during this meeting to set up mechanisms (coordination?) to ensure better coordination between projects and CRF in the rice sector.

1.1.3.4 CONCERNS EXPRESSED BY MILLERS AND EXPORTERS ABOUT THE SITUATION OF CAMBODIAN RICE SECTOR AND REACTION OF CRF

In February, a group of rice millers and exporters (which called themselves for Rice Industry Strategic Key Solutions) expressed a number of concerns regarding the situation of Cambodian rice sector, notably via a letter addressed to the Ministry of Commerce (but not via Cambodian Rice Federation). This initiative was also calling for support from the government to address challenges faced by millers and exporters.

Cambodian Rice Federation has reacted notably by organizing a meeting in March in order to discuss these issues (including with some members involved in a group which had alerted the Ministry of Commerce) and the internal organization of CRF to address them. The meeting was concluded by a press conference in which CRF has announced the creation of an ad hoc committee for solving short term challenges in rice sector which integrate a significant number of members of the RISKS group.

⁷ It seems that before this meeting, representatives of smallholder producers were not consulted on the preparation of this plan, despite it directly focuses on the paddy production segment of the rice value chain!

⁸ Same elements and roughly same comments were made during the meeting organized with Development Partners on 3 of March. See §.1.3.3.

On 17th of March, a meeting was organized between CRF and MoC to raise issues and see how to further address the challenges. Key questions were referred to a higher level to be addressed by an inter ministerial meeting under the chairmanship of H.E. Keat Chhon, Deputy Prime Minister.

A preparatory meeting took place within MEE on 28th of March in which some member of SNEC/SCCRP took part and Mr Srey Chanty (consultant on crop review) was asked to contribute some independent views on the rice sector.

On 30th of March finally, a broad meeting between CRF and the Government, chaired by H.E. Chhon, Deputy Prime Minister, took place. SNEC/SCCRP project was not associated to this meeting. On social media, CRF has summarized the results of the list of outputs summarized in Box 2 below

Box 2 Brief Results of the meeting of March 30, 2016 as published by CRF

1. Strengthen the mechanism taking tariff for rice import, but not through quota, license, study on adjusting reference price/tariff based on varieties.
2. MOC to take stronger measures to investigate and punish or ban CO for exporting company if found any blending with imported rice.
3. VAT of milled rice in domestic market is being exempted after the rule will be announced.
4. Loan through RDB is possible if there is any mechanism to secure that money does not lose and with

composition of FCFD new Board of Directors is shown in Annex 1. This new Board of Directors is elected for a four years mandate (2016-2020).

FCFD has also validated:

- § The Action plan and overall budget plan for 2016
- § Elements of Internal policies (such as service catalogue and service principle for allowance payments to members, procurement policy, credit policy, etc.).

For 2016, FCFD counts 69 members (9 new members). Membership fee is set at 25 USD/year.

1.2.1.2 FAEC GENERAL ASSEMBLY

FAEC General Assembly meeting took place in Conference Hall of Chné Tonlé in Svay Rieng Province, on 19th February 2016.

The Agenda of the General Assembly meeting was including the following points:

1. Presentation on the FAEC services delivered to members; in 2015
2. Presentation on the FAEC membership in 2016
3. Election FAEC Board of Directors for 3rd mandate (2016-2021)
4. Presentation and validation FAEC action plan for 2016
5. Presentation and validation FAEC 5th Year Strategic Plan (2016-2021)

During this General Assembly, new Board of Directors was elected by members for a five years mandate (2016-2021). Its composition is shown in Annex 2.

The General Assembly has also validated the 5th Year Strategic plan (2016-2021) and the Action plan for 2016.

For 2016, FAEC counts 46 members (34 Agricultural Cooperatives and 10 Farmer Associations). Membership fee is set at 25 USD/year.

1.2.2. IMPLEMENTATION OF FEDERATION SERVICES TO MEMBERS PADDY COMMERCIALIZATION

1.2.2.1. ASSESSMENT OF OUTCOME OF THE PUBLICATION OF BOOKLET ON PADDY PRODUCTION BY MEMBERS OF FCFD, FAEC AND FWN

A quick survey on the outcome of publication of the booklet on paddy production potential was conducted, led by Mr Bundoeun (FAEC). FOs presented in the booklet have been contacted to ask for feedback, contact made by millers / paddy buyers further to the publication of the booklet.

Only one miller from Kandal province has contacted Mr Samath Veasna after the publication of the booklet (but too late to supply paddy for 2015 harvest).

⁹ FCFD had more ambitious objectives regarding enrollment of new members in end of 2015 / early 2016. An indicative target of 100 members (in total) was previously defined. But it was not achieved for several reasons, such as i) insufficient commitment of part of the Board members to promote the Federation and enroll new members, ii) difficulty expressed by some of the organizations approached to pay the membership fees (notably Rice Banks), iii) insufficient participation of potential FOs in the meetings organized in provinces to promote FCFD and encourage membership.

Some Farmer Organizations have suggested that the booklet shall be disseminated also to small millers nearby their location, not only to large millers/exporters.

This analysis of feedback tends to show that this type of booklet is not a very efficient tool to make the connection of Farmer Organizations (at least if considered alone, and without a strong investment in time to establish contact and use the booklet as a support document).

1.2.22. REVIEW OF THE EXPERIENCES OF PADDY COMMERCIALIZATION BY FOS

A workshop gathering representatives from FAEC, FCFD, FWN, FNN, CFAP and Union of Agricultural Cooperatives of Preah Vihear has been organized on 6 March 2016. As part of this workshop, recent experiences aiming at improving connection of Farmer Organizations with millers / exporters have been presented and reviewed, in order to draw lessons and identify most suitable actions or services that FO Federations could offer to their members to improve paddy commercialization. Among the recent experiences presented and discussed, there was:

- § The joint publication by FAEC, FCFD and FWN of a booklet presenting FOS with their paddy production potential (See Quarterly Executive Report #12 page 5 and see § 1.2.21. above for the analysis of this action results).
- § The experience of Stung Chinit Paddy Selling Group, and in particular the modalities and result of the announcement published by Stung Chinit to start harvest, in early October / early November 2015 (See. Quarterly Executive Report #12 page 36).
- § Mr. Kong Moeun, President of Odam Sorya Agriculture Cooperative from Ta So Village, Odam Sorya Commune, Tramkak District, Takeo Province, presented the experience of paddy selling through business matchmaking meetings. Odam Sorya AC collective trade activities commenced after business matchmaking meetings with rice miller in Takeo province in 2014, rice trade were divided into 3 main types of business: Buy and sell paddy; Buy paddy and mill and Buy and sell paddy seeds. These activities have contributed to provide additional incomes to farmer and AC and also to build relationship between AC members and paddy buyers.
- § Mr. Oeur Samtha, staff member of the Union of Agriculture Cooperatives in Preah Vihear province, presented the experience on Organic Paddy Selling to AMRU Rice, under contract farming scheme. The presentation also explained the purpose and modalities of the creation of the Agricultural Cooperative Union.
- § Mr. Soeu Sakha has presented the case of Contract Farming with Goldeby Rikam Prasat AC in Svay Ampear commune, Mukampul district, Kandal province.

