



**TONLE SAP POVERTY REDUCTION AND
SMALLHOLDER DEVELOPMENT PROJECT**

Annual Report

2013

**MAFF/NCDD
3/20/2014**

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ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank
AEA	Agro-ecosystems Analysis
AWPB	Annual Work Plan and Budget
BMC	Banteay Meanchey province
CAA	Commune Administrative Assistant
CEW	Commune Extension Worker
CARD	Council for Agriculture and Rural Development
CC	Commune Council
CDF	Commune Development Fund
CIP	Commune Investment Plan
DCU	Development Coordination Unit
DoA	District Office of Agriculture
DST	District Support Team
DTL	Deputy Team Leader
EA	Executing Agency
ECCE	Environmental and Climate Change Expert
GAP	Good Agricultural Practice
GnAP	Gender Action Plan
GDA	General Directorate of Agriculture
GoF	Government of Finland
IA	Implementing Agency
IFAD	International Fund for Agriculture
KPC	Kampong Cham province
KPT	Kampong Thom province
LIG	Livelihood Improvement Group
MAFF	Ministry of Agriculture, Forestry and Fisheries
M & E	Monitoring and Evaluation
MCA	Mobile Commune Access (Program)
NGO	Non-Government Organisation
NiDA	National Information, Communication and Technology Development Authority
PIC	Project Implementation Consultants
PID	Planning and Investment Division
PST	Provincial Support Team
RGC	Royal Government of Cambodia
RSPG	Rice Seed Producer Group
SRP	Siem Reap province
TA	Technical Assistance
ToT	Training of Trainers
TL	Team Leader
TSSD	Tonle Sap Poverty Reduction and Smallholder Development Project
TSTD	Tonle Sap Technology Development and Productivity Enhancement

A. INTRODUCTION AND BASIC DATA

ADB Loan/Grant Numbers	L 2599 - CAM (SF); G0186 - CAM (SF)																					
Project Title	Tonle Sap Poverty Reduction and Smallholder Development Project (TS-PRSDP)																					
Borrower	Royal Government of Cambodia																					
Executing Agencies	Ministry of Agriculture, Forestry and Fisheries (MAFF) - Components 2 & 3 National Committee on Sub-National Democratic Development Secretariat (NCDDS) - Components 1 & 3																					
Implementing Agencies	MAFF - General Directorate for Agriculture (GDA) NCDDS National Information and Communication Technology Development Authority (NiDA)																					
Project Steering Committee	Headed by the Council for Agriculture and Rural Development (CARD)																					
Total Project Cost (USD million)	55.56 (including taxes and duties of USD 5 million)																					
Project Financing (USD million)	<table border="0"> <tr> <td>ADB</td> <td></td> <td>IFAD</td> <td></td> <td>GoF</td> <td></td> <td>RGC</td> </tr> <tr> <td>Grant</td> <td>27.32</td> <td>Grant</td> <td>6.80</td> <td>Grant</td> <td>5.75</td> <td>5.50</td> </tr> <tr> <td>Loan</td> <td>3.41</td> <td>Loan</td> <td>6.80</td> <td></td> <td></td> <td></td> </tr> </table>	ADB		IFAD		GoF		RGC	Grant	27.32	Grant	6.80	Grant	5.75	5.50	Loan	3.41	Loan	6.80			
ADB		IFAD		GoF		RGC																
Grant	27.32	Grant	6.80	Grant	5.75	5.50																
Loan	3.41	Loan	6.80																			
Date of Loan/Grant Approval by ADB	8 th December 2009																					
Date of Signing of Loan/Grant Agreements	ADB/RGC 27 th December 2009 IFAD/RGC 15 th February 2010 GoF/RGC 20 th September 2010																					
Date of Effectiveness of ADB Loan/Grant	31 st March 2010																					
Closing Date of ADB Loan/Grant	28 th February 2018																					
Dates of ADB Review Missions in 2013	21 st May/14 th June 2013																					
Project Impact	To improve the livelihoods of approximately 630,000 households in four provinces (Banteay Meanchey, Siem Reap, Kampong Thom and Kampong Cham) in Tonle Sap Basin by 2020.																					
Project Outcome	Increased agricultural productivity and improved access to markets within the Project area.																					
Components	<ol style="list-style-type: none"> 1. Commune Development through a commune block grant: <ul style="list-style-type: none"> - Improved rural infrastructure supporting agricultural productivity; - Improved capacity of smallholder farmers; - Strengthened commune project management capacity. 2. Enabling environment for agricultural productivity and diversification: <ul style="list-style-type: none"> - Improved agricultural policy environment; - Increased availability and access to quality seeds; - Increased access to agricultural information and market data. 3. Project Management 																					
Project Area	The Project covers 196 communes: BMC (32), SRP (58), KPT (45) and KPC (61). Selection of the Project communes was based upon (i) relative poverty; (ii) donor interventions; (iii) synergy and complementarity; (iv) growth potential by agro-ecological region; and (v) geographical focus.																					

B. PROJECT OUTCOME AND IMPACT

1. The TSSD is designed to foster community-driven infrastructure, and capacity development in 196 communes in the provinces of Banteay Meanchey (BMC), Siem Reap (SRP), Kampong Thom (KPT) and Kampong Cham (KPC). The Project is assisting the Government in creating:

- ✓ Rural infrastructure to improve agricultural production, market access and quality of life in rural communities;
- ✓ Stronger rural financial services extended to resource-poor smallholder farmers;
- ✓ Better agricultural support services, including research, extension and information delivery services supporting increased agricultural productivity by smallholder farmers;
- ✓ Appropriate policies and regulations that support smallholder farming communities;
- ✓ Effective project management that enables timely completion of the project and achievement of project objectives.

2. The outcome of the TSSD will be increased agricultural productivity and improved access to markets for approximately 630,000 households within the four provinces in the Tonle Sap basin by 2020. The Project Purpose is to achieve an increase in agricultural productivity and improve access to markets in 196 targeted communes in the four provinces.

3. The Project commenced in March 2010. It is too early to make any assessment of the progress towards the achievement of the Project outcomes and impact at this stage. However, for clarity the Project Outcomes and Impact together with indicators can be summarised as follows:

Project Outcome: Agricultural productivity increased and improved access to markets created in 196 communes in four provinces in Tonle Sap basin

- ✓ By 2017 in participating communes average rice yields increased to more than 3.50 t/ha.
- ✓ Diversified farming systems reduce share of household income from rice by 20 per cent.
- ✓ Marketed farm and off-farm products increased by 25 per cent.
- ✓ Participation in livelihood activities of the poor and poorest groups, including women and female heads of households, at least 10 per cent higher than their percentage of the population in the target communes.
- ✓ More than 70 per cent of the LIG members graduate to become eligible for formal credit services.

Project Impact: Livelihoods of about 630,000 households in four provinces in Tonle Sap basin improved by 2020

- ✓ Annual months of food shortage reduced from three months in 2008 to one month by 2020 in target communes
- ✓ No. of households classified in ID 2 Poor reduced by 50 per cent in 196 project communes by 2020.

C. UTILIZATION OF FUNDS

4. The TS-PRSDP is funded through grants/loans from ADB, IFAD and Government of Finland (GoF) with a total amount of USD53.08 million as follows:

ADB Grant 01866 - CAM (SF)	USD 26.26 million
ADB Loan 2599 - CAM (SF)	USD 3.32 million
IFAD Grant DSF-8048-KH & Loan 793-KH	USD 13.60 million
GoF Grant 0191-CAM	USD 4.90 million
Royal Government of Cambodia	USD 5.01 million

5. The Cumulative Disbursement (for investment and recurrent costs) at the end of the 2013 amounted to USD 4,374,080 for NCDDS (Component 1 & 3), USD 671,587 for MAFF-GDA (under Components 2 & 3), USD 2,993,517 for MAFF/DCU (under Components 2 & 3) and USD 249,846 for NiDA (Components 2 & 3). This was equivalent to Disbursement Rates of 12.3, 12.6, 53.0 and 3.8 per cent for NCDDS, MAFF/GDA, MAFF/DCU and NiDA respectively.¹

6. The cumulative disbursement to date can be summarised as follows:

- The overall cumulative disbursement to end of 2013 for investment and recurrent costs were USD 7,203,024 (14.5 per cent) and 1,086,008 (32.6 per cent) respectively and the overall disbursement rate was 15.6 per cent.
- The total disbursement during 2013 amounted to USD 4,111,849 which was equivalent to a disbursement rate of 48.2 per cent.
- The most significant cumulative disbursement to date is by MAFF/DCU where the overall cumulative disbursement rate has reached 53.0 per cent, and the rates for the other IAs range from 3.8 to 12.6 per cent.

7. There was a total expenditure of USD 2,805,380 through transfers to the 196 communes as Block Grants up to the end of Q4 2013 (representing 9 per cent of the total allocation). These funds have been used to support the rural infrastructure sub-projects, to cover some minor expenditure incurred during the selection of the target villages, formation of Livelihood Improvement Groups (LIGs) and in meeting the CC administrative costs. The current remaining balance in the commune accounts at end of 2013 was USD 2,006,173.

¹ Annex 2 contains Summary Tables of Annual Expenditure and Disbursement.

