



## Cambodia Agricultural Value Chain Program

2015 Annual Work Plan

Second Draft – December 2014

For Comments

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## Abbreviations and Acronyms

ACIAR	Australian Centre for International Agricultural Research
AWP	Annual Work Plan
CAVAC	Cambodia Agricultural Value Chain Program
DTL	Deputy Team Leader
FCRMA	Federation of Cambodian Rice Miller Associations
FWUC	Farmer Water User Community
GDA	General Directorate of Agriculture
ICT	Information and Communications Technology
IVR	Interactive Voice Response
MAFF	Ministry of Agriculture, Forestry and Fisheries
MOWRAM	Ministry of Water Resources and Meteorology
M&E	Monitoring and Evaluation
O&M	Operation and Maintenance
PDA	Provincial Department of Agriculture
PDWRAM	Provincial Department of Water Resources and Meteorology
SIF	Supplementary Investment Fund
US\$	United States Dollar

## 1 Introduction

2015 will be the final year of the CAVAC Program. For this reason the 2015 Annual Work Plan (AWP) will be very different from those of previous years. In previous years the AWP's were focussed on explaining how CAVAC worked and what CAVAC was likely to undertake in the forthcoming year. For 2015, the focus of activities will be completing previously agreed priorities and planning for a potential new program that is referred to in this AWP as CAVAC Phase II, Phase II or second phase. Unlike other years, all activities for 2015 were planned in advance.

An important emphasis of the CAVAC Program in 2015 will be on reporting results – quantifying and sharing the achievements of CAVAC - and the support to the Royal Government of Cambodia. CAVAC will produce a number of reports that together will capture the results achieved by the Program. It will also produce individual reports on all its interventions. A final report, produced at the end of 2015, will also contain major lessons for similar programs as well as for a potential continuation.

To achieve this, CAVAC will place a strong emphasis on capturing results as part of the 2015 AWP. Its Monitoring and Evaluation (M&E) system will form the basis for a detailed M&E plan, with all technical staff contributing to this work.

The implementation contract will end in December 2015. By this date, all contracts will be completed, all payments finalised and agreed assets handed over. To allow all books to be closed in time, the last two months of 2015 will be dedicated to monitoring results, writing final reports, doing final payments and closing the books. The last market support activities are planned to end in September with some extending into October.

Much of the work in 2015 will be focussed on completing all partnerships in agribusiness and irrigation with no new irrigation scheme construction commencing in 2015. All commitments are expected to be made before the end of 2014. However, CAVAC has continued to budget for support to the Provincial Departments of Agriculture (PDAs) and General Directorate of Agriculture (GDA) activities.

The Australian and Cambodian governments are considering the possibility of implementing a second phase of CAVAC. It is likely that any future continuation will not be a simple extension of activities – it will likely be a new start. These considerations are reflected in the 2015 AWP. CAVAC will offer the potential new program strong foundations for future success. The team's implementation capacity and market knowledge will be available to support the development of a new program phase should it be required. Planning has ensured that any additional staff capacity is available to prepare for the potential Phase II, to conduct assessments and irrigation designs and to prepare for activities that can be undertaken in the first year of Phase II.

Over the years CAVAC has invested heavily in the capacity of its own staff as well as in the capacity of counterpart staff. However such activities are hard to justify during the final year of operations. Instead, CAVAC will conduct a needs assessment of capacity of existing staff for a potential new project, meanwhile conducting training activities in house and allowing time for self-study. Counterpart staff are welcome to join CAVAC's internal training, and CAVAC staff will be available to conduct technical training for government staff on request.

In 2014, CAVAC pursued a very ambitious irrigation construction program. Good designs and dedicated work from CAVAC and government counterparts have resulted in the realisation of most of this ambitious work plan ahead of time. Many activities that were expected to be carried over to 2015 have been completed ahead of time in 2014. This has been CAVAC's most successful year for construction. The heavy construction workload also consumed large amounts of resources. Though CAVAC will have sufficient funds to implement all intended activities, the available funds will need to be well managed. Through a careful budget reallocation, the 2015 AWP will be supported by a sufficient yet tight budget. More than before, CAVAC will manage its budget through specific budget lines for each committed activity.



## 2 Supporting Government Counterparts

Over the last four years, CAVAC has supported national and provincial departments under the authority of the Ministry of Agriculture, Forestry and Fisheries (MAFF) and the Ministry of Water Resources and Meteorology (MOWRAM).