1.2.2.3 EXPLORE OPTIONS FOR IMPROVED COMMUNICATION / INTERFACE BETWEEN FOS AND MILLERS/ EXPORTERS

During the same workshop with FO Federations / networks on 1st to 6 March 2016 and in the continuation of the presentation of previous experiences, a reflection was initiated with farmer representatives on possible tools to setup (or improve) in order to facilitate the interface and market connection with rice millers / exporters.

Three possible tools and type of information were preliminary assessed and it was agreed that all the three shall be explored and discussed in more details with representatives of millers and exporters within the frame of Cambodian Rice Federation.

¹⁰ Cf. notably SCCRP Quarterly Executive Report #13, pages 22 and Quarterly Executive Report #14, pages 17.

¹¹ Cf. SCCRP Quarterly Executive Report #12, page 15.

- § Tools for presentation of FO profiles with their potential for paddy production (similar to the booklet compiling the profiles of FAO-co-produced by FAEC, FCFD and FWN in 2015);
- § Preharvest detailed information of foreseen paddy availability with a plan of harvest and calendar of fresh paddy collection planning (based on the experience of Stung Chinit).
- § Postharvest actual data on paddy collected, dried and stored and available for sale.

1.2.3. IMPLEMENTATION OF FEDERATION OTHER SERVICES TO MEMBERS

1.2.3.1 FACILITATION OF FERTILIZER SUPPLY

Following up on previous involvement of FAEC and FCFD on fertilizer supply meeting took place in Phnom Penh on 28th of March, between FAEC, FCFD and Bayon Heritage fertilizer distribution company. The purpose was to explore collaboration and practical modalities for an involvement of FO Federations in the distribution of fertilizer, and specify conditions that the company could accept for the deal to benefit FO Federations members and to contribute to consolidate the Federations.

Based on the discussion, Bayon Heritage company has accepted the following commitments:

- § To provide technical support to facilitate extension meeting with FO Federation members, to ensure the quantity and quality of the fertilizers, to provide clear technical information on their products and services to FO Fed members
- § To sign the contract with FO Fed/Networks members
- § To manage demonstration field, follow up, provide technical advice
- § To coordinate with FO Fed/Network to solve the problems
- § To cover all expenditures for extension meeting with FO Fed/Networks members and demonstration fields
- § To pay a financial contribution to the operational cost of the FO Federations 50000USD per month for 3 months from March to May 2016
- § To provide fertilizer credit to FO Fed members possibly for a duration of 4 to 6 months based on the rice production cycle with 1% of interest rate per month;
- § To provide 2,000 riels per bag of 50 or 1,000 riels per bag of 25 and the same for FO Fed members;
- § To take back of the remaining products with conditions and interest rate;
- § To inform to FO at least 6 months before fertilizer price change
- § To deliver within 7 days from the order.

FO Federations are responsible for:

- § Providing members database to the company and identify members needs
- § Organizing and coordinating the meetings;
- § Identifying and following up the implementation of demonstration fields

¹² On 23rd of March, CRF Farming and Milling Executive Committee has endorsed the principle of organizing a workshop on Contract Farming and on the improvement of commercial interface between FOs and millers/exporters during the second Quarter of 2016. This was echoing the Concept Note wrote by SCFPA on 18 February 2016. Developing the interface between producers (Farmer Organizations) and Rice Millers / Exporters: Tentative proposal of SCCRP support to Cambodia Rice Milling Federation Productivity ExCDraft Concept Note

¹³ See notably Quarterly Executive Report #11, page 6 and Quarterly Executive Report #1, page 6.

- § Coordinating the signing of contract between FO Federations and the company
- § Coordinating the payment/reimbursement of FO Federations members

A follow-up meeting will be organized in early April with FO Federations members. The company will draft a MoU and submit it to FO Federations to verify and finalize at the next meeting.

1.2.4. REPRESENTATION OF FARMERS IN CAMBODIAN RICE FEDERATION

1.2.4.1. REPRESENTATION OF FARMERS IN CRF BOARD

In February 2015, CRF General Assembly has endorsed a modification of its statutes, notably the systematic allocation of 3 seats in CRF Board for representatives of smallholder farmers (to be appointed by representative Federations of FOs)

Since SCCRP project is providing support to FO Federations, notably with the objective of consolidating the representation of farmers in CRF, the project team has informed CRF President of its intention to support FO Federations to develop and implement the modification. The designation of their representatives, offered CRF to associate one of their officers in this process, and asked CRF to inform the project back if this initiative was not welcomed or if it would overlap with any other initiative.

The same email was indicating that SCCRP project had identified 5 main FO Federations to involve in the process, namely: FCFD, FAEC, FWN, FNN and CFAP. CRF was asked to communicate names and contact of any other major Federation or Network of FOs that they would know in addition to these five, and that should be associated to the process.

Until the end of this quarter this email was not formally answered by CRF, except for a swift response from Mr Rod Bassett, advisor to CRF, welcoming these efforts of SCCRP to ensure farmers representation in the Board.

In the absence of a reply/objection from CRF, the SCCRP project team moved forward by a consultation of FO Federations representatives for them to jointly reflect and elaborate a process of selection of their representatives to the Board of CRF. This was done during the meeting of March¹⁴, with notably representatives from FAEC, FCFD, FNN, FWN, CFAP and ACU Preah Vihear.

The meeting split in three working groups which have respectively worked on the following three topics, which were then discussed and approved in plenary session:

- § Group 1: Eligibility and selection criteria for the candidates to represent FO Federations in CRF Board of Directors;
- § Group 2: Procedure for the selection of farmer representatives for CRF Board of Directors;
- § Group 3: Role/Responsibilities of farmer representatives in CRF Board of Directors.

Main outcomes of the three group discussions are presented in Box 3, next page

¹⁴ Cf. SCCRP Quarterly Executive Report #0918, pages 4-5.

¹⁵ E-mail sent by the Project Management Advisor to H.E. Sok Puthyuth, CRF President in February 2016.

¹⁶ See § 1.2.2.2., page 9 in this Report

Box3: Main outcomes of FO Federations consultation for the preparation of the selection of their representatives in CRF Board of Directors

Main eligibility and selection criteria for candidates:

- Experience in paddy commercialization
- Experience in Leadership
- Ability to read/write and calculate
- Aged between 25 and 60 years
- Permanent residence in the community
- Cambodian nationality

Basic procedure for the selection of farmer representatives for CRF Board of Directors:

- Each eligible FO Federation will internally designate one candidate.
- Each FO Federation will designate delegates (including the candidate) to take part in the vote.
- The 5 delegates of all the FO Federations will take part in a meeting during which the candidates will present themselves and the delegates will vote. Each delegate vote for 3 candidates (most likely the one designated by his own Federation + 2 other ones).

Main roles of elected representatives of FO Federations in CRF Board:

- Transfer information from CRF to FO Federations/Network members
- Transfer information/convey positions from FO Fed members to CRF
- Collaboration with stakeholders.