Table 1
Summary of Actual Expenditure during 2013

Category	Approved Budget	2013 Annual Budget	Actual Expenditure					Budget Balance	Cumulative Disbursement Rate %	
			Q1	Q2	Q3	Q4	2013			CTD
<u>I. INVESTMENT COSTS</u>										
MAFF-DCU	5,401,100	1,492,324	87,622	435,164	1,027,357	558,967	2,109,110	2,860,708	2,540,392	53.0%
MAFF-GDA	4,139,300	1,057,800	17,052	25,413	65,543	79,353	187,361	212,619	3,926,681	5.1%
NCDDS	33,949,938	9,958,100	41,907	1,019,702	570,110	1,732,225	3,363,944	4,040,418	29,909,520	11.9%
NiDA	6,266,700	45,000	-	50,986	9,423	27,589	87,998	89,279	6,177,421	1.4%
Sub Total (I): Investment Costs	49,757,038	12,553,224	146,581	1,531,265	1,672,433	2,398,134	5,748,413	7,203,024	42,554,014	14.5%
<u>II. RECURRENT COSTS</u>										
MAFF-DCU	249,250	89,200	19,910	16,969	32,178	17,303	86,360	132,808	116,442	53.3%
MAFF-GDA	1,188,310	416,400	20,370	73,597	80,333	189,189	363,489	458,968	729,342	38.6%
NCDDS	1,512,600	404,000	31,759	56,810	90,144	57,130	235,843	333,663	1,178,937	22.1%
NiDA	377,680	96,525	40,588	22,205	20,977	22,645	106,415	160,569	217,111	42.5%
Sub Total Recurrent Costs (II)	3,327,840	1,006,125	112,627	169,581	223,632	286,267	792,107	1,086,008	2,241,832	32.6%
GRAND TOTAL (I)+(II)	53,084,878	13,559,349	259,208	1,700,846	1,896,065	2,684,401	6,540,520	8,289,032	44,795,846	15.6%

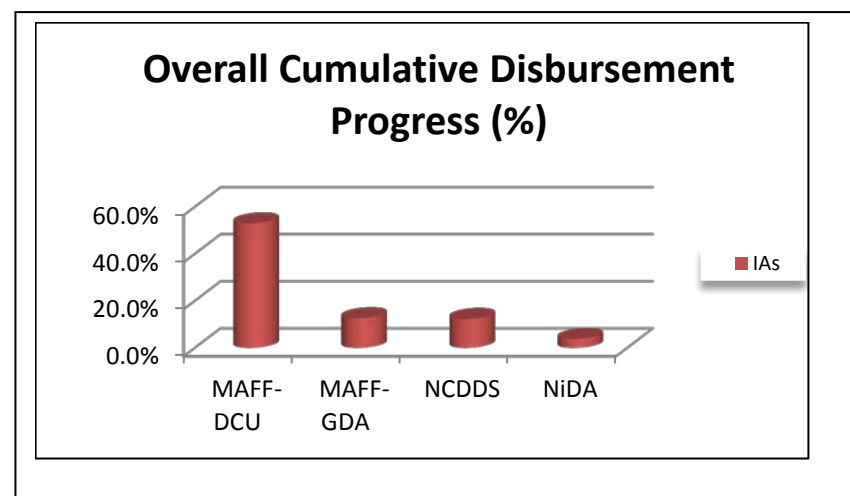
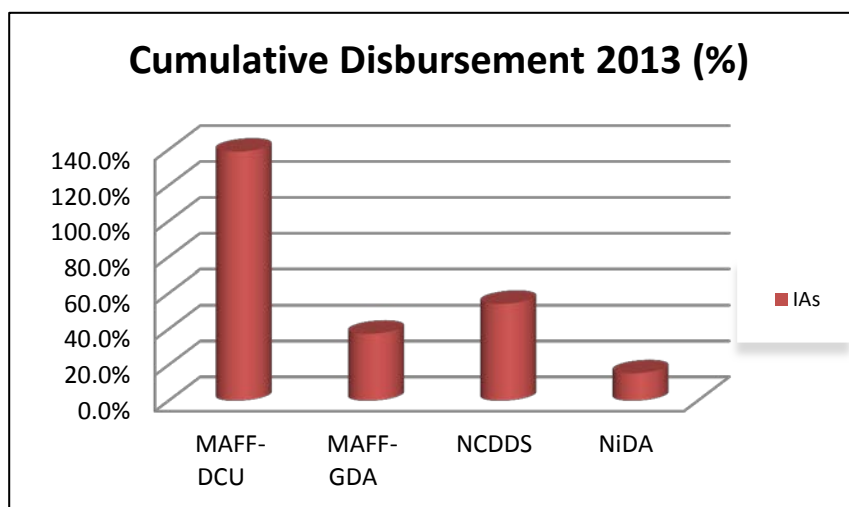


Table 2
Summary of Overall Project status

<p>Status of project scope/implementation arrangements compared with those in the report and RRP, and whether major changes have occurred or will need to be made.</p> <p>The Project progress improved during 2013 although remained significantly behind schedule. The coordination between the EAs and IAs continued to improve and there was also much better coordination between the PID and PAC in each province through the continued conduct of regular monthly Provincial Coordination Meetings. During this quarter the availability of funding, which had previously delayed implementation progress, improved as a result of the raising of the ceilings on the Imprest Accounts.</p>
<p>Assessment of the likelihood that the Project purpose will be met in part or in full, and whether remedial measures are required based on the current project scope and implementation arrangements.</p> <p>It is too early to make an assessment of this aspect. The Project purpose focuses on increased agricultural productivity and improved access to markets being created in the 196 communes in four provinces in Tonle Sap basin. This will be achieved through the outcome of the promotion of improved livelihoods, which are focussed on agricultural production, and the creation of improved market linkages for inputs, credit and the sale of agricultural produce. The mechanism for achieving this will be the LIGs that are now being established in all target villages.</p>
<p>An assessment of changes to the key assumptions and risks that affect attainment of the development objectives; and other project developments, including monitoring and reporting on environmental and social requirements that might adversely affect the project's viability or accomplishment of immediate objectives.</p>
<p>Assessment of Assumptions and Risks at Output level:</p> <ul style="list-style-type: none"> - Decentralisation and de-concentration policy reforms continue to be central to government policy through MoI/NCDDS and there is continued strong support for the empowerment of the Communes to identify their own development priorities and for these to be identified in their Annual Investment Plans. Intensive capacity building is being supported in all targeted communes to ensure that the CCs and staff, as well as district teams, have the capability to fully implement Project activities and have a sound understanding of all Project guidelines that they are required to follow. - MAFF have a continued commitment to the establishment of enabling policies for agricultural productivity enhancement with a particular focus on promoting smallholder productivity. The risk imposed by adverse climate effects will be moderated by careful assessment of the potential for climate change and modification of infrastructure design or adaptation of agricultural technologies to mitigate these effects.
<p>Assessment of Assumptions and Risks at Project Outcome level:</p> <ul style="list-style-type: none"> - The RGC remains committed to the success of this Project evidenced through the commitment of substantial personnel resources at national and sub-national level and the provision of adequate counterpart funds. - ADB and IFAD funding continues to be made available in a timely manner although the support from GoF for the proposed activities under Output 2.3: Increased access to agricultural information and market data will not be confirmed until early in 2013. - The risk of adverse climatic effects will be mitigated through the introduction of infrastructure design modifications and robust agricultural technology interventions.
<p>Assessment of Assumptions at Project Impact level:</p> <ul style="list-style-type: none"> - Despite the outcome of the elections during 2013 the political stability within the country has been maintained reasonably well and the implementation of complimentary projects is proceeding without undue delay.

D. PHYSICAL ANNUAL PROGRESS

Component 1: COMMUNE DEVELOPMENT THROUGH BLOCK GRANTS	
Output 1.1: Improved Rural Infrastructure supporting agricultural productivity	
Activities Planned	Accomplishment
1.1.1: Identification of priority infrastructure needs included in the CIPs for 104 communes (Batch 1 & 2) and submission of priority list of rural infrastructure sub-projects to the PFT.	<ul style="list-style-type: none"> - There were 27 rural infrastructure sub-projects identified from the 2012 CIPs for the 16 Batch 1 communes. From the 2013 CIPs there were 165 rural infrastructure sub-projects identified across the 104 communes (Batches 1 & 2).
1.1.2: Develop designs for 104 rural infrastructure sub-projects including field visits, topographic surveys, data collection, safeguard reports and preparation of designs and cost estimates.	<ul style="list-style-type: none"> - In order to facilitate the conduct of the surveys and the preparation of the designs/cost estimates there were 21 Commune Technical Assistants (CTAs) recruited by NCDDDS. A formal recruitment procedure was adopted through the establishment of Recruitment Committees in each province and all of the appointments were approved by NCDDDS. - After their recruitment the CTAs received training on the PIM Guidelines by the PIC Rural Infrastructure Engineers (RIEs). They then worked in cooperation with the district based Technical Support Officers (TSOs) to prepare the designs and cost estimates. These were completed for a total of 119 sub-projects (16 sub-projects were carried over from 2012 and 103 sub-projects from 2013). Two of the sub-projects from 2012 in Kampong Cham were subsequently cancelled. - Across the four provinces there are 84 communes (in Batch 1 & 2) that are included on the Ministry of Environment (MoE) Watch List. There were a total of 53 Environment Analysis Reports (EARs) prepared as supporting documents for the sub-projects that were located in these communes which were a requirement for Technical Clearance. - For the 2013 rural infrastructure sub-projects, 71 per cent were concerned with irrigation support mainly involving construction of earth canals and dams. For the sub-projects that were concerned with road rehabilitation 88 per cent of these were located in BMC and KPC. For BMC province there were difficulties encountered with the Technical Clearance for irrigation sub-projects by the provincial Department of Water Resources and Meteorology (DOWRAM).
1.1.3: Review Technical designs, conduct bidding and award contracts for 104 rural infrastructure sub-projects.	<ul style="list-style-type: none"> - Technical Clearance as provided by the relevant line departments for a total of 113 rural infrastructure sub-projects and there were 85 bid meetings successfully completed which resulted in contract awards. Some bid meetings failed due to insufficient number of bidders as a result of bidders withdrawing their bids after the meeting commenced.
1.1.4: Monitor and supervise contractor's performance, progress payments and assess quality of works for 104 rural infrastructure sub-projects.	<ul style="list-style-type: none"> - Construction commenced for 39 sub-projects and was fully completed for 19 of these sub-projects by the year-end. The commencement of the construction was delayed by the flooding in many communes.

