

Cambodia Agricultural Value Chain Program (CAVAC)

CAVAC Six Monthly Progress Report

July 2010

1 Introduction

This report covers the period from 1 January until 30 June 2010 and is intended to provide AusAID with an update on key achievements and issues during this period. Future progress reports will report directly against the Annual Work Plan; however, as there was not a work plan in place during the period, we will instead report against overarching issues and then each component.

2 Overarching Issues / Cross Component Activities

The first half of 2010 was a period characterized by startup activities: developing strategies and implementing arrangements, hiring staff and setting up facilities. The interim CAVAC activities and the presence of two international staff during most of 2009 not only facilitated a quick start-up, but also allowed for early activities on the ground like the ACIAR supported CARF activities, the start of two large research projects (and continuation of another one), and the construction of two irrigation canals.

In March Cardno Emerging Markets took on the role of operational contractor. Following this the team has focused on:

- **Formalising the National Steering Committee** and obtaining their endorsement for the first Annual Work Plan (AWP), detailing priority actions for the remainder of 2010. Given the prominence of this endorsement (although approval occurred outside of the reporting period on Tuesday 27 July 2010) the final, approved version of the Annual Work Plan Budget for June – December 2010 is attached in Annex 1.
- **Preparing the Inception Report** including a work plan for the period of June to December 2010 and a number of strategy documents. The Inception Report reflected efforts to operationalise the Project Design Document with an emphasis on a more uniform approach throughout the components.
- **Participating in a review by the Sector Monitoring Group (SMG).** The SMG was generally supportive of the work plan and Inception Report – adding value by providing constructive feedback on how to improve reporting and the need to be more explicit about CAVAC's potential impact on poverty.
- **Establishing the program team.** By the end of the reporting period most of the national technical and support staff positions had been determined and progress was made on the international positions. Selection of candidates for the positions of regional coordinators, the BEE Manager and the remaining technical positions is underway and it is expected that the positions will be filled in the first half first half of the third quarter.

During this period the program also made a number of important strategic management decisions.

Realising the multidisciplinary nature of most agricultural constraints, the program developed a system of task forces to allow for integrated solutions. The collaboration of specialists from different components was also stimulated by joint activities such as the assessment of input markets in the rice sector and the selection of suitable value chains for further assessment. Building on this approach the national technical adviser positions across the program have been relabeled to Agribusiness Adviser to better engage staff across all component activities.

It was also decided to postpone the establishment of the regional offices due to the current absence of Provincial Coordination Committees. This decision also provides the management team the time to focus on implementation whilst also supporting the capacity development of the national team from the one location.

In addition, strategies on Gender, Disability and Environment have initiated the inclusion of cross cutting issues into CAVAC's daily activities. Although the cross cutting issues are being considered in all activities, further interaction with AusAID and the SMG is required before the strategies can be fully implemented.

3 Component 1: Agribusiness Development

The team took the lead in mapping and assessing constraints in the input markets and identifying suitable value chains for CAVAC.

4 Component 2: Irrigation and Water Management

Program personnel worked hard to tender the construction of two irrigation canals, knowing that construction needed to be finished before the start of the wet season starting in June. Feasibility studies including social, environmental and rapid gender assessments were also conducted.

The rehabilitation of 3.247 km of canal in the Trapeang Chak irrigation system was completed in June allowing 182 families with 362 ha of land to cultivate two rice crops a year. The construction was awarded to the Taing Cheng Oing Construction Company for USD 88,369.

The rehabilitation of the 4 km Krapum chuke canal 85 was also completed by the same company in June. It cost USD 78,342 and will allow cultivation on 874 ha.

In both cases commercial water sellers have constructed side canals and farmers have started cultivation even before the whole canals were finished. PDWRAM officials were

involved in the design and supervision, assisted by members of the commune councils and representatives from the village. Further support will be given to the FWUCS in both locations.