The 2014 AWP offered financial support to both the GDA and PDAs. Support for many of these contracted activities will continue in 2015. CAVAC will continue to support the GDA's priorities under the existing rice value chain improvement project in 2015. Several of the PDA priority support contracts agreed in 2014 will continue to be implemented in the dry season of 2015. Those contracts include dry season field demonstrations and capacity building for agricultural cooperatives. Upon completion of these activities, there will also be a short window of opportunity to conduct activities to support farmers during the wet season of 2015.

It was agreed in the 2014 AWP that the PDAs would conduct an impact assessment of CAVAC supported activities. As this has not happened in 2014, CAVAC proposes for the PDAs to use the last month of planned activities, September 2015, to conduct an internal impact assessment and lessons learned.

CAVAC has earmarked a budget of US\$40,000 per PDA to cover new activities until August, and US\$10,000 for the impact assessment in September 2015.

CAVAC has supported many capacity building activities for PDA and Provincial Department of Water Resources and Meteorology (PDWRAM) staff over the last few years. These activities were over and above the planned activities identified in the Project Design Document. Support was given to allow provincial staff to better execute their tasks. As 2015 will be a year of reflection for CAVAC, provincial departments are also encouraged to draw lessons of the benefits and conduct a training needs assessment in case similar support is available in a potential second phase.

CAVAC has offered financial support to the PDWRAMs to play their roles in irrigation scheme designs, construction supervision and Farmer Water User Community (FWUC) establishment and support. In 2015 there will be a limited budget available for support to irrigation designs and FWUC development.

### 3 Agribusiness

In 2013, the portfolio of agribusiness activities was adjusted to deliver maximum impact over the duration of CAVAC. More emphasis was given to sectors like vegetables, fertiliser and pesticides, where the highest value for money could be expected. This adjustment has paid off, as demonstrated in the Six-Monthly Report of July 2014. The report indicates that outreach figures are likely to exceed the Mid-Term Review projections - even exceeding 250,000 households by some margin.

#### 3.1 Fertiliser

Over the years CAVAC has worked with 14 companies, including significant interventions with seven companies. The Program still has active interventions with six companies, focussing on assisting them to increase the delivery and sustainability of information system activities.

Interventions with Heng Pich Chhay, Lay Seng, Ye Tak, Papaya and Maly San Group will focus on assisting these companies to demonstrate the business case for providing better information to farmers using their products. The companies have adopted different models to achieve this. Heng Pich Chhay and Ye Tak are using a retailer training model, while Lay Seng, Papaya and Maly San are using field demonstrations as their information dissemination strategy. The final fertiliser partner is Anachak, where the intervention seeks to find the best fertiliser recommendations in order to help improve its competitiveness with other companies.

Support to these activities will continue into the 2015 dry season, after which activities will wind down, so that there are no ongoing contracts beyond September 2015.

No further activities in fertiliser will be started in 2015. A major effort will be made to capture the impact and the outreach from the activities within the fertiliser market. This will be an ongoing commitment throughout 2015.

#### 3.2 Pesticide

CAVAC has several ongoing activities in the pesticide market, including two ongoing interventions with Nokorthom and An Giang companies. Both interventions focus on the ability of the companies to provide better and more efficient information to farmers, and are scheduled for completion by the end of September 2015. A comprehensive impact assessment will investigate the activities of An Giang and Nokorthom. CAVAC's support to the GDA in developing a Rice Pest Management Manual was completed in 2014. Efforts to apply this Manual in MAFF's activities will be monitored throughout 2015.

CAVAC completed the Rice Pest and Disease Diagnostic Tool in 2014, with a final push to get agreements with an additional three to four companies to introduce the diagnostic tool into their systems. This will constitute the major new push for the Agribusiness team in 2015. The impacts of these diagnostic tool activities will be difficult to measure in 2015 but a realistic projection will be made based on early implementation.

#### 3.3 Model farmers

In 2014, the dry season model farmer training ceased, and instead efforts were focussed on implementing roadshows as a platform for innovative dry season farmers to inform other model



farmers of their innovations and to act as a resource to others. The roadshows will continue into the dry season of 2015. All dry season model farmers will have been reached by the end of the next dry season.

