

## **Cambodia**

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### **Accelerating Inclusive Markets for Smallholders (AIMS)**

#### **Supervision Report**

#### **Main report and appendices**

Mission Dates: 3-21 October 2019

Document Date 18/11/2019

Project No. 2000001268

Report No. 5222-KH

Asia and the Pacific Division  
Programme Management Department

## Abbreviations and Acronyms

<b>AC</b>	Agricultural Cooperative
<b>ADB</b>	Asian Development Bank
<b>AFD</b>	Agence Française de Développement
<b>AEZ</b>	Agro-ecological zone
<b>AIMS</b>	Accelerating Inclusive Markets for Smallholders project
<b>ASEAN</b>	Association of South East Asian Nations
<b>ASPIRE</b>	Agriculture Services Programme for Innovation, Resilience and Extension
<b>AusAID</b>	Australian Agency for International Development (now Department of Foreign Affairs and Trade)
<b>AWPB</b>	Annual Work Plan and Budget (AIMS)
<b>B2B</b>	Business to business (AIMS)
<b>B2S</b>	Business to service provider (AIMS)
<b>BFP</b>	Boosting Food Production Project (RGC)
<b>BLF</b>	Business Literacy Facilitators (AIMS)
<b>C/S F</b>	Commune <i>Sangkat</i> Fund
<b>CARDI</b>	Cambodia Agricultural Research and Development Institute
<b>CAVAC</b>	Cambodia Agriculture Value Chain Program (Australian funding)
<b>CBC</b>	Credit Bureau Cambodia
<b>CC (1)</b>	Commune Council
<b>CC (2)</b>	Climate Change
<b>CC (3)</b>	Chamber of Commerce
<b>CDRI</b>	Cambodia Development Research Institute
<b>CEW</b>	Commune Extension Worker (ASPIRE)
<b>CGAP</b>	Consultative Group to Assist the Poor (hosted by World Bank)
<b>CIAT</b>	Centre for International Tropical Agriculture
<b>CIC</b>	Central Investment Committee (AIMS)
<b>CIP</b>	Commune Investment Programme
<b>COSOP</b>	Country Strategic Opportunities Programme (IFAD)
<b>CSES</b>	Cambodia Socio-Economic Survey
<b>D&amp;D</b>	Decentralisation and De-concentration
<b>DAO</b>	District Agriculture Office
<b>DCED</b>	Donor Committee for Enterprise Development
<b>DfID</b>	Department for International Development (UK)
<b>DGDT</b>	Directorate General for Domestic Trade, MoC
<b>DICO</b>	Department of International Cooperation, MOC
<b>EFA</b>	Economic and Financial Analysis
<b>EU</b>	European Union
<b>FBS</b>	Farm Business School
<b>FFS</b>	Farmer Field School
<b>FI</b>	Financial Institution
<b>FL</b>	Financial Literacy

<b>FO</b>	Farmer Organizations
<b>FSP</b>	Financial Service Provider
<b>GDA</b>	General Directorate of Agriculture
<b>GDP (1)</b>	Gross Domestic Product
<b>GDP (2)</b>	General Department of Policy, MEF
<b>GIC</b>	Green Innovet Cam (a livestock service provider)
<b>GIZ</b>	Deutsche Gesellschaft für Internationale Zusammenarbeit (German International Cooperation Agency)
<b>GPS</b>	Global Positioning System
<b>GRF</b>	Group Revolving Fund
<b>HARVEST</b>	Helping Address Rural Vulnerabilities and Ecosystem Sustainability
<b>HCMC</b>	Ho Chi Minh City
<b>HH</b>	Households
<b>HIC (1)</b>	Hub investment committee (AIMS)
<b>HIC (2)</b>	Heifer International Cambodia
<b>HPI-1</b>	Human Poverty Index
<b>HRD</b>	Human Resource Development
<b>IA</b>	Implementing Agency
<b>ICA</b>	Investment Climate Assessment
<b>ID Poor</b>	Identification of Poor Household Programme, Ministry of Planning
<b>IDA</b>	International Development Association
<b>IFAD</b>	International Fund for Agricultural Development
<b>IFC</b>	International Finance Corporation
<b>IP (1)</b>	Implementing Partners
<b>IP (2)</b>	Indigenous People
<b>IRR</b>	Internal Rate of Return
<b>KMC</b>	Knowledge management and communication
<b>LGF</b>	Loan Guarantee Fund
<b>LoC</b>	Line of Credit (AIMS)
<b>LPA</b>	Lead Project Agency (AIMS)
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MAFF</b>	Ministry of Agriculture, Forestry and Fisheries
<b>MDGs</b>	Millennium Development Goals
<b>MEF</b>	Ministry of Economy and Finance
<b>MFI</b>	Micro-finance Institution
<b>MG</b>	Matching grant
<b>MIH</b>	Ministry of Industry and Handicrafts
<b>MIS</b>	Management Information System
<b>MOC</b>	Ministry of Commerce
<b>MOE</b>	Ministry of Environment
<b>MOP</b>	Ministry of Planning
<b>MOWA</b>	Ministry of Women's Affairs