1.2.4.2 EXTENSION OF PARTICIPATION OF FARMERS IN FMPEXCo

Until March 2016, only FAEC, FCFD and FWN were represented in CRF Farming and Milling ExCo. Further to the meeting of 17 of March¹⁷, each of the 5 national FO Federations or Networks selected one representative to take part in this committee. Appointed representatives are listed in Table 2 below:

Table 2: Representatives of FO Federations appointed to take part in FMPEXCo.

FO Federations / Network	Former representatives (in 2015)	New representative (from 03/2016)
FAEC	Mr Keo Sokha	Mr Kong Moeun
FCFD	Mr Samath Veasna	Mr Samath Veasna
FWN	Mr Yim Boy	Mrs Rom Saroeun
FNN		Mr Seu Rany
CFAP		Mr Kong savoeurn

On 23rd of March, the Farming and Milling Executive Committee has formally approved the replacement of FAEC and FWN representatives and accepted the two new members representing FNN and CFAP, which is a significant consolidation of Farmers representation in this body of CRF.

¹⁷ See § 1.2.2.2 and 1.2.2.3, page 9-10 in this Report

1.2.5. FURTHER STRATEGY AND ACTION PLAN TO SUPPORT FO FEDERATIONS

1.25.1. INCLUSION OF FNN AND CFAP

Taking into account results of the support to FO Federations since 2014 and comments formulated by AFD during the supervision mission (January early February 2016), the SCCRP project team is considering to provide support not only to FAEC, FCFD and FWN but also to the two other Federations identified, namely FNN and CFAP. To the minimum these two Federation newly associated to project activities will be supported (as seen above to be represented in the Cambodian Rice Federation. Additional supports will be considered but will depend on the interest expressed and reactivity shown by FNN and CFAP leaders. Further contacts and discussions will be taken by Mr Phat Sophany and Mr Christophe Goossens during the next quarter.

1.25.2. STRATEGIC ORIENTATIONS FOR SUPPORT TO FO FEDERATIONS IN 2016/2017

Consultants of AVSEIRD-ADG team in charge of the support to FO Federations have prepared (i dialog with FO Federations representatives and with SCCRP) the key features of supports to FO Federations in 2016/2017. The orientations of the support to FO Federations are focused on the three following axis:

1. Improvement of service provision to FO Federations members on paddy production, processing and commercialization;
2. Improvement of the representativeness/role of FO Federations at national level on rice sectors;
3. Institutional strengthening of FO Federations.

Detailed modalities still have to be developed and Memorandum of Understanding prepared with the Federations. This is expected to be done in the next quarter.

¹⁸ Cf. Sections 1.2.2. and 1.2.4

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

2.1. QUALITY LABEL CAMBODIAN RICE BRANDING DEVELOPMENT OF A COLLECTIVE TRADEMARK FOR CAMBODIAN PREMIUM JASMINE RICE

2.1.1. PROGRESSES ON BRAND SPECIFICATION, REQUIREMENTS AND MECHANISMS FOR VERIFICATION OF THE COMPLIANCE

Further to comments provided in December by SCCRP project on TÜV Rheinland deliverables D1 to D7, a meeting took place on February in SNEC with TÜV to discuss the comments and improvements of the documents and to prepare the next meeting of the GMP ExCo. That one was organized on 12 February and gave the opportunity to discuss with the ExCo the propositions of TÜV regarding the mechanism of verification of compliance with the brand requirements, and more specifically the hypothesis regarding managerial requirements on which TÜV based the proposed system.

Decision was not yet made at the end of that meeting, and members of GMP ExCo were asked to provide feedback on these issues, in particular regarding the verification of compliance with some legal requirements. Yet, only one feedback was received in the following days, call for comments was renewed during an exporter meeting organized by CRF on the 14th of March afternoon.

Further to the meeting of 9th of March, a TÜV Rheinland has prepared a synthetic (yet exhaustive) list of brand user requirements regarding management and legal compliance in order to ease review and decision making. A GMP ExCo meeting was scheduled on 12th of March but has been cancelled due to lack of confirmed participant, and it was proposed by Mr Peouv Bunrith (CRF Officer) to switch to a vote mail by members of the ExCo on each of the items listed in the checklist. Only 5 contributions were received from exporters member of the ExCo on the 31st of March, and TÜV Rheinland team, with GMP ExCo coordinator were still trying to mobilize members of the Executive Committee to get their feedback. The consultation has to be pursued in early April to finalize the decision. This lack of reactivity of the ExCo members is quite concerning.

2.1.2. PROGRESSES ON COMMUNICATION AND MARKETING ASPECTS OF THE BRAND

In early January 2016, ad communications implemented panel surveys in USA, China and Germany in order to test options of names, logo and slogan for Cambodian Premium Jasmine Rice brand. Despite cultural differences in the three countries, the feedback from these different markets drove to the same orientation toward the proposed name Angkor Malisa and the slogan 100% Cambodian Jasmine Rice

Name, slogan and logo were first discussed on 22nd of January with CRF, IFC and SCCRP, then communicated broadly during the Cambodian Rice Forum on 26th January, generating passionate discussions. Given the different opinions expressed, the GMP took the precaution to have the brands creatives submitted to CRF Board. On the afternoon of 9th of March, the brand concept was presented again to a larger audience of exporters and key stakeholders during a meeting organized by CRF. Feedbacks there have been much more positive. Only a few constructive comments were made on the logo taken into account by ad communication team. The communication team provided an edited version of the design in the following days.

¹⁹ Cf. Quarterly Executive Report #12, page 10

2.1.3. BRAND REGISTRATION

In mid-February, CRF has forwarded to SCCRP project the report produced (since December) by WIPO expert for the Ministry of Commerce regarding the registration of a collective or certification mark for Cambodian Premium rice as well as a quick assessment by Fabrice Mattei (the IP lawyer mobilized by WIPO) of the ability to register the proposed mark developed by ad communication collective or certification mark in different countries or regions

From the IP lawyer point of view, the proposed mark is distinctive enough and would be registrable (as a whole, i.e. the designed logo with its names and slogan all together). As anticipated and obviously, a disclaimer would apply on words used in the brand (such as Angkor, Jasmine rice etc.) than would not be protected separately and for which CRF could not claim an exclusive right.

The Department of Intellectual Property Rights of the Ministry of Commerce had informal discussions with SCCRP PMA in February and ensured the project of its support and willingness to proceed rapidly with the process of registration of CRF Certification mark, asking CRF to urgently provide all the information on the mark and rules that would apply to start the registration process with some further support of WIPO.

²⁰ Fabrice Mattei, consultant to WIPO, Comparative analysis of the rationale and requirements inherent to the application of a collective and certification mark, in the specific context of Cambodia, December 2015.

²¹ This quick assessment covers Indonesia, Vietnam, Thailand, Philippines and the EU.