The wet season model farmer training will continue into the 2015 wet season. A major effort will be made to train all the wet season model farmers that have not yet been trained. As the scope is much larger, it may not be possible to reach all wet season model farmers using current systems. An attempt will be made to adopt new methodologies in order to improve efficiency and increase the likelihood of reaching all wet season model farmers.

Work on this intervention will continue into 2015, including some necessary refinements derived from a preliminary assessment of the effectiveness of this intervention conducted in 2014.

### **3.4 Media & Wider Market**

An existing media research intervention with Feedback Research will continue with two more waves of research in 2015.

The potential of the Interactive Voice Response (IVR) and the use of the diagnostic tool in call centres present very interesting opportunities. Small scale tests will continue into 2015 to enable CAVAC to create a better understanding of how information through the Information and Communications Technology (ICT) can be made useful to Cambodian farmers.

### **3.5 Rice Export**

The potential of rice export has not been fully reached in CAVAC. Ongoing interventions with Baitang Kampuchea and the Federation of Cambodian Rice Miller Associations (FCRMA) will be completed in 2015.

The Australian Department of Foreign Affairs and Trade (DFAT) may be able to add earmarked funds to CAVAC's budget to further support rice export in general and millers specifically. If requested, CAVAC could invest in millers' productivity, in the seed market for export varieties or in support to the Cambodian Rice Federation. Interventions should produce valuable lessons for potential phase II activities. CAVAC may need to hire additional human resources for these activities.

### **3.6 Vegetables**

The three ongoing vegetable projects - East West Seed International, Uni-mart, and Pacific Seeds - will be completed by 2015 and no new activities will be started in 2015.

## 4 Irrigation

The year 2014 was a very busy year for the irrigation component, as the team invested significant efforts to get most construction activities completed before 2015. Work was implemented on 17 schemes during 2014, including: commencing two new schemes; completing four schemes started in 2013; improving eight existing schemes; and supporting three schemes under the Supplementary Investment Fund (SIF) mechanism. Work was completed on all but three schemes in 2014. Angko, Boeung Leas and Wat Thmey schemes were completed to 80% by October 2014 as river levels were rising earlier than expected this year. It is expected that these schemes will all be completed during the first quarter of 2015.

Table 1 shows all the irrigation schemes that have been constructed and rehabilitated with CAVAC's support over the last five years. The table also includes the activities carried out under the SIF scheme during 2012, 2013 and 2014. These activities predominately focussed on improving and maintaining schemes with existing FWUCs.

Initially CAVAC only constructed main canals. Secondary/tertiary canal construction was left to the FWUCs and private water sellers, or both. As schemes were not developing as fast as originally foreseen, CAVAC commenced construction of secondary canals and other scheme improvements in the years after construction of the main canals at schemes where farmers approved the contribution of land to construct them. In other schemes where land contribution for construction of subsidiary canals was not approved, the schemes did not reach their potential.

Schemes that were fully completed (functioning schemes with functioning FWUCs) were handed over to their respective PDWRAMs. These schemes meet the requirements to receive funds from the central government for maintenance during a maximum period of five years (maximum 50% of the total costs for operation and maintenance [O&M]). CAVAC will assist the FWUCs and PDWRAMs in obtaining those subsidies by preparing maintenance budgets and plans.

Table 1 Irrigation schemes constructed and rehabilitated 2010–2014

Scheme Name	Year of Construction and Improvements	Province/ District	Survey & Design	Construction of main canal	Constructio n of secondary canals	FWUC establishment and initial training	FWUC follow up training	Scheme handing over to PDWRAM/ FWUC
Takeo								
Krapum Chhouk	2010/11	Koh Andeth	√	√	√	√	√	√
Kveng Tayi	2011/14	Koh Andeth	√	√	√	√	√	√
Tumrub Lork	2011/13/14	Koh Andeth	√	√	√	√	√	√
Prey Rumdeng	2012/14	Kirivong	√	√	√	√	√	√
So Hang	2011/12	Borei Chulsar	√	√	√	√	√	√
Rokar Chhouk	2013/14	Prey Kabas	√	√	√	√	√/○	○
Wat Thmey	2014/15	Prey Kabas	√	√	√	√	√/○	○
SIF – Banteay Thleay – building a secondary canal	2012	Koh Andeth	Completed					
SIF – Plov Touk – building a secondary canal	2012	Kirivong	Completed					
SIF – Banteay Thleay – Dredging a main canal	2013	Koh Andeth	Completed					
SIF – Plov Touk – Dredging a main canal	2013	Kirivong	Completed					
SIF – Banteay Thleay – Dredging a main canal	2014	Koh Andeth	Completed					
SIF – Plov Touk – Dredging a main canal	2014	Kirivong	Completed					
SIF – Kampong Krasang – Dredging a main canal	2014	Borey Chulsar	Completed					
Kampot								
Prey Tonle	2010	Banteay Meas	√	√	√	√	√	√
O’Kak	2011/12/14	Banteay Meas	√	√	√	√	√	○