<b>MOWRAM</b>	Ministry of Water Resources and Meteorology
<b>MRD</b>	Ministry of Rural Development
<b>MSME</b>	Micro, Small and Medium Enterprises
<b>MSP</b>	Multi Stakeholder Platform (AIMS)
<b>NAA</b>	National Audit Authority
<b>NCDD</b>	National Committee for Sub-National Democratic Development
<b>NF3</b>	National Farmers' organizations Federations Forum
<b>NGO</b>	Non-Governmental Organization
<b>NPV</b>	Net Present Value
<b>NSDP</b>	National Socio-economic Development Plan
<b>O&amp;M</b>	Operation and Maintenance
<b>OECD</b>	Organization for Economic Co-operation and Development
<b>ORMS</b>	Operational Results Management System (IFAD)
<b>PADEE</b>	Project for Agricultural Development and Economic Empowerment
<b>PB</b>	Programme Budgeting
<b>PCR</b>	Project Completion Report
<b>PCC</b>	Provincial Chambers of Commerce
<b>PD</b>	Project Director (AIMS)
<b>PDAFF</b>	Provincial Department of Agriculture, forestry and Fisheries
<b>PDC/PDOC</b>	Provincial Department of Commerce
<b>PDOWA</b>	Provincial Department for Women's Affairs
<b>PFI</b>	Partner Financial Institution (AIMS)
<b>PIA</b>	Private investment advisor (AIMS)
<b>PIM</b>	Project Implementation Manual (IFAD)
<b>PIU</b>	Project Implementation Unit – MEF (AIMS)
<b>PMO</b>	Project Management Office – MOC (AIMS)
<b>PPP (1)</b>	Public Private Partnership
<b>PPP (2)</b>	Purchasing Power Parity
<b>RDB</b>	Rural Development Bank
<b>RET</b>	Renewable energy technology
<b>RGC</b>	Royal Government of Cambodia
<b>RIMS</b>	Results and Impact Management System (IFAD)
<b>ROI</b>	Return on Investment
<b>SAW</b>	Strategy for Agriculture and Water
<b>SC</b>	Supply Chains
<b>SM</b>	Social mobilizer (AIMS)
<b>SMM/SMS</b>	Social mobilizer manager / supervisor (AIMS)
<b>SME</b>	Small and Medium Enterprises
<b>SNEC</b>	Supreme National Economic Council
<b>SOE</b>	Statement of Expenditures
<b>SOP</b>	Standard Operating Procedures
<b>SPS</b>	Sanitary and phyto-sanitary

<b>S-RET</b>	Building Adaptive Capacity through the Scaling-up of Renewable Energy Technologies in Rural Cambodia Project (IFAD / MAFF)
<b>TA</b>	Technical Assistance
<b>TOR</b>	Terms of Reference
<b>TOT</b>	Training of Trainers
<b>TSSD</b>	Tonle Sap Poverty Reduction and Smallholder Development Project
<b>UNCT</b>	United Nations Country Team
<b>US</b>	United States
<b>USAID</b>	United States Agency for International Development
<b>VC</b>	Value chain
<b>VCIF</b>	Value chain innovation fund (AIMS)
<b>VCS</b>	Value chain specialist (AIMS)
<b>VRA</b>	Vulnerability risk Assessment
<b>WA</b>	Withdrawal application (IFAD)
<b>WB</b>	World Bank