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

3.1. PILOT PROMOTION OF CONTRACT FARMING LED BY DACP AND DAI

3.1.1. STUNG TRENG

A mission of Component #3 team took place in February 2016 to monitor the implementation of Contract Farming signed in 2015 with Khan Chan Hean rice mill. Results are presented below:

3.1.1.1 CONTRACT FARMING BETWEEN PREAH RUMKOEUL AC AND KHAN CHAN HEAN RICE MILL

C#3 team has collected the following information:

- § AC did not yet supply paddy to the rice mill due to lack of transportation means
- § Based on the contract between AC and rice miller, the rice miller had to transport paddy from a collection point to the mill. However, due to limited possibility of the rice miller, finally asked the contracted AC to transport the paddy to the rice mill by themselves. Moreover, the difference between local price and mill gate price was not sufficient to cover transportation costs.
- § In addition, miller said he would not pay to the cooperative the coordination cost of 30,000/kg of paddy sold, which was agreed in the contracts.
- § The contracted farmers were not happy with the changes and finally, AC has decided not to supply paddy to the rice mill.

C#3 team has been asked by PM to provide some additional clarification and details on results of this contract implementation. Yet at this stage it seems Khan Chan Hean rice mill did not actually follow the terms of the contract he has signed in particular regarding the management of collect and transportation and commission to be paid to the AC, leading to the failure of the implementation of the contract.

3.1.1.2 CONTRACT FARMING BETWEEN RAMSAR AC AND KHAN CHAN HEAN RICE MILL

The case of RAMSAR AC (in contract with the same rice mill) is not much more successful. According to the information gathered by the team of Component #3, three delivery operations were implemented by the cooperatives in December for a total of 16.5 tons (against 40 to 80 tons in the contract), as already reported previously. After these first three deliveries, the cooperative did not continue to supply in 2016 because of lack of transportation means. But the cooperative President took over, under his own business, the purchase from members and delivery to Khan Chan Hean mill, using his own truck and a cash advance received from the miller. It is not clear if this decision was made after consultation with cooperative members or at least the cooperative management committee, or if it was an individual initiative of the President of the cooperative, shortcutting the organization for his own profit. Here also clarifications have been asked to the team in charge of this component. Reply is still pending.

3.1.2. PURSAT CONTRACT SIGNED BETWEEN FWUC KROUCH SAEUCH AND PHOUR KOK KY RICE MILL

Two meetings were organized during this quarter between the two parties to monitor the implementation of the contract between Phour Kok Ky rice mill and FWUC Krouch Saeuch, with the facilitation of DACP

²² Cf. Quarterly Executive Report #12, page 14.

²³ First meeting on 10 of February at rice mill office; second meeting on 29 of March 2016.

MAFF and the project team. The first meeting (in mid-February) took place before the beginning of the harvest of the Sen Krap paddy and allowed to discuss some details regarding the modalities of paddy collection. It was agreed that the FWUC would inform the rice-millers 3 days before the harvest and collection of each batch, in order to allow the rice miller to arrange transportation (truck) and space to receive and store wet paddy.

The implementation of collect and delivery took place from end-February to early March. In the end of March, the two parties have made (with the project team) the following assessment of the implementation of the operation:

- § The average yield was 3.5 tons/ha
- § As rice miller does not have experiences on CF and also due to limited understanding of FWUC on CF, about 40% of contracted farmers did not have confidence on the contract and sold their paddy to other local traders/collectors. To solve the problem regarding to quantity supplied to the rice miller, the rice miller had agreed to buy paddy from contracted members of FWUC.
- § FWUC started to supply wet paddy (just 6 hours after harvesting) from 1st of February to 1st of March 2016. Total quantity of wet paddy supplied to the rice miller was 150 tons (in line with the quantities set in the contract, which was between 150 tons ± 5).
- § Paddy selling price varied between 1,020 and 1,140 KHR/kg, for a total turn-over of 154,500,000 KHR.
- § Transportation costs were not optimized, because the FWUC had to transport the paddy with carts (ko yun), requiring 6 to 8 loads to supply 20 to 40 tons of wet paddy.
- § The FWUC has recorded that it spent 125 to manage the operation whereas it generates only 40 USD of incomes as voluntary contributions from farmers (which correspond approximately to 1 KHR/kg, in average). Contribution to the costs of the organization shall therefore be discussed if such contract farming has to be replicated in the next season, in order to ensure the sustainability of the operation.

As part of this wrap-up of this first experience, FWUC and miller have also noted some constraints or difficulties, notably:

- § Most of local traders/collectors have deposited money to the farmers in advance during rice production season and the ripe stage which pull out of the contracting scheme some of the farmers.
- § FWUC as well as their members have difficulties to transport paddy to the rice miller and to disburse money for the transport so some decided to sell their paddy at the rice fields even they known that the price was cheaper than the rice mill price.

After this first experience, the two parties said they would consider some improvements, possibly for the supply of Somaly variety, for up to 600 tons. Additional support of SCCR project team could be considered, in particular in order to address difficulties identified above.

²⁴ See Quarterly Executive Report #12, page 14.

3.2. CONTRACT FARMING BETWEEN GOLDEN RICE AND FARMER ORGANIZATIONS

3.2.1. FOLLOW UP ON REQUEST FOR HOMOLOGATION OF PAK KRAVANH AND PERSPECTIVE FOR SETTING UP OF CONTRACT FARMING

The project team has received no update about the progress of the process of registration of Pak Kravanh variety.

It was noted that Pak Kravanh name has been mentioned in the presentation made by M Sophal (Center for Policy Studies) who was officially posing on behalf of MAFF the scope of MAFF and MEF up-coming project named Boosting Food Production Project which includes a component on rice seeds production. M Sok Hach, President of Golden Rice, was present and has also advocated for the authorization to use such varieties in order to contribute to alleviate concerns of the rice sector.

3.3. CONSOLIDATION OF SUSTAINABILITY ORGANIC PADDY SUPPLY CHAIN PREAH VIHEAR

3.3.1. SUPPORT TO CREATION AND MANAGEMENT OF THE UNION OF COOPERATIVES

3.3.1.1 PRAKAS ON AGRICULTURE COOPERATIVE UNIONS ISSUED AND PRESENTED IN PREAH VIHEAR

The Prakas on the statute and internal regulations of Agricultural Cooperatives Unions was issued by MAFF on 18 February 2016, paving the way for the official registration of the Agricultural Cooperative Union of organic rice producers in Preah Vihear.

Models of statute and regulations were presented by DACP counterpart officers to representatives of the 8 ACs involved in the Union on 22 of March 2016. The final version of model statute promulgated by the Prakas is significantly different from the previous draft on which the cooperatives of Preah Vihear had worked, and the ACU will have to integrate these changes, and have the statute approved by a founding General Assembly.

According to DACP officers, the founding General Assembly could be organized in end of April or May and the Union could be officially registered hopefully by end of May 2016.