In addition, a detailed design for a third scheme was awarded to the PDWRAM Kampong Thom. Issues that emerged during this detailed design led to the postponement of this activity.

5 Component 3: Research and Extension

Three large research programs were approved by the NSC. One was focused on vegetables, building on a previous ACIAR project, while the other two were related to rice germplasm and rice farming practices. CARDI, GDA and RUA are the key implementing partners in the projects. Solid preparations allowed for a quick start and the projects are on track.

Other achievements include:

- A new round of CARF proposals were assessed by an expert panel and four proposals were approved, adjusted and support awarded. The requirement that proposals should be in line with CAVAC's objectives has limited the number of suitable CARF projects this time.
- Good progress has been made with collecting and assessing existing extension material and by developing innovative training mechanisms such as drama.
- CAVAC conducted a number of surveys and focus group discussions to assess the potential of supporting model farmers / village extension workers.
- A contract was awarded to IDE to assess the efficiency and suitability of small irrigation pumps presently used in the three provinces.
- Preparations were made to support a large input company to improve and expand its farmer training activities.

6 Component 4: Business Enabling Environment

The modalities of a Policy Support Facility have been developed, but activities are still awaiting approval from the NSC.

Input mapping activities have revealed several policy issues, some of which may be taken on later in the year.

Component and Activity		Description	Expected Milestones - 2010		Budget (USD)	Budget (AUD)	Other Resources
Component 1: Agribusiness					\$58,000	\$68,235	
1.1	Critical constraints to strategic value chains identified and developed for business action	Conduct a value chain selection study, 2 - 4 value chain analyses, and input market assessments	Selection of 2 to 4 value chains, mapping and constraint analyses undertaken for 2 to 4 value chains, and a mapping and constraint analyses for input markets underway	Market Assessments	\$18,000	\$21,176	* PDA / PDWRAM staff
				Value Chain Analyses	\$10,000	\$11,765	* Value chain consultant
1.2	Agribusiness partnerships supported to innovatively address constraints	Will depend on outcomes of value chain analyses	At least 1 pilot intervention designed and started			\$0	* PDA / PDWRAM inputs
1.3	Enhanced farmer services embedded within agribusiness practices.	Will depend on outcomes of value chain analyses	At least 1 pilot intervention designed and started	Support to Providers, Pilots	\$25,000	\$29,412	* PDA / PDWRAM inputs
1.4	Improved availability and communication of market information between value chain stakeholders.	Will depend on outcomes of value chain analyses	At least 1 pilot intervention designed and started	Agribusiness Fund (see below)		\$0	* PDA / PDWRAM inputs
1.5	Participatory planning and construction of key infrastructure to address value chain bottlenecks	Conduct a physical market assessment in the 3 provinces Assess costs and benefits	A cost benefit analysis of potential investments	Study	\$5,000	\$5,882	* PDA / PDWRAM inputs * External consultant
Component 2: Irrigation and Water Management					\$424,000	\$498,824	
2.1	Improved capacity of MOWRAM and PDWRAM to participatively design, develop, operate and maintain irrigation schemes	Develop capacity building priorities together with MOWRAM / PDWRAM. Initiate implementation of the plan	Agreed capacity building plan Initial capacity building activities.	Capacity building activities, funded through the Policy Support Facility		\$0	Inputs from MOWRAM / PDWRAMS Involvement of TSC
2.2	Improved capacity of FWUCs to efficiently and effectively operate and maintain their irrigation systems	Find FWUCs with potential and agree on support Support FWUCs with small infrastructure and capacity CAVAC proposes to work with both formal and informal farmer water users. It will assess the potential to work with commercial water providers and pump sellers.	Plans to improve small infrastructure of 1 to 3 FWUCs	Support FWUCs	\$30,000	\$35,294	Involvement of MOWRAM / PDWRAM essential.
				Support private providers	\$9,000	\$10,588	Commune / Districts and villages will also be involved
2.3	Selected systems rehabilitated and transferred to effective FWUCs	6 smaller schemes selected, feasibility studies conducted and, if feasible, detailed design commissioned Feasibility of the 4 medium sized schemes revisited.	4 to 6 schemes ready for tendering	Feasibility studies	\$25,000	\$29,412	MOWRAM, PDWRAM
				FWUC small investment	\$40,000	\$47,059	MAFF, PDA
2.4	Improved models of water management adopted in rainfed areas	Initial studies conducted either through ACIAR or directly commissioned	Better knowledge of water management available for extension	Study	\$20,000	\$23,529	TSC, MOWRAM, Research institutes
2.5	Increase use of hydrological data in the planning and management of irrigation systems	2 water availability studies initiated with links to agricultural opportunities and social structures	2 water availability studies commissioned	2 Studies	\$300,000	\$352,941	MOWRAM / MAFF