## A. Project Overview

Region:	Asia and the Pacific Division	Project at Risk Status:	Not at risk
Country:	Cambodia	Environmental and Social Category:	B
Project Name:	Accelerating Inclusive Markets for Smallholders (AIMS)	Climate Risk Classification:	2
Project ID:	2000001268	Executing Institution:	Ministry of Commerce
Project Type:	Storage, processing and marketing	Implementing Institutions:	Ministry of Commerce
CPM:	Kaushik Barua		
Project Director:	H.E. Sovicheat Penn, Project Director, Ministry of Commerce, PSU		
Project Area:	whole country		

Approval Date:	14/12/2016	Last audit receipt:	04/07/2019
Signing Date:	28/02/2017	Date of Last SIS Mission:	29/10/2019
Entry into Force Date:	28/02/2017	Number of SIS Missions:	5
Available for Disbursement Date:	28/07/2017	Number of extensions:	0
First Disbursement Date:	01/08/2017	Effectiveness lag:	2 months
MTR Date:	not available yet		
Original Completion Date:	31/03/2023		
Current Completion Date:	31/03/2023		
Financial Closure:	not available yet		

### Project total financing

<b>IFAD Financing breakdown</b>	IFAD	\$36,257,000
<b>Domestic Financing breakdown</b>	Private sector local	\$8,586,000
	Beneficiaries	\$8,116,000
	National Government	\$8,654,000
<b>Co-financing breakdown,</b>		
<b>Project total financing:</b>		<b>\$61,613,000</b>

### Current Mission

Mission Dates:	3-21 October 2019
Days in the field:	11
Mission composition:	<p>Kaushik Barua, IFAD Country Director &amp; Mission Lead;  Meng Sakphouseth, IFAD Country Programme Officer;  Nigel Smith AIMS SM Team Leader;  Emmanuel Jouve, ASPIRE SM Team Leader;  Yin Hong Sun, IFAD Country Programme Officer – China;  Steven Jonckheere, IFAD Gender and Targeting Specialist (PTA);  Krishna Thapa, M&amp;E specialist;  Phan Duy Toan, Procurement Specialist;  Arsalan Vardag, Financial Management Specialist;  Elizabeth Ssendiwalla, IFAD ASPIRE Project Technical Lead;  Barseba Tekle, IFAD Corporate Procurement Officer;  Maliha Hamid Hussein, Programme Specialist;  Karan Sehgal, IFAD Renewable Energies Specialist.  Julian Abrams, Institutional Development &amp; Rural Infrastructure Specialist.</p>

Field sites visited: Takeo, Kampot, Kampong Speu, Battambang, Banteay Meanchey, Siem Reap

## B. Overall Assessment

Key SIS Indicator #1	Ø	Rating	Key SIS Indicator #2	Ø	Rating
Likelihood of Achieving the Development Objective		4	Assessment of the Overall Implementation Performance		4

<b>Effectiveness and Developmental Focus</b>	<b>4</b>	<b>Project Management</b>	<b>4</b>
Effectiveness	4	Quality of Project Management	4
Targeting and Outreach	4	Knowledge Management	4
Gender equality & women's participation	4	Value for Money	4
Agricultural Productivity	4	Coherence between AWPB and Implementation	3
Nutrition	N/A	Performance of M&E System	2
Adaptation to Climate Change	4	Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)	4

<b>Sustainability and Scaling-up</b>	<b>4</b>	<b>Financial Management and Execution</b>	<b>4</b>
Institutions and Policy Engagement	4	Acceptable Disbursement Rate	3
Partnership-building	4	Quality of Financial Management	3
Human and Social Capital and Empowerment	4	Quality and Timeliness of Audit	4
Quality of Beneficiary Participation	5	Counterparts Funds	3
Responsiveness of Service Providers	5	Compliance with Loan Covenants	4
Environment and Natural Resource Management		Procurement	4
Exit Strategy			
Potential for Scaling-up	4		