3.3.1.2 PREPARATION OF ACU BUDGET 2016 AND FINANCIAL ISSUES

In January, the Union has received the full payment by AMRU of the amounts withheld on the payment of paddy at last harvest that was agreed to be transferred directly by AMRU to the Union as the contribution of cooperatives to the operation costs of the Union. The amount transferred was 296,533 dollars US, which represents already significant own resources for the Union, with what was foreseen to be their internal financial capacity for year 2016.

Mr Neang Thai, the ACU manager, has started to prepare a budget for year 2016. Some comments have been made by SCCRP consultant team mobilized on Component #3 and improvements are still expected to be prepared. An improved version will be presented and discussed with cooperatives in early April 2016.

This process of budget preparation is also done taking into considerations expected supports from SCCRP projects and other organizations or project that are considering to support the ACU in 2016, such as IVY (See § 3.3.2. next page)

²⁵ During a Consultation Workshop on Boosting Food Production Project design organized on 12 February 2016

3.3.2. COORDINATION WITH INITIATIVES IN SUPPORT TO ORGANIC PADDY PRODUCTION IN PREAH VIHEAR

SCCRP Project Management had a meeting with Mrs Michio Adachi from IVY headquarters on 8 January 2016. The ongoing support to organic paddy supply chain in Preah Vihear and the strategy of support and consolidation of the Agricultural Cooperative Union has been presented.

In the following weeks, more exchanges took place with Ms Matsunaga, IVY Country Director on the final preparation of IVY project and supports to the ACU. On 23rd of March, IVY Country Director has announced that IVY's project in Preah Vihear had been officially approved and has shared the last version of the project outlines.

3.3.3. INTERNAL CONTROL SYSTEM CONSOLIDATION FINAL INPUTS OF COAA

Officially (as per COAA contract) the supply of COAA to ACs and ACoU was completed at the end of December 2015. However, part of the reports and deliverables still had to be finalized or improved. Numerous exchanges took place between COAA team leader and Smk Sarang, team leader for C#3 of SCCR project in order to finalize and improve deliverable.

3.3.4. GENERAL ASSEMBLIES OF ACs

4 Agricultural Cooperatives (among the 8 members of the ACU) have already organized their annual General Assembly during this quarter. The 4 remaining ACs will organize their annual General Assembly during the next quarter.

One of the issues that had (or has) to be discussed during these ACs is the modalities of remuneration of the committees in charge of AC management and organic paddy commercialization. Different ACs in the Union have significantly different practices in this matter, with some case exaggerated shares added value (premium price) being captured by the committees to the detriment of members. The project has encouraged ACs to be more transparent on this issue and to have clear discussions during the General Assemblies. The Provincial Department of Agriculture has also been asked to follow this question, with the legitimacy provided by the principles defined in the standard model statutes of ACs.

3.3.5. INTERNATIONAL RECOGNITION OF AMRU RICE CONTRACT FARMING SCHEME

Song Saran, CEO of Amru Rice was winner of the Takeda Entrepreneurs Award 2015 in Japan on 6th of February 2016 for AMRU's Contract Farming for Sustainable Development.

The Takeda Young Entrepreneurship Award rewards young and innovative entrepreneurs who try to realize bold and creative ideas to solve issues based on technological or social needs, leading to the creation of goods and services that enhance the well-being of people throughout the world²⁷. This award values the social benefit of the organic paddy supply contract farming scheme developed with the support of SCCR in Preah Vihear province.

²⁶ Leuk Kampos, Sang Rom, Tom Samaki, Mea Chh, Keluma Chivikpheap, Ros Nam, Krabao Prum, Tep

²⁷ Based on the website of Takeda Foundation <http://www.takeda-foundation.jp>

3.5. PREPARATION OF NEW POTENTIAL PILOT ACTIONS

3.5.1. PREPARATION OF FEASIBILITY STUDY SCENARIOS FOR INVOLVEMENT IN USE PADDY DRYING AND STORAGE FACILITIES FOR IMPROVED COMMERCIALIZATION PADDY

Following the previous step of procurement on 22nd of March, AFD has provided the objection for the selection of GRET to implement the feasibility study on FOs equipment on dryers and storage. A contract has then been drafted and will be finalized with GRET early in the next quarter. The study is expected to be implemented in June 2016.

3.5.2. OPPORTUNITY OF DEVELOPMENT OF A SECOND ORGANIC PADDY SUPPLY CHAIN THROUGH CONTRACT FARMING BETWEEN FOs AND AN EXPORTER

Signature of Asia has expressed interest to develop its supply of organic paddy and substitution of organic rice, and has approached the SCCRP project to seek supports in the development of partnership with Farmer Organization to set up an organic paddy supply chain.

A preliminary mission of C#3 team took place from 10 to 13 March to identify potential ACs to produce organic rice in Siem Reap and in Oddar Meanchey provinces. In Siem Reap, no potential ACs has been identified to produce organic paddy rice among 4 districts identified by OACP chief. In Oddar Meanchey, the mission team identified potential ACs who have the capacity to produce organic rice: one AC based in Samrong district, one AC based in Banteay Chhmar district and two ACs base in Anlong Veng district. The estimated capacity of production could reach around 1,000 metric tons in the first year. Another meeting with members is needed to be sure that they are all interested in developing this product.

In order to assess the economic feasibility and the potential interest for farmers, and to clearly benchmark the respective roles of contracting companies and Cooperatives, Signature of Asia has been asked by the SCCRP project to answer a number of questions regarding varieties and volume that they are interested to source, organic standards that they target (EU, JAS, etc.), certification body and coverage of certification costs, support Signature of Asia could provide to cooperatives, paddy quality requirements, point of collection, expected level of premium price, etc.

Further discussions with both parties (Signature of Asia and private cooperatives) are still needed to confirm the shared interest of parties and validate basic conditions for sustainability of the operation.

3.6. KNOWLEDGE MANAGEMENT, CAPACITY BUILDING, POLICY AND REGULATORY ISSUES ON CONTRACT FARMING

3.6.1. FORMALIZATION OF THE TASKFORCE ON CONTRACT FARMING

A meeting between SCCRP Project Coordinator H. Eng Luyna and H.E. Ty Sokhun, Secretary of State of MAFF took place on 11 January 2016. One of the main purposes of this discussion was to provide explanation to H.E. Ty Sokhun about the support SCCRP project has proposed to provide to DAI and MAFF regarding guidelines and regulations on Contract Farming and to highlight the need for a formalisation of the taskforce that the project has tried to establish with the DAIs since 2014.

H.E. Ty Sokhun was met again by AFD supervision mission, accompanied by SCCRP PMA, on 26 January. Same expectations regarding the formalization of the taskforce were enhanced again during second meeting.

²⁸ Cf. Quarterly Executive Report #12, pages 30-31.

Further to the meeting, a formal Decision was issued by the Ministry of Agriculture, Forestry and Fisheries on Establishment of taskforce on Contract Farming for Support to Commercialization of Cambodian Rice Project

This decision formalizes the establishment of the taskforce. Unfortunately it was found regrettable by the project team that the official decision mentions that the Taskforce is created for the SCCRP project and that the composition of the taskforce has considerably changed compared to what it was up to now, with more officers from MAFF but less representatives from the private sectors and other experts, such as legal experts from Henri Capitant Association and experts from SCCRP project and other projects. Yet we believe that even if not listed as formal members, more relevant persons be mobilized and take part in the work of the Taskforce. This was notably suggested during the meeting of the Technical Working Group on Agriculture and Water on 30 March 2016 (See 3.6.2.3 below) and not objected by MAFF at that moment.