Component 1: COMMUNE DEVELOPMENT THROUGH BLOCK GRANTS
Output 1.1: Improved Rural Infrastructure supporting agricultural productivity
Issues/Constraint/Actions
<ul style="list-style-type: none"> - The progress with the design of the rural infrastructure sub-projects for 2013 was delayed since the process of the recruitment of the CTAs was prolonged. The original intention was that there would be one CTA recruited for each commune, but in some provinces there were difficulties in short listing sufficient candidates for all districts. The final recruitment was of 21 CTAs with the result that some of them had to cover more than one district. It is intended that in 2014 there will be an attempt to recruit additional CTAs to make up for the shortfall. - There was an initial preference by the CCs to select sub-projects concerned with road rehabilitation. Further consultation with the CCs was necessary in many cases to ensure that the majority of the sub-projects focussed more on irrigation development - In 2013 there were additional sub-projects identified which exceeded the block grant allocation for the year and the CC had to prioritise one sub-projects for implementation in 2013. - The CTA recruitment process was lengthy and this resulted in delays in the preparation of the designs/cost estimates with the result that the commencement of construction of most of the sub-projects for Batch 2 communes was carried over. - Some of the Project Procurement Committees (PPCs) in the target communes do not include any women. The data on the composition of the PPCs in all communes was not complete but will be available in Q1 2014. There are many communes where there are no women members of the CC and in that case it is not possible to include a woman on the PPC. - There were difficulties encountered in the conduct of the commune bidding meetings for the rural infrastructure sub-projects. There was evidence also of collusion between bidders and the possibility of lack of impartiality within the provincial teams. In KPC the result of bidding in one commune was rejected due to clear evidence of collusion between the bidders. This resulted in the failure of bid meetings since there remained less than three bidders. In many communes it was found that the bidders withdrew their bids after the bid meeting had commenced and it was clear that that they would not win the contract. This problem has been raised with ADB to identify a solution. It was agreed it was not possible for any bidder to withdraw their bids after the bid meeting had commenced and further instructions on this will be provided to the CCs by NCDDS. - There were instances where contractors did not visit the site of the sub-project before submitting their bid. However, when contractors have won bids they have complained subsequently about the low contract award price. There was little that could be done about this issue other than to encourage all contractors to visit the sub-project sites so that they are fully aware of the situation. - The provincial teams lack engineering equipment to be used to check the quality of construction. The equipment was procured by SMEC and delivered to each province and has been used by the RIEs and the engineers in the provincial teams to check the quality of the construction. - Serious difficulties were encountered in BMC with the Technical Clearance of the sub-projects for irrigation development. The project designs were revised in accordance with the requests from the DOWRAM and when the revised designs were returned for Technical Clearance additional changes were demanded. In a number of cases sub-projects for irrigation were changed to road projects because of these problems. The problem was referred to NCDDS and the issue was raised at the Project Steering Committee (PSC) meeting which was conducted in December 2013. It was agreed that representation will be made at the Ministry level to seek a resolution of this problem.

Component 1: COMMUNE DEVELOPMENT THROUGH BLOCK GRANTS	
Output 1.2: Improved Capacity of Smallholder Farmers	
Activities Planned	Accomplishment
1.2.1: Identification of 669 target villages in 104 communes (Batch 1 & 2).	<ul style="list-style-type: none"> - There were a total of 870 target villages selected which included some of the Batch 3 communes. There was a decision taken in mid-year to bring forward the expansion into the remaining 92 communes in Batch 3 to this year. - The identification of the ID2 Poor Households in all of these villages is on-going and a total of 16,452 were reported to have been identified so far. Following the recommendations of IFAD a total of 400 Livelihood Improvement Groups (LIGS) were formed (100 per province) with a total of 7,066 members. The data on the numbers of Female Headed Households (FHHs) in these groups was not available. - The Specialised Service Provider (SSP1), to monitor the procedures for the formation of the 400 LIGs that have been established, commenced work and conducted an orientation meeting for all of their team members with the NCCDS team. Their Inception Report was under preparation. As soon as the results of their assessment have been shared with the project team then work will commence on the reformation of any LIGs that is required and also the establishment of the remainder of the LIGs after adoption of any recommendations from the SSP1 for improvement of the procedures. - The procurement procedure for the recruitment of the SSP for Training and Mentoring of LIGs (SSP2) commenced with the contract award anticipated by the end of February 2014.
1.2.2: Conduct of Agro-ecosystems Analysis (AEA) in 88 communes (Batch 2) incorporating gender and social aspects.	<ul style="list-style-type: none"> - The conduct of the Agro-ecosystems analysis (AEA) in the 88 Batch 2 communes was completed. At national level a database has been developed in which the results of all of the AEAs can be archived for ease of reference.
1.2.3: Identification and design of livelihood improvement activities/sub-projects for 669 LIGs in 104 communes (Batch 1 & 2).	<ul style="list-style-type: none"> - The implementation of the livelihood activities for the LIGs did not commence this year due to the long delay in the process of LIG formation, and the additional need to recruit SSP1 to monitor the formation of the first 400 groups that had been formed. - Since there has been no capacity building training and mentoring for the LIGs there was very little progress with the identification of livelihood improvement activities. But in many of the LIGs there were informal discussions by the CEWs and DSTs with the group members to determine the types of livelihood activities which would be preferred. These are found to mainly focus on pig raising, chicken raising, vegetable production and rice production in order of popularity.
1.2.4: Implementation of 669 livelihood activities/sub-projects for LIGs in 104 communes (Batch 1 & 2).	<ul style="list-style-type: none"> - The Guidelines for the utilisation of the CDF for supporting Livelihood Activities was prepared incorporating the views of IFAD and was approved by ADB. These focussed on the full empowerment of the LIG members to finance their livelihood activities through loans from the Group Revolving Funds (GRFs) that are established using funds from the commune Block Grants with the LIG have full management of the GRFs and setting the rules for the utilisation of the GRF. The establishment of the GRFs is now anticipated to be during Q2 of 2014 after preliminary training of the LIGs has been completed.
1.2.5: Conduct of commune and provincial meetings to raise awareness of the proposed vaccination program, recruitment of Service Provider for supply of vaccines to Village animal Health Workers (VAHWs) and signing of contracts with local VAHW Associations for the implementation of the vaccination program.	<ul style="list-style-type: none"> - The procurement procedures for the recruitment of the SSP for supporting Animal Health and Production (SSP3) commenced with the award of the contract expected to be end of Q1 2014. No other activities were implemented although there was some preliminary data collected on the numbers of VAHWs located in the target communes.

Component 1: COMMUNE DEVELOPMENT THROUGH BLOCK GRANTS
Output 1.2: Improved Capacity of Smallholder Farmers
Issues/Constraints/Actions
<ul style="list-style-type: none"> - There was a lack of understanding of the role of the DSTs in supporting the process of LIG formation. The ToRs for the DST members did not indicate any specific responsibility for providing any direct support to the LIGs but rather they were to be involved in monitoring the provision of the support to the groups. There were on-going discussions during the year with MAFF/GDA regarding the responsibilities of the DSTs to support the LIGs and it was decided to consider a revision of the ToRs during the Review Mission scheduled for Q1 2014. - The refresher training on AEA which was conducted for Batch 1 communes did not include the CEWs and focussed only on the DST members. This was apparently because of the inadequate budget provided for the training. As a result the CEWs had to develop their skills in AEA through working alongside the DST members.
<ul style="list-style-type: none"> - The process of establishment of the LIGs encountered serious difficulties. During the formation of the first 100 LIGs in each province the district teams and CEWS experienced some difficulties including (i) identification of ID2 Poor Households in sufficient numbers who were willing to join the group; and (ii) dealing with the high levels of migration by the poorer households in search of work. In many cases it was found necessary to include in the groups some of the better off households although this was not in compliance with the LIG guidelines. The out-migration was a particular concern in BMC and SRP. In some cases the number of middle households outnumbered the poor households. Because of these problems it was agreed that a limit of 400 LIGs (i.e., 100 per province) would be set as the initial target and no more LIGs were to be formed until the SPP1 had conducted a review of the procedures and the composition of the members of these LIGs. Another problem which emerged later in the year was the tendency for LIG members to leave the groups because of the perceived lack of activities and the absence of any benefits for the group members.
<ul style="list-style-type: none"> - The long delays that have been experienced in the start of support for livelihood activities are resulting in some LIG members withdrawing from the group. Although LIGs were formed in 400 villages it was not possible to provide any support for the establishment of the GRFs until the assessment of the procedure for the formation of the groups has been completed by SSP1 and the initial training and mentoring program has been completed by SSP2. It was unlikely that any livelihood activities can commence until at least Q2 of 2014. It was agreed to expedite the recruitment of SSP2 as much as possible to minimise any further delays.
<ul style="list-style-type: none"> - The requirement that LIG members must all contribute an amount of USD 10 to the GRF is a barrier to joining the group by the poorer households. The NCDDDS reviewed the situation and after consultation with IFAD it was agreed that the contribution was a form of savings to the group fund and that could be paid in instalments if the households could not afford to pay under the group formation.
<ul style="list-style-type: none"> - LIGs required preliminary capacity building including training on group and financial management once the groups had been formed and to assist them in establishing a bank account for their GRF. These tasks were assigned to the SSP2 who would be recruited by NCDDDS. However, the recruitment process was very protracted and would take at least eight months to complete. This resulted in the deployment of the SSP2 to be deferred to Q2 2014 and caused a serious delay in the mobilisation of the support for the LIGs.
<ul style="list-style-type: none"> - Existing TSTD demonstration models were not fully utilised. The TSTD had implemented a wide range of demonstrations plots during the year and many of those were located within the TSSD target districts/communes. An effort was made during Q3 and Q4 to organize additional cross visits for the CEWs and some LIG Leaders.
<ul style="list-style-type: none"> - The initial cash injection of USD 100 per household from the GRF may be insufficient to enable them to engage in the proposed livelihood improvement activities that have been identified. There will be a requirement for the household to also provide some counterpart and the loan from the GRF is not expected to cover the full investment cost of their proposed livelihood activity.
<ul style="list-style-type: none"> - There is a need for a substantial capacity building program focussing on the commune level. Although there have already been a number of important training/workshops provided to the C/S Chiefs, Commune Clerks, CAAs and CEWs these were focussed on providing guidance on procedures for the utilisation of the guidelines for rural infrastructure sub-projects and formation of the LIGs. There still remains a need for much further training to develop the management and technical skills at the commune level. However, the budget for capacity building under NCDDDS is almost exhausted and additional funds will need to be re-allocated to ensure that this additional training can be done.