Component and Activity		Description	Expected Milestones - 2010		Budget (USD)	Budget (AUD)	Other Resources
Component 3: Research and Extension					\$1,258,856		
3.1	Priority research and extension activities address constraints in selected value chains	3 large research studies are ongoing focussing on vegetables and rice and considering input markets and agritools. A fourth is planned on water use (will request separate approval from NSC Exec Group for this one) CARF activities will be ongoing small additional research may be commissioned if needed.	The 3 large research projects and CARF grants will have initial outcomes like farmer survey results. Pilot plots will show first results.	CARF	\$28,856	N/A	Government and private research institutions
				Pool B - approved	\$650,000	N/A	
				Pool B - to be	\$400,000	N/A	
				Small research	\$30,000	N/A	
3.2	Enhanced capacity of formal and informal extension providers to transfer improved technologies and information to farmers	Development of a knowledge base by reviewing all available material. Develop products like support to Cambodian Journal of Agriculture. Assessment of potential formal and informal providers pilot support to formal and / or informal providers like village extension workers, GO's and NGO's Media, input providers, traders etc.	A knowledge base pilots with extension providers initiated.	Support knowledge base development	\$18,000	N/A	
				Material production	\$37,000	N/A	
				Support providers	\$23,000	N/A	
				Media assessment	\$10,000	N/A	MAFF / PDA's consultants
3.3	Partnership program linking researchers, extensionists, farmers and agribusiness developed and implemented	Initial links will be around the knowledge base. CAVAC will develop strategies of linking this knowledge to the research institutions and the providers.				N/A	In close collaboration with MAFF / PDA
3.4	Budgetary support to CARDI	Payment to CARDI conditional to an agreement reached and development of a strategic resource plan for the next 5 years.	Operational support to CARDI	Budget support	\$62,000	N/A	
Component 4: Business Enabling Environment					\$15,000	\$17,647	
4.1	Improved research and understanding of the enabling environment surrounding key value chains	This will be part of the value chain analyses and input market assessments. One additional small study	Small study	Additional small study	\$5,000	\$5,882	
4.2	Increased opportunity for public private dialogue around key enabling environment issues	Initial activities around advocacy started. Likely to be outsourced	Initial steps to advocacy capacity		\$10,000	\$11,765	
4.3	Strengthened industry representative organizations	Not likely much will be done in 2010				\$0	
4.4	Increased use of Public Private Partnership investment model	Not likely much will be done in 2010				\$0	