3.6.2. CONTRACT FARMING EXPERIENCE SHARING

3.6.2.1 ARTICLE ON THE EXPERIENCE OF CF IN PREAH VIHEAR IN CRF NEWSLETTER

A 2 pages article presenting the experience of Contract Farming between AMRU Rice and 8 cooperatives for organic paddy supply has been prepared by project team and published in Cambodian Rice Federation Newsletter (issue of the last quarter of 2015).

3.6.2.2 WORKSHOP WITH FO FEDERATIONS

During the workshop with FO Federations organized in CJCC on 11 March 2016 (See 1.2.2. pages 8-10 in this report), experiences of FOs in paddy commercialization and in particular via Contract Farming agreements were presented to participants in order to raise awareness of FOs on opportunities and lessons learnt of Contract Farming.

3.6.2.3 PRESENTATION TO THE TECHNICAL WORKING GROUP ON AGRICULTURE AND WATER

On the request of AFD, the Project Management Advisor delivered a brief presentation on experience and activities of the SCCRP project related to Contract Farming development to the Technical Working Group on Agriculture and Water on 30 March 2016. The presentation introduced the background of the project, provided a general overview of activities of contract farming implemented with the support of the project (yet not detailing the different cases, but with a brief illustration on the case of contracts signed between AMRU Rice and cooperatives in Preah Vihear), and finally informed members of the TWGAW on the creation of a Taskforce to work on additional guidelines and regulations for CF. This was seen as an opportunity to open this taskforce to other projects or development partners in order to enlarge the pool of expertise and experience and make sure the taskforce mainstreams the initiatives in this matter.

²⁹ Decision No 196 ssr ksk dated 28 February 2016.

3.6.2.4 PARTICIPATION IN A ROUNDTABLE IN INTERNATIONAL AGRICULTURE SHOW IN PARIS

H.E. Ung Luyna, SNEC/SCCRP project coordinator has been invited by AFD for a mission in Paris during the International Agriculture Show³⁰. He notably took part in a roundtable discussion organized by AFD, CIRAD in partnership with Radio France International (RFI). The topic of this roundtable was Managing and Transferring Innovations in Value Chains. Whereas most of the other participants' inputs in this discussion were about technical innovation, H.E Ung Luyna could share elements about organizational and commercial partnership innovations, illustrated for instance by the Contract Farming schemes developed between Farmer Organizations and millers / exporters.

r Roundtable discussion facilitated by RFI on AFD and CIRAD booth during Paris International Agriculture Show³⁰ of March 2016.

3.6.2.5 ARTICLE AND PRESENTATION IN WORKSHOP ON AGRO-ECOLOGY

The 1st national multi-stakeholder workshop addressing Agroecological Transition in the Mekong Region, and more especially in Cambodia, was held on the 31st of March 2016 in Phnom Penh. It was organized by CIRAD and GRET as part of the inception phase of ACTAE project, funded by the French Agency for Development (AFD). The workshop brought together about 60 specialists and practitioners from national and international NGOs, research and universities, federations, government agencies, development partners and private sector actively working on sustainable agriculture sector in Cambodia.

SCCRP project team has presented a case study on Development of an economically viable organic rice supply chain via a Contract Farming scheme based on the case of Preah Vihear³¹. An article was drafted by Jean-Marie Brun (IRAM) co-signed with Min Sophoan and Sok Sathog adapted in a power point version by AVSF and CIRAD. During the workshop, the presentation was made by Min Sophoan from AVSF. Presentations are posted on the website of the Agroecology Learning Alliance in South East Asia (ALiSEA)³¹.

³⁰ In French: Salon International Agriculture

³¹ <http://ali-sea.org/1st-national-multi-stakeholder-workshop-addressing-agroecological-transition-in-cambodia/> and for the presentation made by SCCR project: <http://ali-sea.org/wp-content/uploads/SCCRP-Economically-Viable-Organic-Rice-Supply-Chain-in-PVH.pdf>

3.6.3. DEVELOPMENT OF A MANUAL / GUIDELINES ON CONTRACT FARMING IN CAMBODIA

3.6.3.1. CURRENT PROGRESS OF THE WRITING TO DATE

The Table 3 (opposite) shows progress of Manual writing as of 31st March. There has been very little time allocated by members of project team to work on the Manual during this quarter. Only SNEC / IRAM Project Management Advisor has improved the draft of sections 2.1. and 4.1. and has drafted sections 4.4 and 4.6.

AFD non-objection for the contract with Henri Capitant Association was issued on 30 March 2016.

The contract with this association will thereof be signed in early April. Legal Experts from Henri Capitant are expected to contribute notably to write the section #5.







PMA has asked AVSF-CIRD-ADG team to complete and improve some section they have drafted as the content was not yet satisfactory.

3.7. GENERAL COORDINATION OF THE COMPONENT #3

3.7.1. MONTHLY COORDINATION MEETINGS

No full coordination meeting of Component #3 has been convened by the team in charge during this quarter.

Table 3: Progress of the writing of the Manual on Contract Farming

Sections	Subsections													
Forewords														
Introduction: Purpose and Scope														
#1 - Overview of Contract Farming	1.1.	1.2.	1.3.											
#2 - Context of CF in Cambodia	2.1.	2.2.	2.3.											
#3 - Procedures for facilitation and negotiation	3.1.	3.2.	3.3.	3.4.										
#4 - Contract content and advices for writing	4.1.	4.2.	4.3.	4.4.	4.5.	4.6.	4.7.							
	4.8.	4.9.	4.10.	4.11.	4.12.	4.13.	4.14.							
#5 - Monitoring during implementation	5.1.	5.2.	5.3.											
#6 - Conflict resolution	6.1.	6.2.	6.3.	6.4.										
#7 - FOs / ACs in Contract Farming	7.1.	7.2.	7.3.	7.4.	7.5.									
Bibliography														
Glossary														
Index														
Color codes		= Not started			= Improved Draft									
		= Parts only			= Submitted to Taskforce									
		= 1 st Draft			= Final									

Color codes		= Not started		= Improved Draft
		= Parts only		= Submitted to Taskforce
		= 1 st Draft		= Final

Numbers of subsections in **Red and Bold** characters are the ones revised during this quarter.

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

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

RECOMMENDATIONS

4.1.1. MOBILIZATION OF FURTHER TECHNICAL ASSISTANCE TO SUPPORT TO IMPLEMENTATION OF RDB REFORMS

4.1.1.1. SIGNATURE OF MSP CONTRACT AND BEGINNING OF MOBILIZATION OF TECHNICAL ASSISTANCE

The contract of Mekong Strategic Partners (in consortium with BD-Link) has been finalized and AFD has provided its non-objection on 19 February 2016. The contract was signed in the following days and Mekong Strategic Partner has started the implementation on 1st of March 2016.