Scheme Name	Year of Construction and Improvements	Province/ District	Survey & Design	Construction of main canal	Construction of secondary canals	FWUC establishment and initial training	FWUC follow up training	Scheme handing over to PDWRAM/ FWUC
Sbov Andeth	2011/14	Banteay Meas	√	√	√	√	√	√
Thnoat	2011/14	Banteay Meas	√	√	√	√	√	√
Spean Touch	2012/13	Kampong Trach	√	√	√	√	√	√
Prey Leu	2012	Kampong Trach	√	√	√	√	√	√
Hay Saun		Banteay Meas	√	√	√	√	√	
Hay Saun	2013/14							√
Hay Saun Extension 1	2014							
Hay Saun Extension 2	2014							
Chamlong Chrey	2013/14	Banteay Meas	√	√	√	√	√/○	○
Reservoir 77	2013/14	Chum Kiri	√	√	√	√	√/○	○
<b>Kampong Thom</b>								
Angko	2011/12/14/15	Kampong Svay	√	√	√/○	√	√/○	○
Thnoat Chum	2011/14	Baray	√	√	√	√	√/○	○
Canal 6 January		Santuk	√	√	√	√/○	√/○	○
Secondary Canal 1	2013/14							
Secondary Canal 2	2013/14							
Secondary Canal 3	2013/14							
Boeung Leas	2014/15	Stung Sen	√	√	○	○	√	○

√

Activity completed before 2015

√/○

Activity started before and to be continued during 2015

○

Planned activity for 2015

The irrigation activities will focus on the following priorities in 2015:

- further support to established FWUCs;
- completion of the three remaining schemes;
- repairs and small technical improvements; and
- preparatory activities for potential future work (see Section 7)

#### **4.1 FWUCs**

FWUCs that were established in 2014 will need follow-up training to assist in:

- development of a maintenance plan;
- development of an operational plan;
- collection and administering of irrigation service fees; and
- procurement of external services for scheme maintenance.

The training will be carried out by PDWRAM staff, assisted by CAVAC's O&M staff and external service providers if required. By the end of the Program it is expected that most, but not all, FWUCs will function properly and are able to operate and maintain their schemes for a large number of years.

#### **4.2 Finalising three schemes**

The three schemes that need to be finalised by March 2015 are:

- Angko pumping scheme in Kampong Thom;
- Boeung Leas pumping scheme in Kampong Thom; and
- Wat Thmey pumping scheme in Takeo.

Pumps for these three pumping schemes have been procured and are being delivered. CAVAC will have to wait until January/February 2015 before flood and river levels allow for installation of pumps. All the three schemes will be fully completed by March, allowing for a defects liability period of six months before the end of the project. Hand-over is expected to occur at the end of 2015 once the FWUCs are fully functional.

#### **4.3 Repair and small improvements**

Schemes that were constructed on the floodplains usually need some repairs and improvements after the floods recede. Canals and embankments do, in some cases, erode and need repair by re-aligning the slope or providing additional slope protection. In other schemes some minor improvements are necessary to ease operation by farmers through adding/modifying minor structures.

## 5 Cross Cutting Activities

CAVAC's gender strategy has been based on three pillars:

- (i) learning;
- (ii) scanning activities from a gender and disability perspective; and
- (iii) avoiding negative impacts.

As in previous years, CAVAC will continue to monitor these activities. It will also use 2015 to draw lessons and report on gender disaggregated impact figures.

CAVAC has conducted environmental impact assessments for all its irrigation schemes. These assessments contain management plans that have been translated into monitoring activities. Monitoring activities will continue until the end of this phase of the CAVAC Program and results will be captured in a final report on CAVAC's environmental safeguards.