Component 1: COMMUNE DEVELOPMENT THROUGH BLOCK GRANTS	
Output 1.3: Improved commune capacity for project management	
Activities Planned	Accomplishment
1.3.1: Establishment of CDF by 88 CCs in Batch 2 communes and signing of the Joint Decisions with NCDDS for the Block Grants.	<ul style="list-style-type: none"> - The CDF bank accounts were opened by the CCs in 180 communes (Batches 2 & 3) and the Joint Decisions were signed by the Commune Chiefs and submitted to NCDDS.
1.3.2: Recruitment of CEWs and CAAs in 88 Batch 2 communes and the identification of training needs of commune staff and CC members in Batch 1 & 2 communes.	<ul style="list-style-type: none"> - The recruitment of the CEWs and CAAs in these 180 communes was also completed. There are a total of 392 CEWs/CAAs employed (in all 196 communes) and the percentage of women is 47 per cent. - A TNA was completed by the CEWs and CAAs in 104 communes (Batch 1 & 2) and the results were analysed and used in the identification of the capacity building training activities in the AWP for 2014.
1.3.3: Develop and deliver capacity building training for commune staff and CC members in Batch 1 & 2 communes including Refresher Training on PIM Guidelines, Guidelines for LIG Formation and Guidelines for Utilization of the CDF to support Livelihood Activities.	<ul style="list-style-type: none"> - There was also Refresher Training on the PIM Guidelines for the PFTs, DFTs, CAAs, Commune Chiefs/Clerks conducted in each province for Batch 3 communes with a total of 420 participants (18 per cent women). - Technical training was provided for the CTAs and TSOs by the PFT/RIE in Q3 on the procedures for the conduct of Feasibility Studies for rural infrastructure sub-projects and this was followed by additional Refresher Training for the CTAs and TSOs on the same topic in August with also with 11 participants (no women). - Training on the Guidelines for LIG Formation for the PFT/DFT/DST/CEW/CAA/Commune Chiefs in the Batch 1 & 2 communes was completed during Q3 with a total of 625 participants (24 per cent women). - Training on the Guidelines for the Utilization of the CDF to support livelihood activities was deferred to 2014 after the Guidelines have been finalised.
Issues/Constraints/ Actions	
<ul style="list-style-type: none"> - There was some evidence of low level of cooperation from the C/S Chief in some communes. The introduction of the Monthly Coordination Meetings at both district and commune level ensured that there was a greater level of understanding of the Project and the communes were kept more informed of Project progress more regularly. In the case of communes cases where there are continuing problems with poor cooperation the DFT should inform the District Governor and the PFT to request some further intervention. 	
<ul style="list-style-type: none"> - The CEW and CAA recruitment process encountered some difficulties concerning the advertisement of the recruitment opportunity and the availability of the application formats. It had been found that CEWs and CAAs that were recruited for the Batch 1 communes did not have relevant qualifications. The procedures for the recruitment in Batch 2 and 3 communes was much improved by wider advertising of the positions and the greater involvement of the Selection Committee in reviewing all applicants. The CEWs and CAAs that were recruited for the Batch 2 and 3 communes were noticeably better qualified. 	
<ul style="list-style-type: none"> - There was found to be a need for a very substantial capacity building program focussing on the commune level. There were a number of important training/workshops conducted for the C/S Chiefs, Commune Clerks, CAAs and CEWs which focussed on providing guidance or the utilisation of the guidelines for rural infrastructure sub-projects, formation of the LIGs. However, there remains a need for considerable further training to develop management and technical skills at the commune level. This will be tackled through a series of trainings in 2014 and will entail some budget reallocations. 	

Component 2: AGRICULTURAL PRODUCTIVITY ENHANCED	
Output 2.1: Improved Agricultural Policy Environment	
Activities Planned	Accomplishment
2.1.1: Identify scope of policy work by carrying out review of existing policy documents	<ul style="list-style-type: none"> - An Agricultural Policy Gap Analysis was completed and was submitted to ADB. There was one meeting of the Donors Group attended by two PIC members to discuss the current status of seed policy. A wide range of additional documents were reviewed particularly in relation to contract farming and also Good Agricultural Practices (GAP) and draft manuals were prepared in preparation for the GAP Pilot Study in SRP. After approval of the ToR an international GAP Expert was recruited by MAFF/DCU to support the Pilot Study.
2.1.2: Develop relevant operational documents and design pilot testing of selected agricultural policies	<ul style="list-style-type: none"> - Six GAP documents were reviewed and provided input into the preparation of the draft operational documents for the proposed GAP Pilot Study. - A proposal for the GAP Dissemination Workshop for Food Safety and Quality of Produce was prepared. Information on the previous attempt to Introduce GAP practices to Cambodia supported by Syngenta Company was reviewed. In addition a range of documents on rice seed production and System of Rice Intensification (SRI) were collected, reviewed, and shared with key stakeholders.
2.1.3: Conduct consultation workshops to incorporate inputs from relevant ministries and stakeholders to finalise operational documents	<ul style="list-style-type: none"> - Dissemination workshops on Agriculture Cooperative Law, Contract Farming and Rice Export Policy were conducted in each province with a total of 212 participants (26 per cent women).
2.1.4: Pilot Testing of Good Agricultural Practices	<ul style="list-style-type: none"> - An international GAP Consultant to support the development of GAP curriculum and manual was recruited. Revised reports from the consultant were reviewed and distributed including the following: Strategic plan and roadmap to develop and implement GAP pilot study and for GDA to mainstream GAP in Cambodia; GAP manual; Proposed GAP inspection and auditing system. - National Workshop on GAP Proclamation was conducted with 64 participants including all PACs (9 participants are PDA chiefs) and 2 from Melon Producer Association in SRP and BTM provinces. International GAP consultant presented regional and world GAP during the workshop. Draft GAP on Food Safety translated from ASEAN GAP into Khmer was distributed to the participants. Proposal for conducting provincial workshop on GAP Dissemination for Food Safety developed. - Provincial Awareness Raising Workshop in Siem Reap was conducted in Q3 with support from the MAFF/GDA GAP Task Force. Participants included NGOs working in GAP related domain including GIZ and ADDA, and discuss with Melon Producer Association and private Dragon Fruit farmer. - The GAP Task Force, with support from the PIC, conducted the ToT training on GAP with facilitation from the GAP International Expert. 37 participants (7 women) including DST, PDA staff, NGOs (Agrisud, GIZ, ADDA and GRET) and Farmer Association representatives attend the 3 day training course with field visit. - Four communes in SRP in three target districts (Krabey Real and Kan Treang communes in Siem Reap town; Khna Sanday commune in Banteay Srey and Chansar commune in Saut Nikum districts) were selected. Four FFSs have been conducted with 137 farmers (94 women). Cauliflower, melon, cucumber and bitter melon farms are being applied with GAP procedure during field practices through the conduct of 18 week FFS for each selected commune.
2.1.5: Publication of GAP manual and selected policy or guidelines	<ul style="list-style-type: none"> - Draft manual for was prepared for the introduction of GAP to Cambodia as well as draft GAP Protocols for Food Safety for Fruit and Vegetables. A draft set of guidelines for Farmer Field Schools to introduce GAP based Food Safety procedures. A proposal was prepared for the conduct of a national workshop to disseminate information on the GAP Prakas.
2.1.6: Assist GDA in preparation of 2030 Cambodia Vision for Crop Production	<ul style="list-style-type: none"> - A number of documents were reviewed for the preparation of the draft GDA Vision Statement for Crop Production 2030 including but no further progress was made.

Component 2: AGRICULTURAL PRODUCTIVITY ENHANCED
Output 2.1: Improved Agricultural Policy Environment
Issues/Constraint/Actions
<ul style="list-style-type: none"> - There was found to be very little information on the previous attempts to introduce Good Agricultural Practices (GAP) in Cambodia under MAFF/GDA. It was found that there had been a previous attempt to pilot GAP through SYNGENTA and some training was provided, and furthermore the international GAP consultant hired by MAFF under the TSSD was involved in some of this earlier training. Further research is required to ascertain how much progress was made and why the initiative was not sustained. - There was a lack of institutional support from MAFF/GDA for the GAP Pilot Study in SRP. The Pilot Study on GAP which commenced in SRP last year has been largely driven by the PIC team and the PAEA with participation of two members from the GDA. The GAP Office which was officially established by GDA had not conducted any formal meetings and was very inactive and only one member of the Task Force has had any involvement in the trainings which have been facilitated by the International GAP Consultant recruited by MAFF/DCU. Since Cambodia has become a signatory to full integration into ASEAN by 2015 it is essential that MAFF mobilise the resources needed to achieve full compliance with the GAP standards for fruit and vegetables in order to enable producers to export their products. The TSSD will expand the scope of the Pilot Study during 2014 into additional communes in SRP and into KPC also. Discussions were held with the Director General of MAFF/GDA on strategies to resolve this situation. - There was some uncertainty about the scope and nature of support that was required from the TSSD to support the preparation of the MAFF/GDA 2030 Visions Statement. Although there was a decision on the need for further discussion with MAFF to clarify this issue it was not satisfactorily resolved during the year. There was agreement reached on the need for the hire of additional consultants to support the preparation of the document and this was included in the AWPB for 2014.