4.1.1.2. FIRST STEPS AND OBSERVATION OF MEKONG STRATEGIC PARTNERS

During the first two weeks of March, Mr John McGinley, full time TA based in RDB met RDB officers and staff in order to introduce his mission and get to know better the people and the institution. He has reported a very open and collaborative attitude of the people he met during this first round of introduction. This first month of his assignment was also mainly dedicated to up-date the assessment of the situation and to discuss priorities of the assignments with CEO and other senior officers of RDB, and to up-date the proposed time frame of MSP and BD-Link intervention.

Key observations have been reported by MSP in the first Quarterly Executive Report, and an updated work plan was presented and discussed during the kick-off meeting (see below) at the end of this first month of inception .

4.1.1.3. FORMAL KICK-OFF MEETING

The kick-off meeting of MSP and BD-Link mission took place in the Rural Development Bank Office on 30 of March, under the leadership of H.E. Ros Seilava, SCCRP project director and chairman of the Board of RDB, and H.E. Khao Thach, CEO of RDB.

The meeting has recalled the context and expectations of the project and of RDB regarding this technical assistance. RDB deputy CEO has also recalled the numerous reforms and up-grading already implemented since 2014, based on KPMG recommendations.

Last, Mekong Strategic Partners and BD-Link have presented an up-dated version of their work plan, established in consultation with RDB, one month after Mr John McGinley, team leader of MSP, took office in RDB.

4.2. DEVELOPMENT OF A CREDIT MECHANISM DEDICATED TO FARMER ORGANIZATIONS

There has been no significant progress regarding the development of a credit mechanisms dedicated to Farmer Organizations in this quarter. The ball is in the court of RDB, which is expected to approve (since previous quarter) a new policy for credit to FOs. But until the end of March, this new policy has not been submitted to RDB Board, and the time frame envisaged since October³² has not been applied. It is expected it will be done early in next quarter, otherwise the offer might come too late to be applied (as a pilot) to address financial needs of FOs for wet season 2016.

³² See Quarterly Executive Report #12, Figure 3, page 34.

5. COMPONENT #5: CROSS-CUTTING ISSUES

5.1. AFD SUPERVISION MISSION

AFD supervision mission (conducted by Mr Vatché Papazian and Mrs Alexia Hofmann) took place in Cambodia from January 26th to February 4th 2016. The mission had meetings with H.E. Ty Sokhun in MAFF, with the Project Director and Coordinator in SNEC, with RDB, with IRAM's PMA and with AVSF-CIRD-ADG team, and has visited different sites of pilot implementations (notably cooperatives involved in organic paddy supply contract farming scheme in Preah Vihear and some FWUCs, members of FWN, involved in paddy commercialization with the support of the Irrigation Service Center).

A wrap-up meeting was organized in SNEC on the 3rd of February 2016 with various institutions and partners involved in the project, including SNEC, MAFF, CRF, RDB, AVSF-CIRD-ADG team, FO Federations, ACU Preah Vihear, TÜV Rheinland, Irrigation Service Center, and some exporters involved with the project such as AMRU Rice and Golden Rice, etc. The Aide-mémoire of the mission was sent to SNEC on 22nd of March 2016. Overall, the mission has expressed its satisfaction over project implementation and results to date. Yet the aide-mémoire also formulate a number of comments and recommendations that SNEC will review and consider.

5.2. RICE POLICY REVIEW

Terms of reference for the Rice Policy review and proposal of consultants have been formally submitted by SNEC to AFD on the 11th of March, and AFD has provided its non-objection for the mobilization of Mr Francesco Goletti and Mr Srey Chanthy, via IRAM-NIRAS contract, on the 29th of March.

Before that, an informal meeting with the consultant and the project coordinator took place in SNEC on 25th of March in order to precise the expectations and discuss the proposed process for the policy review. The two consultants will prepare a proposal of action plan in April and will start the implementation immediately after.

5.3. MISSION OF H.E. UNG LUYNIA IN PARIS AND BRUSSELS

In early March, H.E. Ung Luynia was invited by AFD in Paris. He has visited the International Agriculture Show and took part in a round table discussion on CIRAD-AFD booth in this event (See § 3.6.2.4 page 22 in this report).

On the 2nd of March, he and Mr Sok Sarang had a meeting in AFD with CIRAD, during which notably perspectives of a study on the distribution of added value in Cambodian Rice Value chain were discussed (further to a proposal made by AFD during the supervision mission in end of January).

Last, on 4th of March, H.E. Ung Luynia went to Brussels to visit the EU Commission and discuss commercial policies issues and in particular questions related to the Everything but Arms initiative which allows Cambodian rice to enter with full exemption of import taxes in the EU market.

5.4. PROJECT COMMUNICATION AND COORDINATION WITH OTHER PROJECTS AND STAKEHOLDERS

5.4.1. CONSULTATION WITH DESIGN TEAM OF MEF/MAFF ■ BOOSTING FOOD PRODUCTION PROJECT

On 14 January 2016, the SCCRP Project Management Advisor had a meeting with Mr Chan Sophal (Center for Policy Studies) regarding the preparation of MEF/MAFF project named Boosting Food Production

Project ³³. This project includes a component on the scaling up of the production of quality rice seeds. The meeting took place in AFD office (Mr Muong Sideth, AFD officer, took part in it as well). Mr Chan Sophal has presented the overall concept of the rice seed component of the project. Various comments were made, notably a question raised on the inclusion of new rice varieties and the procedures for homologation by MAFF of such new varieties.

SCCRP Project Management Advisor also took part in the Consultation Workshop on 12 February, which was presented as one of the last steps in the project design. It is noted that **Phkar Kravan** variety was namely mention in the slides of presentation of the Rice Seed component, which is seen as a good sign toward the possible homologation of the variety (especially since H.E. So Khan Rithykun, General Director of GDA, was chairing the meeting).

5.4.2. CONSULTATION WITH DESIGN TEAM OF IFAD & AIMS PROJECT

On 15 February, the SCCRP Project Management Advisor had a meeting with Mr Ung Dara Rat Moni about the preparation of IFAD's Accelerating Inclusive Markets for Smallholders project (AIMS). AIMS project aims at developing private investment and improve linkages of smallholder producers and companies for rice and up to 8 other value chains / products. Possible area of collaboration between AIMS project and SCCRP were preliminarily identified during this meeting, notably:

- AIMS could be associated to the development of regulations and guidelines for contract farming (Taskforce). This would be very relevant since AIMS is expected to **draw on ongoing IFAD/FAO/UNIDROIT collaboration to promote improved contractual arrangements**. AIMS project will also cover other value-chains than rice, bringing along a wider range of experiences.
- AIMS project has a component on access to finance, with possible linkages with the intended credit mechanism for Farmer Organization that SCCRP is currently developing with RDB.
- Mr Ung Moni also mentioned that some support could possibly be provided to organic paddy producers Cooperatives / Cooperative Union in Preah Vihear.