## 6 Capturing Impact and Learning Lessons

From the beginning of the Program, CAVAC has implemented an M&E system that captures changes at all levels. The system has been important for learning which activities worked well and which activities needed adjustments and additional attention. The M&E system has also collected data to assess quantitatively what kind of impact CAVAC will have created. Throughout the Program, the emphasis for the M&E activities have changed from learning to improving and to capturing impact quantitatively. In November 2015 CAVAC intends to finalise an evaluation report addressing the following items:

- the number of households benefitting from CAVAC's activities;
- the size of the area with higher crop intensity;
- the yield increases for the major activities;
- an assessment and associated explanation of household incomes;
- a qualitative assessment on sustainability for each intervention; and
- gender segregation of the actors that have been directly impacted.

CAVAC will also produce a database with end of activity reports and an environmental end-report.

Capturing the impact of the irrigation activities is based on CAVAC's established practice of collecting detailed information on farmers' landholding. In 2015, farming activities will continue to be monitored for all the schemes and this data will form the basis of calculating areas under intensified production, and the number of households that have benefitted and increased production of paddy.

Impact logics or result chains form the basis for capturing the impact of the agribusiness activities. The impact logics are a tool to assure that the impact can be attributed to CAVAC's activities in a credible way. Each impact logic is therefore accompanied by a monitoring plan. In 2015, many observations and small assessments will need to be conducted to ensure the credibility of the data on outreach, and to establish credible attribution.

More complex is the assessment of how much CAVAC's activities have influenced yield increases. A few larger surveys will be conducted in 2015 to add the missing data in these assessments. CAVAC plans to conduct a large fertiliser assessment in January and February, followed by an assessment of the model farmer program. In July or August it plans to conduct a larger assessment to measure the impact of its pesticides activities. In the beginning of 2015, CAVAC will also finalise an assessment of the activities in the vegetable sector.

CAVAC will create a database with end of activity reports and will update its website to reflect the end data and some of the lessons learned.

During the final year of the Program communication materials, including the website, will focus on lessons learned and sharing results from CAVAC with stakeholders and interested parties. This includes government partners (especially counterparts working in irrigation and water management), and the wider development community. This is particularly important at this time in communicating the impact of CAVAC's activities to the broader community.

## 7 Preparations for a Potential Future Project

At the time of writing this work plan, the Australian and Cambodian governments are considering designing and tendering a potential new project succeeding this Program. This potential new program will remain focussed on agriculture, irrigation and agribusiness. This Program is likely to have a similar methodology to that of CAVAC.

CAVAC's main priorities for 2015 will be finalising interventions, capturing impact and learning lessons. Activities in the 2015 AWP also support the design and concepts for a potential new program, possibly a second phase of CAVAC, should the Australian and Cambodian governments pursue this approach.

Key areas on consideration include:

### 7.1 Technical preparations

The Agribusiness team will conduct a number of new value chain feasibility studies. These studies will include mapping the players and assessing the potential for partnerships that prioritise value for money. The feasibility studies will only prepare for and not replace real value chain assessments in Phase II. The component will also reassess CAVAC's existing sectors for continuation in other areas or for adding new elements.

The irrigation team will develop irrigation concepts for up to four provinces. These concepts will assist the new program's management structure to select the optimal provinces for it to invest in from 2016 onwards. The concepts will assess the types of irrigation support, the opportunities in the provinces and the commitment from the local government. The assessments will include initial estimates of costs and benefits. The main partners will be MOWRAM and the PDWRAMs.

The irrigation team will also select at least two new schemes in the existing provinces for detailed designs. Together with the existing design for a further extension of Wat Thmey it will give the potential new program the option to construct in 2016.

### 7.2 Capacity building of staff

Should a second phase of CAVAC be pursued, staff capacity building will likely be a key aspect of future success. CAVAC has gained much knowledge and experience since 2010. Success will however depend to a large extent on the capacity of the Cambodian experts to analyse markets, scout opportunities and turn them into effective partnerships.

Over the years CAVAC has invested heavily in international training of its staff and does not intend to invest further in international training for individuals. It will however develop a capacity gap analysis and conduct a number of internal training programs to reduce the gaps. It will also create incentives for self-study.

Capacity building will include agricultural and methodology knowledge and design knowledge for the engineers.

CAVAC will also select a group of Cambodian experts that might take on greater managerial tasks in a second phase, and provide management training to these individuals.