Component 2: AGRICULTURAL PRODUCTIVITY ENHANCED	
Output 2.2: Improved availability and access to quality seeds	
Activities Planned	Accomplishment
2.2.1: Identification of farmer organisations for seed production	- An Organisational Capacity Assessment Tool was developed and used in a survey of the capacity of eight Rice Seed producer Groups (RSPGs), with two located in each province. The survey provided the basis for the development of a program of capacity building for the RSPGs and also indicated the type of physical support which was required for each of the groups. The eight RSPGs had a total of 365 members (31 per cent women) and 83 Management Committee members (30 per cent women). A report of the survey findings and the proposed program of support was prepared and submitted and approved by ADB.
2.2.2: Development of partnerships with relevant research stations for seed production and distribution	- At Tuek Vill Research Station in SRP two hectares were planted with short term varieties (IR66, Sen Pidar & Chulsar) and were harvested in Q2 with a yield of only 2 t/ha. There were also seed crops of Cucumber and Yard Long Bean produced. In Q3 an area of 3.1 hectares was planted with medium term varieties (Phka Rumdeng, Phka Romiet, Phka Rumduol) and 0.6 ha with a short term variety (Sen Pidar). These crops were seriously affected by flooding and yielded only 3.9 tons of seed. The plans for the rehabilitation of the station were approved by ADB but the bidding failed since all of the bids were much higher than the cost estimates. There will be a rebidding for the rehabilitation to be done in Q1 2014. - At Balang Research Station in KPT there were three hectares planted in Q1 with three short term varieties (IR66, Sen Pidar & Chulsar) and in Q2 an additional 1.0 hectare was planted with long term varieties (Raing Chey & CAR4). There was a total of 9.6 tons harvested from the short term varieties in Q2. An area of 3.3 hectares was transplanted in Q3 with medium term varieties (Phka Char Sensar, Phka Rumduol & Phka Romiet and this produced 6.4 tons of certified seed. The long term varieties (Rang Chey & CAR4) produced 3.1 tons of certified seed. There was one field day conducted with 81 participants. This station was also seriously by flooding which resulted in lower yields than expected. The plans for the rehabilitation of the station were approved by ADB and the bidding was successfully completed. The work will commence in Q1 of 2014.
2.2.3: Selection of appropriate varieties based on market demands and development of marketing strategies.	- Surveys were conducted in each province on the popularity of rice varieties currently being grown by farmers. The varieties in greatest demand are short term varieties (Sen Pidor, IR66, Chulsa (and medium term varieties (Phka Romdoul, Raing Chey and Phka Chan Sen Sar). Phka Rumduol is particularly popular because of the high price being paid. There were consultative workshops organised in each province with Rice Millers and the RSPGs during which the following varieties were identified as being in greatest demand:: Phka Rumduol, Phka Malis and Sen Pidor. During these workshops there were discussions on the opportunities for the RSPGs to grow seed under contract for the Rice Millers.
2.2.4: Provide capacity building for existing RSPGs to enable them to achieve enhanced seed production and distribution.	- By Q2 there were quarterly meetings being conducted on a regular basis for all RSPGs across the four provinces for the discussion of their seed production plans. There were also FFS organised for each of the RSPGs with the assistance of the DST members and PAEA. Training on Planning, Management, Bookkeeping and Marketing Techniques was organised in each province for the RSPG members with a total of 121 participants (30 per cent women). Training on Field Practices for Rice Seed Inspection was provided with the assistance of CARDI staff in each province for the RSPG members with total of 109 participants (23 per cent women). A Study Tour to Bati Research Station in Takeo province was organised for the RSPGs in BMC, SRP and KPT with 52 participants (36 per cent women). One Study Tour for the RSPGs in KPC to visit BC and SRP to observe vegetable producer groups and gain knowledge of their management techniques and the use of drip irrigation.
2.2.5: Organisation of on-farm demonstrations and conduct surveys to assess increase in yields	- A total of 176 on-farm demonstrations were established for rice (64 for short-term, 73 for mid-term and 39 for long term varieties). There were two demonstration sites in each of the 88 Batch 2 communes. There was one field day conducted in each commune when yield estimation was made that showed yields in excess of 4 tonnes per hectare were achieved. There were also a total of 20 vegetable on-farm demonstrations for vegetable production across the four provinces which featured a range of vegetable crops including bitter melon, cucumber, long bean, eggplant, tomato, sweet corn and melon.

Component 2: AGRICULTURAL PRODUCTIVITY ENHANCED	
Output 2.2: Improved availability and access to quality seeds	
2.2.6: Procurement and distribution of quality seeds	- The RSPGs harvested during the year in total 165 tons of good seed of a mid-term varieties. In BMC there was serious flood damage so the volume of seed harvested was greatly reduced. However, the only sales of rice seed were by one RSPG in SRP of 36 tonnes to farmers in the same commune but at a low price of Riel 1,800 per kg.
2.2.7: Publicity campaigns to raise awareness of the Project achievement on seed production	- The only activity reported was of MAFF/GDA commencing the production of video documentary on rice seed production for airing on TV.
2.2.8: Publication of extension materials	- A total of 1,500 copies of extension materials (Combination of SRI Techniques, Native Chicken Raising and Vegetable Production Techniques) were printed by DCU and sent to each of the provinces where they were distributed to the CEWs, DSTs and PAC.
Issues/Constraint/Actions	
- Improved management of the research stations was needed to fully realise the benefits of the Business Plans. There was evidence of under-reporting of yields from the research stations and seed produced could not be sold as registered seed due to the lack of a certification procedure. The content of the business plans that had been prepared were shared with the provincial teams and the research station managers but no action plans were prepared for the research station to ensure that the proposed activities could be fully implemented. The Business Plans were also translated into Khmer and distributed at provincial level and MAFF/GDA organised a workshop with the research station staff and PDA to explain clearly their responsibilities. Clear agreements were still needed with the PDAs in SRP and KPT on the future operation of the research stations as autonomous units but closely monitoring by PDA.	
- There was no planning for the procurement of rice seed for the 2013 demonstrations and for the RSPGs and no advance planning also for procurement of Foundation Seed from CARDI for the Research Stations. The rice seed requirements for the demonstrations could have been estimated from the number demonstrations sites in each province and the varieties that were to be planted. The quantity of Foundation Seed needed for the research stations could also be based on the variety preferences and seed requirements for each province. The seed requirements for the RSPGs could also be determined from the results of the recent survey of the existing groups. The estimation of these seed requirements remains an urgent priority to ensure there is an assurance of the availability of the correct varieties in the desired quantities before the planting season. The planning needs to be done well in advance so that the supplies of Foundation Seed of the varieties required can be done well in advance.	
- There were a number of important guidelines which have been produced only in a Khmer version. In order for the international PIC members to participate in useful discussion of these guidelines, as well as their submission to ADB, they must be available in English versions. Operational funds which were available to MAFF/GDA were used to pay for the translation of selected high priority documents, using the translation agency which has been identified and used by NCDDDS.	
- The knowledge and experience of the RSPG Leaders on group management and leadership was found to be very limited. Capacity building activities were included in the AWPB to provide with hands on-training and cross visits to successful seed production groups in other provinces.	
- 16 rice field demonstrations were damaged by flood in BMC as well as some plots in SRP. The damaged field demonstrations were replanted with early maturing varieties so that they could still be used for farmer training during the growing season.	
- The use of the SRI technology for the rice demonstration plots needed to be reviewed. The SRI technology features at least 10 different aspects of improved rice husbandry but some of these are not relevant in all parts of the Project area. The major concern is on transplanting when it is very apparent that the farmers in some areas are not able to do this and have to use direct seeding (broadcasting) because of the high cost or unavailability of labour. There should be a review of the present technologies that are used for the rice demonstration plots to ensure that they will be suitable for adoption in that area otherwise it is difficult to see the value of conducting the demonstrations.	
- There has been very slow progress in the rehabilitation of the Research Stations. The bidding for Tuek Vill Research Station in SRP failed due to all of the bids being in excess of the cost estimates. This may be because no local contractors submitted bids. The original cost estimates had been prepared using the provincial cost norms for all materials. The result of the bidding for Balang Research Station in KPT was submitted to ADB for their approval for the re-bidding to take place. It is recommended that when the re-bidding takes place that local contractors are encouraged to bid and that bid documents should be available at the PDA. Based upon the experience with the bidding for commune based rural infrastructure sub-projects, local contractors win contract awards at less than the cost estimates.	

Component 2: AGRICULTURAL PRODUCTIVITY ENHANCED
Output 2.2: Improved availability and access to quality seeds
Issues/Constraints/Actions
<ul style="list-style-type: none"> - Seed production at research station was seriously affected by the heavy flood. With the rehabilitation of the irrigation and drainage systems for both stations there will opportunities for seed production outside of the wet season although it will not be possible to raise seed crops of all rice varieties outside of the main wet season. During 2014 the PDAs should identify other sites which are not susceptible to flooding where progressive rice growers could be contracted to raise seed crops. But on the Research Stations during the dry season there will be opportunities also to produce seed of other cash crops as an alternative to rice. - Overall management and levels of accountability in the Research Stations need to be significantly improved. With the completion of the rehabilitation of the Research Stations and the expansion of the seed production activities it is critical that the management systems in place on the Research Stations are improved. This will include the introduction of effective recording systems to ensure that adequate financial control can be achieved. This is essential if the research Stations are to become autonomous and financially self-reliant based upon the Business Plan. At present there is little attention given to following the Business Plans which were approved by ADB as the basis for the provision of the investment into the rehabilitation of the Research Stations. - During 2013 the procedures for the conduct of the AEA were not clearly defined. The 2014 AWP supported the continuation of the AEA across the remaining 92 communes' However, since the DSTs will have a very heavy work load this year it is critical that the AEAs are done more efficiently so as not to impact on the progress of other field activities. They also need to be finished by the end of Q3 in order to be of use during the preparation of the CIPs in those communes. It was recommended that the task of conducting the AEAs should be contracted out to the PDA based upon the funds allocated per commune in the AWPB. However, this arrangements was not approved by ADB and the support for the AEAs will be the same as in 2013 with actual costs incurred being liquidated.