Component and Activity		Description	Expected Milestones - 2010		Budget (USD)	Budget (AUD)	Other Resources
Cross Component Activities					\$326,500	\$384,118	
5.1	Assess the potential for high value rice export and the required support	This will mainly be done in-house based on available documents and key interviews	A positioning paper			\$0	
5.2	Discuss and agree with MAFF / PDA on a capacity building plan	Develop capacity building priorities together with MAFF / PDA. Initiate implementation of the plan	Agreed capacity building plan Initial capacity building activities.	Training Costs	\$50,000	\$58,824	Relevant Departments of MAFF and PDA, External Trainer IRRI
5.3	Gender and Disability	Institutionalize the strategy in procedures and responsibilities Screen workplan for Gender activities Conduct focused Gender studies to fill knowledge gaps	Staff are able to include gender issues in all activities and are able to implement the strategy	Two studies Gender	\$10,000	\$11,765	External Resource Person
				One study Disability	\$5,000	\$5,882	
5.4	Environment	Institutionalize the strategy in procedures and responsibilities Screen workplan for Environment activities Conduct focused Environment studies to fill knowledge gaps	Staff are able to include environmental issues in all activities and are able to implement the strategy . Environmental studies as required.	Two Environmental impact assessments	\$12,000	\$14,118	External Environmental Specialist
5.5	M&E	Finalizing M&E procedures Commissioning baseline studies Aligning with DCED activities Initiating M&E activities	M&E is an integral part of staff's daily activities Need of support for SAW M&E system identified and initial activities supported	Baseline studies	\$8,000	\$9,412	MAFF / MOWRAM specialists
				Support to SAW M&E	\$2,000	\$2,353	
				Exchange visit	\$2,000	\$2,353	
5.6	Internal training	Training on methodology, Gender, environment, M&E	CAVAC and RGC staff better able to implement activities	Environmental (consultant)	\$10,000	\$11,765	Concerned MAFF / MOWRAM specialists are always welcome to join any internal training.
				Value Chain (consultant)	\$10,000	\$11,765	
				Gender (consultant)	\$10,000	\$11,765	
				Seminar	\$5,000	\$5,882	
5.7	Establishing Provincial Offices	Establishing Provincial coordination committees Selecting and equipping offices in the 3 provinces	3 provincial offices operational	Contribution from PDA / PDWRAM in office space	\$0	\$0	Inputs from Governor, PDA, PDWRAM

Component and Activity		Description	Expected Milestones - 2010		Budget (USD)	Budget (AUD)	Other Resources
5.8	2011 Workplan development	Aug: Internal consultation Sept: Consultation MAFF MOWRAM Sept: Wider stakeholder consultation workshop 1 October: Submission draft workplan December: Full NSC request for endorsement	Workplan 2011	Workshop costs	\$2,500	\$2,941	Inputs from government and development partners, as well as the private sector
5.9	Fiduciary Risk and procurement risk assessment	Fiduciary Risk Assessment and Procurement Risk Assessment	Fuduciary and procurement risk assessments inform maximum use of and support to national systems	Risk Assessments	\$200,000	\$235,294	
5.10	Sector monitoring group	October: comments on AWP 2011 December: technical support mission	Advice to NSC and CAVAC			\$0	
Facility and Grant Funds					\$238,500	\$280,588	
	Policy Support Funding Facility	This facility will support the following activities (subject to approval of short proposals by EG): Support for development of SAW Implementation Roadmap Support to MOWRAM for CISIS Support to MAFF for consultation contract farming sub decree Other support initiated by MAFF / MOWRAM / AusAID with approval of EG of NSC	SAW Implementation Roadmap CISIS finance gap bridged, 300 schemes included CF sub decree improved one more request approved and implemented	SAW Implementation Roadmap	\$100,000	\$117,647	
				Support to CISIS	\$60,000	\$70,588	
				CF Subdecree	\$20,000	\$23,529	
				Other - including building MAFF / MOWRAM	\$48,500	\$57,059	
	Agribusiness Innovation Fund	Improved availability and communication of market information between value chain stakeholders.	Supporting 1 pilot intervention	Agribusiness Fund	\$10,000	\$11,765	* PDA / PDWRAM inputs
Total Budgeted Expenditure:					\$2,320,856		
Total Budget ACIAR					\$1,258,856		
Total Budget CAVAC Imprest Account Expenditure:					\$1,062,000	\$1,267,059 AUD	