## 8 Program Management

CAVAC's management approach and operational systems have been continually reviewed and improved across the life of the Program. As the current phase of the Program approaches its conclusion, modifications to the systems and processes which support implementation are being made to ensure that all commitments are met on time and within budget. The administrative, finance, IT and procurement systems will be more integrated to ensure that all books and records will be completed and archived prior to 31 December 2015. Furthermore, all agreed data and reports will be uploaded on the CAVAC website and/or handed over to the appropriate recipients to ensure no valuable lessons learned are lost.

Staff capacity is sufficient to meet current responsibilities, including finalising all activities prior to program closure at the end of this year. It is expected that further administrative responsibilities will be passed to national staff members.

CAVAC will continue to administer and monitor all contracts and grants put in place during the previous years with a view to finalising all commitments prior to 31 December 2015. This will require careful monitoring of outputs, invoices and acquittals. There will be no new contracts or grants issued in the final year of the Program as all major irrigation construction contracts were issued at the end of 2013 or during 2014 to ensure construction activities and defects liability periods are completed prior to 31 December 2015. The output-based contracts with government partners both in the provinces and at a national level will continue to be monitored and remain the focus for achieving outcomes. The final grant facilities used to engage private sector partners working in agriculture and community stakeholders in the irrigation component were issued in 2014 with work to be completed in 2015. The research grants implemented in 2014 will continue to provide opportunities for local organisations to increase the knowledge and capacity of those working in agriculture across Cambodia and will be completed by 31 December 2015.

### 8.1 Staffing

CAVAC has made a significant investment in both internal and external training for staff. This investment has been able to develop a largely inexperienced team into a well-functioning and efficient workforce with an evolving management structure. Whilst formal training opportunities will continue for those who are enrolled in long term courses of education, CAVAC will continue with less-formal in house training opportunities which are more relevant for CAVAC staff and will use the significant skill sets of staff that have already been built. During 2014, a number of cross team activities were implemented which allowed staff to learn from their colleagues and interact with communities and team members that allowed significant improvement in understanding the program impact and activities. Should expertise become available in the local market that would contribute to increasing staff management capabilities, this would also be actively pursued.

### 8.2 Stakeholder Collaboration

Whilst the National Steering Committee and Provincial Coordination Committees have continued to play an important facilitative role for CAVAC and the Royal Government of Cambodia counterparts (MOWRAM and MAFF), during 2014 additional support provided by the positions of Deputy Team

Leaders (DTLs) has been important in creating closer ties between CAVAC and the two Ministries at a national level. DTLs accompany CAVAC staff to meetings with national and provincial counterparts and assist with facilitating solutions to issues faced by the partners, including issues in the working relationship between the PDWRAMs and MOWRAM. CAVAC expects this close collaboration to continue through to the end of the Program.

At the provincial level, CAVAC has found that allocating specific CAVAC staff to work closely with provincial counterparts on the PDA led Rice Policy activities and with PDWRAMs on the funding of FWUC establishment processes has led to a greater level of understanding between CAVAC and its government partners, and facilitated the completion of many of the activities planned and outlined in the AWP for 2014. CAVAC's support of the capacity building for provincial counterparts, particularly in relation to study tours is complete. Over the next year it is hoped that the knowledge gained during this support will be utilised and that there will be improvement in rice seed production techniques and export.

CAVAC has continued to interact with development partners both within Cambodia and within the wider development community. The CAVAC team will continue to be involved in both non-formal and formal learning events including inviting partners working in Cambodia such as the United States Agency for International Development, the Asian Development Bank and World Bank to field trips or office based discussions, continued collaboration with organisations such as the Australian Centre for International Agricultural Research (ACIAR) to ensure complementarity of activities and formal learning events with other market development programs.

### **8.3 Procurement**

All significant procurement was completed in 2014 as planned and described in the Six-Monthly Procurement Reports. The partnership agreements, grants, and contracts not yet completed at the end of 2014 will be completed prior to 31 December 2015. There will be very little new procurement conducted during 2015 and any that is required will be conducted in accordance with the CAVAC Procurement Manual and Commonwealth Procurement Guidelines.

The procurement methods employed during 2014 improved the quality of the construction contractors, and thus eliminated delays in construction and improved the quality of works. The progress of construction completion is generally greater than planned in the 2014 AWP. This is due to the processes implemented in 2013 where CAVAC worked with contractors to ensure work plans were realistic and achievable and outlined the bonus and penalty clauses in CAVAC contracts. This has acted as an incentive for timely completion of schemes. CAVAC has also included a system of assessment and approval for construction supervisors as part of the procurement process to ensure effective communication between CAVAC and the contractors at site on a daily basis. These systems and processes will continue to be used to monitor, evaluate and ensure all work will be completed before 31 December 2015 to an acceptable quality.