Component 2: AGRICULTURAL PRODUCTIVITY ENHANCED	
Output 2.3: Increased access to agricultural information and market data	
Activities Planned	Accomplishment
2.3.1: Support for the MCA program through procurement of mobile devices for the CEWs, training on their use and the uploading of multi-media content to the devices via the Telecentre website established under TSTD.	- The specifications for the mobile devices for the CEWs were compiled by NiDA and the procurement procedure commenced rather late so the delivery of the devices will not be achieved until sometime in Q1 2014. A wide range of materials were collected primarily from MAFF including all of the videos and extension materials that were developed under TSTD. These will all be made available through the Telecentre website that is to be taken over by TSSD in 2014.
2.3.2: Delivery of computer skills and ICT training for DSTs/DFTs as well as some commune staff.	- NiDA developed a comprehensive training package on computer skills and basic ICT knowledge and commenced the training in BMC and SRP. Originally intended to target the DFT/DST it was expanded to include the CEWs and CAAs also. The training was originally designed to be of up to 10 days duration for those staff with little computer knowledge but the duration of the training was later reduced to four days because of budget limitations. The trainings were conducted at the district level in the district offices utilising all the computers which were available during the training to ensure that some hands on practice sessions could be done.
2.3.3: Support for Telecentres	- The Agreement which had been signed previously (under TSTD) with the Telecentre Operators was revised by the PIC team and forwarded to NiDA but no further action was taken due to the delay in the transfer of the Telecentre ICT hardware. The agreement will now take the form a contract between the C/S Chief and the Telecentre Operator. Further comment on the revised agreement was being awaited from the Government of Finland. Because of these delays no subsidies were paid to the Telecentres in 2013.
Issues/Constraint/Actions	
- Training on computer skills for district staff and CEWs/CAAs has been delayed. The proposed training program to enhance computer skills for the district staff and the CEWs/CAAs was not completed in Q4 2013 as planned and the remaining two provinces (KPT and KPC) were carried over to Q1 of 2014. The procurement of the mobile devices for the CEWs was delayed and the equipment may not be delivered until end of Q1 2014 which will delay the training on the use of the devices. The proposed completion date for NiDA of March 2014 could mean that there will be insufficient time to complete the CEW training and the loading of the multi-media content onto the mobile devices. Some alternative strategy needs to be worked out with NCDD on how the follow up training can be provided to the CEWs and the loading of the multi-media content.	
- The ICT equipment provided to the Telecentres has not been handed over and PDA e-libraries have not been transferred to PAC. In order to pursue the concept of CC management of the Telecentres that are located within TSSD target districts/communes there is a need for the ICT equipment to be transferred from the TSTD Coordinator to the TSSD PD after which a further transfer can be effected through the PDA to the appropriate CC. Whether or not this transfer from the PDA to the CCs is feasible needs urgent clarification and if not an alternative mechanism needs to be identified so that the equipment can be transferred to the CCs.	

Component 3: EFFECTIVE PROJECT MANAGEMENT	
Output 3.1: Project Steering Committee functioning effectively	
Activities Planned	Accomplishment
3.1.1: Support Quarterly Meetings for the PSC and other meetings	<ul style="list-style-type: none"> - The 1st meeting of the PSC was organised by CARD on 21 February 2013 which was attended by a total of 76 participants from national level (MAFF/DCU, MAFF/GDA, NCDDS, NiDA, PIC) and also with representatives from sub-nation level from each province. There were also CARD regular members in attendance. Each of the EAs/IAs presented a progress report covering the accomplishments for 2012 and also described issues and constraints that had emerged. - The 2nd Meeting of the PSC was held on 24th December under chairmanship of the Deputy Prime Minister and President of CARD (HE Yim Chhaily). The Meeting was attended by around 60 participants (5 female) including senior officers from CARD/CoM, representatives from MEF, TSSD project directors/managers, TSSD PFTs and provincial TAs and PIC. The meeting was opened by the Deputy PM followed by presentations of TSSD progresses by component (by PD/PM from MAFF/DCU, NCDDS and NiDA), and by plenary Q&A discussion chaired by Senior Minister (HE Chan Sarun).
Issues/Constraint/Actions	
None identified	

Component 3: EFFECTIVE PROJECT MANAGEMENT	
Output 3.2: Effective coordination and supervision of project activities by national provincial and district teams	
Activities Planned	Accomplishment
3.2.1: Provincial, District and Commune Coordination Meetings	<ul style="list-style-type: none"> - The Provincial Inception Workshops for the Batch 2 communes were conducted in each province during Q1 2013 with the participation of C/S Chiefs, Commune Clerks, CEWs, CAAs, DST/DFT members and Deputy Governors and Governors from each district. The Provincial Inception Workshops for the Batch 3 communes were conducted in Q3 with the same range of participants. - Provincial Monthly Coordination Meetings were conducted in each province on a regular basis throughout the year. In some representatives from the national level, including the PIC team, had joined these meetings. The meetings were attended by all of the provincial team members together with the DST and DFT Leaders. At district level the Monthly Coordination Meetings also commenced and were attended by all DFT/DST members, CEWs, CAAs and LIG Leaders where these had been selected. Commune Monthly Meetings also were being held in many communes during the course of the year. - The Gender Focal points were identified at commune, district, provincial and national level and the names of the selected candidates were submitted to NCDDS and MAFF.
3.2.2: Support and Monitoring Project Activities	<ul style="list-style-type: none"> - The provincial teams made regular visits to the target districts/communes to monitor field activities and provide support where needed. This was mainly related to the conduct of feasibility studies for the proposed rural infrastructure sub-projects where site visits were made. - Similarly the DST/DFTs conducted regular visits to the target communes and assisted the CEWs and CAAs particularly in the procedures for the formation of the LIGs. - The national team members, together with PIC members, conducted regular visits to all provinces on a monthly basis to participate in workshops, trainings and meetings there were taking place.
3.2.3: ToT on AEA	<ul style="list-style-type: none"> - The Refresher Training for the Batch 1 DST members was completed in all four provinces and a full training was also conducted for the districts with Batch 2 communes who had not previously been trained. The training was facilitated by MAFF/GDA team members and was delivered by external trainers who had been hired from the PDAs in each province.
3.2.4: Technical Skills Transfer for PDA and DoA staff working in PSTs/DSTs and for CEWs	<ul style="list-style-type: none"> - The Gender ToT for the national, provincial and district GFPs was conducted in Q3 with 36 participants (86 per cent women). - There was training on livestock production in each province for DST members and in BMC there was also one training on rice seed production. None of the other training for DST members identified in the AWPB were was conducted. There was no technical training for CEWs provided.
3.2.5: Management Skills Transfer for PST/DST and commune staff	<ul style="list-style-type: none"> - Financial Management Training s were conducted in each province for C/S Chief, Commune Clerks, CAAs and DFTs. The training was provided by the PFT members assisted by the LGFSAs.
3.2.6: Study Tours	<ul style="list-style-type: none"> - During Q2 for Batch 1 communes there was a Study Tour from BMC to KPC to observe TSTD demonstrations sites and from SRP to BMC to also observe the demonstration sites. The participants on the Study Tours were C/S Chiefs and CEWs. In Q3 there were also Study Tours organised for BMC and SRP for Batch 2 communes. In Q4 there was one Study Tour from KPT to visit Kratie province to observe the activities of LIGs. And from KPC there was a Study Tour to Rattanakiri province to visit the RULIP to also share experiences on LIG formation.
Issues/Constraint/Actions	
<ul style="list-style-type: none"> - The DST members were found to have a lack of understanding of the activities in the AWPB and of the budget which had been allocated. Although the DST members had been involved in the provincial AWPB workshops they not gained a full appreciation of their role. By their attendance at the District and Provincial Monthly Coordination Meetings it was possible to provide further explanation of the AWPB. However, it was decided that for 2014 after the AWPB had been approved then the EAs would organise awareness raising workshops in each province for all district 	

Component 3: EFFECTIVE PROJECT MANAGEMENT
Output 3.2: Effective coordination and supervision of project activities by national provincial and district teams
staff to ensure that they have complete information on the activities and the budget for the year, as well a better understanding of the roles and responsibilities.
Issues/Constraints/Actions
<ul style="list-style-type: none"> - The liquidation of the advances provided to the PACs in each province was seriously delayed due to the poor quality of the documentation provided. In each province there was only one member of the PDA nominated to work as the PAC. The PACs are the Deputy Directors, or in two cases the Directors, of the PDAs. The PACs are tasked with the responsibility for management of the funds that are provided from MAFF/GDA to support the field activities and salaries. However, there are no administrative support staff to assist them. It is proposed that an Administrative Assistant should be recruited in each province to assist the PAC in terms of the financial reporting and also in documenting other activities. A ToR is being prepared with the assistance of the PIC team that can be submitted by MAFF/DCU to ADB for their consideration with the cost of the additional position being covered from operational funds. It is also proposed that a formal recruitment procedure should be used to select the candidate for appointment to ensure full transparency in the selection process. - MAFF/GDA Team have not been actively engaged in the Project and some of the members are unsure of their responsibilities. The last quarterly meeting of the GDA team was organised at short notice and was not attended by all team members. The Agenda needs to be more carefully managed to ensure that there is time for the discussion of the priority issues, in particular the planning of activities for the forthcoming quarter. The MAFF/GDA Quarterly Meeting must be organised one month in advance of the date to ensure that all members can attend, and the Agenda designed to focus on discussing issues that arose during the last quarter, rather than just a report of what was done, and work planning for the next quarter. - Many activities which were scheduled for the early part of the year were deferred due to the slow replenishment of the Imprest Accounts. The preparation of the W/As needed to be done in a more timely manner and without the mistakes which had occurred in the past during their compilation. There was a need for much closer collaboration between the PIC FMPE and the Accountants/Financial Advisers in each of the EAs when the W/As are being prepared. The ceiling on all of the Imprest Accounts operated by MAFF/DCU, NCDDS and MAF/GDA was subsequently increased to reduce the cash flow constraints that have been encountered. - Each provincial team was in need of one additional vehicle so that they could support the effort to push implementation of the Project. It was subsequently agreed to purchase an additional four vehicles for distribution to the provinces. - Project cars should only be used within the project area. The accident and untimely death of the KPC PAC in Preah Vihear province highlighted the need for a clear statement to be issued by the EAs that project vehicles are only intended to be used for project related travel. There were also issues on the access to the car by the PAEAs to follow up field activities. Although the PAEAs had been provided with a motorcycle it was impractical to use these to travel to many of the sites which may be over 100 km from the provincial town. The project cars which have been assigned to the PACs must be available for all field visits PACs. There was a need for a clear instruction on the utilisation of the project vehicles should be distributed to each of the PACs by the MAFF/DCU. - The District GFPs do not attend the Provincial Monthly Coordination Meetings. At present it is only the DFT and DST Leaders who attend the Provincial Monthly Coordination Meetings and the District GFP, who is a member of the DST, does not attend. Since gender issues should be raised and discussed during the monthly meetings the GFPs should be in attendance. It was recommended that commencing in 2014 the District GFP should join the Provincial Monthly Coordination Meetings and this requires a clear instruction from the PFT.