Further to this first meeting, IFAD project preparation team has conducted a field visit in Preah Vihear, and has met the Project Management Advisor in Phnom Penh on 24th of March 2016.

5.4.3. EXCHANGE WITH THE SUSTAINABLE RICE PLATFORM INITIATIVE

On 11 February, the SCCRP Project Management Advisor had a Skype meeting with Mr Wyn Ellis, the coordinator of the Sustainable Rice Platform initiative. After the endorsement in 2015 by the platform of the Standards on Sustainable Rice Cultivation and of the related Performance Indicators, the SRP intends to implement a pilot in Cambodia. Some exporters have expressed their interest to apply the standard (Golden Rice, BRICo, AMRU &) and some international buyers, members of the platform (such as Mars), are willing to support by the payment of a premium for the SRP rice. Mr Wyn Ellis was contacting the project to seek for support / partnership.

A participation of SCCRP project could be considered, possibly on facilitating the negotiation of commercial partnership between Farmer Organizations and exporters to supply SRP certified paddy. A concern is that SRP standards are quite complex and comprehensive and are requiring to document and verify farmers practices, which will generate significant costs that the level of premium may not be sufficient to cover while leaving significant incentives for farmers. Yet, at this stage, the purpose of the pilot

³³ Boosting Food Production Project is a government initiatives focused on development of rice seeds production and on the development of vegetable production and value chain. The project estimated budget is 20 million USD, to be entirely financed by the Cambodian government / MEF.

³⁴ From AIMS project concept note, page 5.

would be precisely to fine-tune the estimation of costs of the implementation and certification and possibly to use this as a basis to re-negotiate premium prices and calibrate a sustainable cost sharing and recovery.

5.4.4. MEETING WITH CAVAC PROJECT

On 16 February, the SCCRP Project Management Advisor and the Assistant to Project Coordination had a meeting with Mr Edo Lin, Rice Export Manager and Ms Cheu Ponleu, Intervention Manager of CAVAC Project (Phase II).

The purpose was to share on our respective project interventions in the rice sector. CAVAC project is considering the provision of some managerial support to CRF (via the mobilization of a consultant). While SCCRP project intends to provide some support on the improvement of the governance and representativeness of CRF, it was seen in the discussion that there could be some complementarities and synergies between these two support activities. The two activities could be consolidated and jointly presented to CRF and monitored in order to ensure consistency and coherence³⁵. Further to this meeting, SCCRP has shared with CAVAC the proposed ToR for the institutional support to CRF.

5.4.5. COORDINATION WITH MOC

4.5.1. PARTICIPATION IN THE 3RD NATIONAL GI COMMITTEE MEETING

On the request of SCCRP project coordinator, the Project Management Advisor has attended the 3rd meeting of the National Committee on Geographical Indications on 26 February 2016 in the Ministry of Commerce.

5.4.6. COORDINATION WITH IVY AND WVI ON SUPPORT TO ORGANIC PADDY SUPPLY CHAIN

SCCRP Project Management Advisor had a meeting with Mrs Michiyo adachi from IVY headquarters, on 8 January 2016 during which the on-going support to organic paddy supply chain in Preah Vihear and the strategy of support and consolidation of the Agricultural Cooperative Union has been presented to IVY mission. In the following weeks, more exchanges took place with Ms Ayumi Matsuura, IVY Country Director as already indicated in § 3.3.2. in this report, page 19.

5.4.7. MEETING WITH CBI-NETHERLANDS

On 29 February 2016, the SCCRP Project Management Advisor had a meeting with Dr. Thierry Noyelle and Mr. Koos van Eyk from CBI-Netherlands³⁶. CBI-Netherlands is an organization specialized in the support of exports from developing countries to the European Union. CBI-Netherlands, through this mission, was exploring perspectives of support to private sector organizations and companies in the rice sector. The mission was briefed about SCCRP project activities and in particular support to export promotion and branding of Cambodian rice.

³⁵ We could apply the idea of a joint coordination committee as SCCRP used to do with the IFC for the support to FCRE in 2013.

³⁶ <https://www.cbi.eu/>

ANNEXES

ANNEX 1: COMPOSITION OF FCFD NEW BOARD OF DIRECTORS

Composition of the FCFD Board of Directors elected during General Assembly on 15 January 2016.

Nº	Name	Sex	Province	Position	Note
1	Nil Sopheap	M	PreyVeng	President	
2	Samart Veasna	M	Battambang	Vice President	
3	Yu Tim	M	Takeo	Secretary	
4	Put Doeun	F	Takeo	Treasurer	Newly elected
5	Din Sakhorn	M	KampongThom	Board Member	
6	Phain Sambo	M	SiemReap	Board Member	Newly elected
7	Pek Van	M	PreyVeng	Board Member	Newly elected
8	Lor Heap	M	PreyVeng	Internal Auditor	
9	Man Phanny	M	Takeo	Internal Auditor	
10	Ma Nary	F	KampongThom	Internal Auditor	Newly elected

ANNEX 2: COMPOSITION OF FAEC NEW BOARD OF DIRECTORS

Composition of the FAEC Board of Directors elected during General Assembly on 19 February 2016.

No.	Name	Sex	Position	Province
1.	CHAN Sothea	Male	President	Takeo
2.	DEM Sreylim	Female	1st Vice-President	Battambang
3.	KEO Sokha	Male	2nd Vice-President	Prey Veng
4.	YAN Sreyyath	Female	Member	Battambang
5.	LY Thoet	Female	Member	Battambang
6.	TEP San	Male	Member	Battambang
7.	TEP Saren	Male	Member	Svay Rieng
8.	CHROEUNG Yuth	Female	Member	Svay Rieng
9.	OY Samen	Female	Member	Svay Rieng
10.	SO Saven	Male	Member	Svay Rieng
11.	PHON Bunna	Male	Member	Kandal
12.	SENG Chansotheara	Female	Member	Prey Veng
13.	PANG Dorn	Male	Member	Prey Veng
14.	PRAK Leak	Male	Member	Prey Veng
15.	KAN Hoeun	Male	Member	Takeo
16.	KONG Moeun	Male	Member	Takeo
17.	SAM Saroeun	Male	Member	Kampong Speu

Composition of newly elected FAEC Executive Committee 3rd Mandate

No.	Name	Sex	Position	Province
1.	CHAN Sothea	Male	President	Takeo
2.	DEM Sreylim	Female	1st Vice-President	Battambang
3.	KEO Sokha	Male	2nd Vice-President	Prey Veng
4.	KONG Moeun	Male	Member	Takeo
5.	PRAK Leak	Male	Secretary-member	Prey Veng
6.	YAN Sreyyath	Female	Treasury-member	Battambang
7.	Tep Saren	Male	Member	Svay Rieng

Composition of newly elected FAEC Internal Control Committee

No.	Name	Sex	Province
1.	CHAN Hoeun	Male	Takeo
2.	CHOK Vannaut	Male	Kampong Speu
3.	OEUR Sophoan	Male	Kampong Thom