## 9 Annual Work Plan Budget – 2015

Table 2 contains the AWP Budget for 2015. The total budgeted expenditure equals **US\$3,524,947** which is to be funded through the CAVAC Imprest Account.

**Table 2 AWP budget for 2015**

Component breakdown		Description	Interventions and activities 2014	Budget USD
<b>Component 1: Agribusiness</b>				<b>\$1,103,027</b>
1.1	Critical constraints to strategic value chains identified and developed for business action.	Completed for CAVAC	CAVAC team will undertake some analysis of the market system that may be included in work in the sector on a future program alongside other activities	-
1.2	Agribusiness partnerships supported to innovatively address constraints.		Fertiliser	\$629,490
			Pest (diagnostic tool)	
1.3	Enhanced farmer services embedded within agribusiness practices.		Vegetable	
		Improve input markets in rice and vegetables; including embedding and use of the Pest Diagnostic Tool. Work to continue with all companies to add extension activities. Linking events completed but work with companies and media to increase communication within their network.	Export (Further budget for Export promotion activities may be determined)	
			Model Farmers	
			Media	
			Wider market (ICT)	
1.4	Improved availability and communication of market information between value chain stakeholders.		Research	

Component breakdown		Description	Interventions and activities 2014	Budget USD
1.5	Participatory planning and construction of key infrastructure to address value chain bottlenecks.	On hold		
1.6	Government led rice policy activities	Activities led by the three PDAs	Continue to complete priority activities of MAFF and PDA already contracted  Additional priority activities identified in 2015  Impact Assessment/ M&E - 2015	\$216,555  \$120,000  \$30,000
		Activities led by the GDA	Rice Value Chain	\$106,982
<b>Component 2: Irrigation and Water Management</b>				<b>\$2,184,853</b>
2.1	Improved capacity of MOWRAM and PDWRAM to participate in design and develop, operate and maintain irrigation schemes.	Intense collaboration with MOWRAM and PDWRAMs in the construction of schemes and in the detailed design of schemes.	All work for CAVAC is now complete.	-
2.2	Improved capacity of FWUCs to efficiently and effectively operate and maintain their irrigation systems.	CAVAC and PDWRAMs will support FWUCs and other players to improve likelihood of the sustainability of schemes.	Training and other support to FWUCS and other players in the O&M market.	\$275,978
2.3	Selected systems rehabilitated and transferred to effective FWUCs.	Finalising schemes and ensuring scheme are appropriate for handover	Finalising the construction of all schemes and FWUC offices including installation of pumps in schemes so designed.	\$1,825,480
2.4	Improved models of water management adopted in rain fed areas.	Completed		-
2.5	Increase use of hydrological data in the planning and management of irrigation systems.	Completed		-
	Preparatory work for potential new program	Survey and Design concepts	Survey and designs for concepts of future new program including designs for 2 schemes for 2016	\$83,395



Component breakdown		Description	Interventions and activities 2014	Budget USD
<b>Component 3: Research and Information Systems - Integrated into other activities</b>				-
<b>Component 4: Business Enabling Environment - Integrated into other activities</b>				-
<b>Cross Component Activities</b>				<b>\$139,527</b>
5.1 /5.2	Gender and Disability**	The gender and disability strategies will guide activities. Both will be mainstreamed in all activities. Finalisation of M&E will include gender analysis	Gender and disability are mainstreamed in all activities.	-
5.3	Environment and Disaster Risk Reduction***	Revised Environmental Strategy implemented and actions will continue to be taken.	All interventions have been screened for environmental impacts. Management plans prepared and activities implemented and monitored continually.	\$91,877
5.4	M&E	M&E will be an integral part of the work activities of CAVAC. Experts will be involved.	Surveys will be undertaken to assist with finalising the analysis of the program impact.	\$47,650
5.5	Training/seminars/capacity development support	Largely completed	Limited outside training with additional training will be undertaken within CAVAC, counterparts are encouraged to attend	-
<b>Total</b>				<b>\$3,427,407</b>
Note: CAVAC has budgeted for \$3,028 to cover bank charges that are necessary to conduct the above activities. This item is not included in the above table.				