Component 3: EFFECTIVE PROJECT MANAGEMENT	
Output 3.3: PPMS established and supported	
Activities Planned	Accomplishment
3.3.1: Baseline Survey	<ul style="list-style-type: none"> - The SBK Company were contracted in Q4 by NCDDDS for the conduct of the Baseline Survey. A meeting with the team was conducted upon mobilisation when various issues regarding the implementation of the survey were clarified. SBK submitted their Inception Report on time six weeks after mobilisation and this was reviewed by the NCDDDS team and PIC members and comments were provided. SBK are working on the design of the questionnaires and will commence the training of their field enumerators in early Q1 2014.
3.3.2: Use of PPMS	<ul style="list-style-type: none"> - A two day PPMS Training was organised by NCDDDS and PIC (14/15 March) with 15 participants from National and Provincial level. Refresher Training was provided on Project Cycle Management and the design of the M&E system and the participants reviewed the Activity Frameworks and Indicators. The formats for quarterly reporting at provincial level were also presented and there was discussion of monthly reporting formats for district and commune level. - Provincial Quarterly Progress Reports were prepared in each province based upon the Activity Monitoring Frameworks which are based upon the DMF.
3.3.3: Annual Reflection/Planning Workshops	<ul style="list-style-type: none"> - District Planning Workshops were conducted in 22 districts (some districts had joint workshops) with the participation of C/S Chiefs, Commune Clerks, CEWs and CAAs. These were followed by the conduct of Provincial Planning Workshops in each province to consolidate the output from the district workshops. Finally a National Planning Workshop was conducted in late December to produce the Draft AWPB for 2014. The participants at the National Planning Workshop included the national teams from NCDDDS, MAFF/DCU, MAFF/GDA, and NiDA, together with the PFT Leaders and PACs, plus all advisors. The draft AWPB was submitted to ADB for approval.
3.3.4: Consultant Services Mobilised to provide technical and managerial support	<ul style="list-style-type: none"> - There were no changes to the composition of the advisor teams at province and national level during Q1. There are a total of 13 advisers deployed including only one women. - The composition of the PIC team was amended by the inclusion of a Rural Communications and Livelihood Improvement Expert.
Issues/Constraint/Actions	
None identified	

E. PROGRESS TOWARDS ACHIEVEMENT OF PROJECT OUTPUTS AND OUTCOME

8. For Components 1 and 2 the DMF provides a series of quantitative indicators to measure the achievement of the outputs of each component. The Table below shows the progress that has been achieved up to the end of 2013 (no account is taken of 2010 and 2011 since there was minimal physical progress). Baseline estimates where appropriate will not be available until the results of the Baseline Survey are produced.

9. In the case of Component 1, Commune Development through Block Grants, there are nine indicators, one of which has been fully achieved. For the remainder there are three that have exceeded 25 per cent accomplishment so far. All of the remaining indicators, which mainly relate to LIG based activities, have yet to record any progress.

10. In the case of Component 2, Enabling Environment for Increased Agricultural Productivity and Diversification, there are 11 indicators. Three of these indicators have exceeded 30 percent accomplishment. The indicators relating to seed quantities produced have recorded minimal progress whilst all of those relating to Rural-ICT have no progress to date.

TONLE SAP POVERTY REDUCTION AND SMALLHOLDER DEVELOPMENT PROJECT RESULTS MONITORING FRAMEWORK - PROJECT OUTPUTS

ALL PROVINCES

Project Outputs	Unit of Measurement	Baseline	Cumulative Achievement		Cumulative Achievement	Cumulative Target	% accomplishment
			2012	2013			
Component 1: Commune Development through Block Grants							
No. of communes with established CDFs supported by Block Grants.	#	n.a.	0	196	196	196	100%
No. of rural infrastructure projects supported from CDF.	#	n.a.	0	120	120	588	20%
No. of km of rural roads constructed.	km	n.a.	0	26	26	90	29%
No. of ha of land supplied with water through rehabilitation of irrigation facilities.	ha	n.a.	0	804	804	2,500	32%
No. of LIGs formed with access to extension, quality seeds and rural finance.	#	n.a.	0	0	0	1,239	0%
Percent of rural loans taken by women	%	0	0	0	0	867	0%
No. of LIGs fully operational with satisfactory organisational assessment of > 75 per cent.	#	n.a.	0	0	0	40	0%
No. of livelihood sub-projects supported through CDF.	#	n.a.	0	0	0	3,469	0%
No. of monthly coordination meetings conducted at provincial level	#	n.a.	0	48	48	296	16%
Component 2: Enabling Environment for Increased Agricultural Productivity and Diversification							
No. of manuals/handbooks on rice & seed vegetable production and animal production developed.	#	n.a.	0	3	3	10	30%
Total quantity of registered rice seed produced	tonne	0	13	23.5	36.5	100	37%
Total quantity of certified vegetable seed produced	kg	0	0	16	16	2,000	1%
Total quantity of certified/good rice seed produced	tonne	0	0	69	69	2,500	3%
Total quantity of certified/good vegetable seed produced	kg	0	0	0	0	15,000	0%
No. of RSPGs supplying production of certified rice/vegetable seeds to LIGs	#	0	0	17	17	40	43%
No. of communes equipped with enhanced ICT facilities	#	n.a.	0	0	0	196	0%
No of CEWs equipped with mobile devices for dissemination of information on agricultural technologies and market data	#	n.a.	0	0	0	196	0%
No. of Telecentres located in TSSD target districts/communes with sustainable operations	#	n.a.	0	0	0	10	0%
No. of districts with enhanced capacities to support MCA program	#	n.a.	0	0	0	28	0%
No. of multi-media documentaries on improved agricultural technologies developed	#	n.a.	0	0	0	20	0%

11. The DMF includes five indicators that relate to the achievement of the outcome of the project: *Agricultural productivity increased and improved access to markets created in 196 communes in four provinces in Tonle Sap basin*. As in the case of the Project outputs the baseline estimates will not be available until the results of the Baselines Survey are produced.

12. The only indicator against which progress can be assessed relates to the levels of rice productivity, where estimates of overall productivity across both wet and dry seasons have been extracted from official MAFF estimates for 2013. Further information on the progress towards the other indicators should become available during 2014 and beyond.

TONLE SAP POVERTY REDUCTION AND SMALLHOLDER DEVELOPMENT PROJECT
RESULTS MONITORING FRAMEWORK - PROJECT OUTCOME

ALL PROVINCES

Project Outcome	Unit of Measurement	Baseline	Annual Achievement		Target	% accomplishment
			2013	2014		
Agricultural productivity increased and improved access to markets created in 196 communes in four provinces of Tonle Sap basin						
Rice yields have increased to more than 3.50 (t/ha)	Average rice yield in target communes (t/ha)	n.a.	0	2.94	3.50	84%
Reduced share of household income from rice by 20 per cent through adoption of diversified farming systems	% of household income from rice	n.a.	0	n.a.	20	-
Marketed farm and off-farm products increased by 25 per cent	Average value of marketed and off-farm products	n.a.	0	n.a.	25	-
Participation in livelihood activities by poorer households (including FHHs) at least 10 per cent higher than their percentage of population in target communes	% of ID2 Poor Households as members of LIGs	n.a.	0	n.a.	10	-
More than 70 per cent of the household members of the LIGs become eligible for formal credit	% of LIG members accessing credit from MFIs	n.a.	0	n.a.	70	-

F. ANNUAL WORK PLAN AND BUDGET FOR 2014

14. The key elements of the 2014 work plan are as follows:

- ✓ The rural infrastructure sub-projects in the 104 (Batch 1 & 2) communes which were identified in 2013 will be completed. The next round of sub-projects in all 196 communes will be identified, designs will be completed and contract awards will commence during Q2.
- ✓ The formation of the LIGs will continue in the remaining 839 target villages after incorporating the recommendations of the SSP1 (for monitoring the LIG formation process) based upon their assessment of the procedures followed during the formation of the first 400 LIGs.
- ✓ AEA will be conducted for each district, facilitated by the staff of the District Office of Agriculture (DoA) and assisted by staff from the Provincial Department of Agriculture (PDA).
- ✓ Training will be provided for all C/S Chiefs, CEWs and CAAs on the Guidelines for the Utilisation of the Commune Development Fund (CDF) for Supporting Livelihood Activities and basic computer skills. Capacity of CEWs will also be enhanced for improved extension delivery, group facilitation and selected key agricultural production techniques.
- ✓ The SSP2 (Training and Mentoring of LIGs) is now being recruited and will be contracted and commence the capacity building and mentoring program for the LIGs, with the establishment of the GRFs before the end of Q2.
- ✓ In all 196 communes the priority livelihood improvement interventions will be identified mainly from the Commune Investment Plans (CIPs) and the Business Plans for the Livelihood Improvement Groups (LIGs) will be developed with the assistance of SSP2 and after endorsement by the CC loans can be provided to the LIG members from the GRFs.
- ✓ The SSP3 (Animal Health and Production Program) is now being recruited and be contracted and commence support for the livestock (cows, pigs and chickens) vaccination programs for selected diseases in all communes, delivered through by the Village Animal Health Workers (VAHWs) who will receive further training commencing in Q2.
- ✓ Capacity building training programs for the commune staff, including CEWs and CAAs, will be developed based upon the outcome of the Training Needs Assessment which will be delivered by recruitment of Service Providers/Trainers by NCDDS. In addition the CEWs will receive training on the utilisation of the mobile devices (tablets) procured by NiDA.
- ✓ There will be continuing support for agricultural policy development through awareness raising workshops at provincial level including the introduction of Good Agricultural Practices (GAP) and contract farming linked with the rice seed production programs.
- ✓ The Pilot Study on the introduction of GAP will be continued in Siem Reap province working with the identified producer groups engaged in fruit and vegetable production with the completion of the Farmer Field Schools, the introduction of group internal auditing procedures and the commencement of consumer awareness raising activities within Siem Reap town. The survey of potential marketing opportunities for

GAP certified products and of consumer awareness has been carried over to Q1. An additional seven FFSs on GAP for other producers groups will be organized in SRP in new districts.

- ✓ In KPC a similar strategy will be used for the introduction of GAP, building upon the lessons learned from the SRP activities, with four producer groups to be established by the end of the year and the commencement of FFS activities for each group.
- ✓ In KPT a small pilot study on Contract Farming for rice production will be established with a target of two contracts to be established for both rice grain and seed production between rice millers and farmer groups (grain and seed growers). The establishment of the contracts will be facilitated by the PDA. A reflection workshop will be organized at year end with participation of PDA representatives from the other target provinces to review the progress.
- ✓ A draft Strategy Framework for Climate Change Mitigation has already been prepared by MAFF and with the support of the PIC national Environment and Climate Change Expert under SMEC team the project will support a review of the document as well as ADB's existing reference/framework on environment management/climate change and use these as the basis for the development of practical field adaptive measures for incorporation into field training/demo programs and livelihood activities. Experiences from other projects (implemented by GDA-DAE) will also be capitalized upon through formal sharing fora (National Workshop on Policy Development and Learning/field experiences on Climate Change Adaptation) and also selected exposure visits. Practical content/field checklists for environmental management will be developed for five key agricultural practices will be completed during the year.
- ✓ At Ballang Research Station in Kampong Thom (KPT) and at Teuk Vill Research Station in Siem Reap (SRP)² the planned support for rehabilitation of the facilities will be completed in order to provide improved storage capacity and more effective irrigation supplies so that at least two rice seed crops can be grown each year (this has been carried over from 2013). Foundation seed will be procured of selected rice varieties will be purchased directly from CARDI by the Research Stations and planted at the stations to produce Certified Seed which will be sold to the RSPGs. The seed production programs at each station will be tailored to the estimates of demand by the RSPGs in each province. Production Contracts will be facilitated between the RSPGs and the Research Station to satisfy their seed requirements offering guaranteed buying process of USD 0.6 per kg for certified seed quality.
- ✓ The capacity building program for the RSPGs will be continued to develop the technical, business/marketing and management skills of the members and there will be support for improving their processing and storage facilities as identified from the survey conducted in 2013. The RSPGs will be encouraged to engage in the production of commercial rice seed using the certified seed produced on the Research Stations and to form market linkages with Rice Millers to produce Commercial Seed of the preferred varieties.
- ✓ A total of 432 on-farm demonstrations will be organized for improved practice on rice (improved techniques/SRI and preferred varieties), vegetables, mushroom, cash crops, livestock and aquaculture.

² Farm/plot design will need to be improved, including land-levelling

- ✓ Publicity campaigns will be launched in each province to raise awareness of the rice seed production and other field programs and extension materials will be produced and distributed within all districts.
- ✓ There will be regular biannual meetings of the PSC organised through CARD when Project progress can be reviewed and commented on and major issues and challenges discussed, and solutions/remedial measures recommended.
- ✓ In order to maintain good coordination at sub-national level there will be monthly coordination meetings arranged in all districts and in each province with the participation of the national level teams at the provincial level meetings. Gender Focal Point persons will attend all of these coordination meeting and receive further training on addressing social and gender issues. At National level there will be a biannual Coordination Meeting organised (just prior to a respective PSC meeting) alternately by MAFF and NCDDDS.
- ✓ Under Component 2, there will be a regular quarterly meeting organized by each province on a rotational basis. The meeting will be attended by PACs, PAEAs, and national teams.
- ✓ The national and sub-national teams will conduct regular field monitoring of all Project activities.
- ✓ There will be a continuation of the transfer of financial and management skills through training to the commune level by the provincial teams.
- ✓ Capacity building training programs will continue for the district teams. Major training planned for sub-national staff includes rice seed production, GAP, extension methodologies, gender awareness and environment management/climate change awareness and practical adaptation/mitigation action, training skills for delivery of ToT and PPMS (+ project MIS/databases).
- ✓ In order to widen the knowledge of the project teams there will be Study Tours organised to visit other provinces to share experiences as well as visit other similar Projects, notably those being support by IFAD. Study tours will also be organized for experiences on climate change adaptation/mitigation of other projects in other provinces.
- ✓ The Baseline Survey will be completed across all target 28 districts and four non-target districts (as control) through the support of the external firm that has been recruited by NCDDDS. Field survey started early January and final report will be completed at the end of Q1. The PPMS system will be further refined and adapted to include all activities in the AWPB for 2014
- ✓ The annual planning process for 2015 will be achieved through by a fully participatory process commencing with district level planning workshops, one planning workshop in each province and then a final national level workshop to consolidate the AWPB.
- ✓ The Project Implementation Consultants (PIC) will continue to provide support to each of the IAs during the year and the local advisers at provincial level will be retained by NCDDDS and MAFF/GDA.

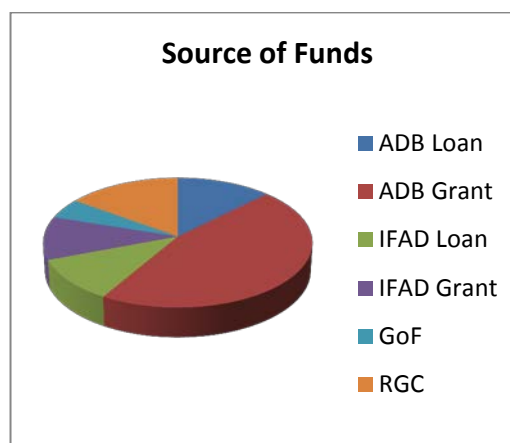
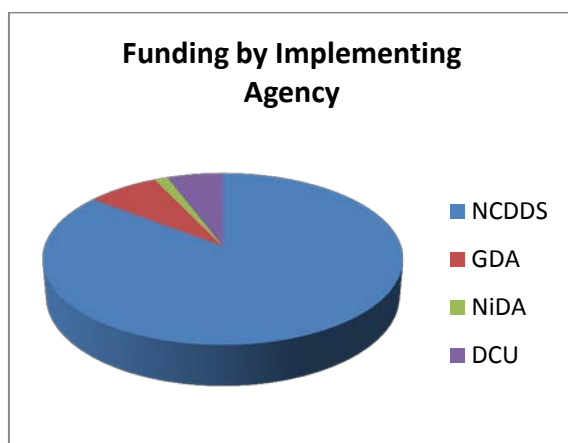
15. The total annual budget for 2014 is estimated at \$ 22.2 million.³ The fund allocations between the IAs are 85.8 %, 7.4 %, 5.4 % and 1.4 % for NCDDDS, MAFF/GDA, MAFF/DCU

³ The detailed Budget Tables are shown in Appendix 3.

and NiDA respectively. The fund allocations between ADB contributions are 12.5 % for Loan and 45.9 % for Grant respectively; for IFAD the contributions are 10.7 % from both Loan and Grant; for GoF the contribution is 5.0 % and the counterpart contribution from RGC is 15.0%.⁴

TONLE SAP POVERTY REDUCTION AND SMALLHOLDER DEVELOPMENT PROJECT
Annual Budget 2014 (USD)
ALL PROVINCES

Executing Agency	Cost (USD)				
	Q1	Q2	Q3	Q4	Total
IMPLEMENTING AGENCY					
NCDDS	4,219,894	6,802,609	7,258,649	790,859	19,072,011
GDA	473,990	602,550	266,471	311,400	1,654,411
NiDA	304,575	0	0	0	304,575
DCU	285,350	320,100	314,400	276,400	1,196,250
SOURCE OF FUNDS	5,283,809	7,725,259	7,839,520	1,378,659	22,227,247
ADB Loan	678,500	1,150,000	960,250	0	2,788,750
ADB Grant	2,694,260	3,598,101	2,860,559	1,058,165	10,211,083
IFAD Loan	90,270	750,600	1,430,595	114,000	2,385,465
IFAD Grant	90,270	750,600	1,430,595	114,000	2,385,465
GoF	831,960	167,400	94,500	21,600	1,115,460
RGC	898,549	1,308,558	1,063,022	70,894	3,341,024
TOTAL	5,283,809	7,725,259	7,839,520	1,378,659	22,227,247



⁴ Cumulative expenditure from Finland must not exceed Euro 1.25 million and must be completed by end of 2014.