<b>Relevance</b>	<b>5</b>
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## C. Mission Objectives and Key Conclusions

### Background and Main Objective of the Mission

The AIMS project goal is to Enhance prosperity of Cambodian smallholder farmers through increasingly profitable links to agri-businesses and markets. The project development objective is to increase returns from farming for smallholders, including poorer farmers, through efficient public-sector investment. The project has two inter-related components: (1) Value Chains Development and (2) Value Chain Financing. AIMS expects to serve 75,000 direct beneficiaries, of whom 60,000 households will achieve increase in real net farming income by >30% and 40,000 people will achieve the even greater impact of increasing their return on labour by >50%. So, AIMS' focus is not only on quantity of outreach but also on quality - delivering transformative impacts for individual women, men and youth. So it is well aligned with the Royal Government of Cambodia's (RGC) development strategy expressed in its Rectangular Strategy-Phase IV and Development Cooperation and Partnership strategy (2019-2023) including the target to reach US\$4500 p.a. income per farming household by 2030.

AIMS is financed by RGC (US\$8.6 million), IFAD loan (US\$36.3 million) and significant beneficiary and business financing. The Financing Agreement became effective on 28 Feb 2017, Project Completion is 31 Mar 2023 and Closing Date 30 Sep 2023. AIMS is led by the Ministry of Commerce. MEF co-chairs the project and leads Component 2 on Value Chain Financing via the Rural Development Bank.

With ASPIRE and SAAMBAT projects, AIMS is one of three pillars of the programmatic approach between RGC and IFAD. AIMS also aspires to provide an open platform for use by other investment projects, not least for targeting rural infrastructure from projects such as AFD financed Wat4Cam and RID4Cam. Within this AIMS contributes five main elements towards transforming the rural economy: 1) helping farmers and producer groups get "market ready" i.e. changing mindsets to farming as a business and providing business skills to be confident supply chain actors; 2) brokering rich networks of vertical / horizontal linkages in supply chains that build trust and competitiveness - primarily via industry-driven multi-stakeholder platforms (MSP) and business-to-business follow-up; 3) facilitating greater private investment by farmers and businesses in supply chains to respond to market opportunities; 4) nurturing sustainable support markets for key services and inputs; 5) creating open platforms as practical mechanisms to target public good investments to priority bottlenecks that are holding back faster inclusive rural growth.

In the near future, AIMS will seek to provide these services and support to producer groups supported by ASPIRE – for example providing its supported producer groups business skills training using AIMS materials, these groups participating in AIMS MSPs and eligible to access the private investment promotion instruments under AIMS Component 2. Similarly, for example, lead farmer private service providers emerging under ASPIRE and S-RET technology providers will be connected to AIMS supported groups as potential customers and services users, also via the MSPs. To this end, the AIMS supervision mission has been conducted as part of a joint supervision mission covering AIMS, ASPIRE and S-RET projects.

Mission objectives are: For supervision, four key areas are reviewed and rated: Fiduciary aspects; Project implementation; Outputs and outcomes by components; Sustainability. For support: ensuring teams deepen understanding of the AIMS approach as they move to advanced implementation; streamlining management arrangements and instruments where feasible; accelerate scaling-up of field activities; strengthen coordination with ASPIRE, SAAMBAT, Wat4Cam and other projects.

### Key Mission Agreements and Conclusions

Overall project performance remains *moderately satisfactory* (score= 4/6) with more consistent performance across all three project regions. This is a substantial achievement of the new AIMS MOC management team in the last 6 months. The teams in all three regions are now moving in the right direction, gaining confidence in the core AIMS approaches, with examples of good practice in all three regions.

Tangible results have been achieved towards the development objectives, notably mobilization of an estimated US\$1.37 million in additional private investment, of which US\$760,000 by farmers and US\$610,000 by agricultural cooperatives and businesses in the supply chains. This has been financed by an estimated 20% from investors own funds and 80% from loans, of which around 40% is from the mainstream financial sector and 40% from RDB via the Line of Credit in Component 2. This private investment is equivalent to 38% of the total RGC and IFAD expenditure of US\$3.65 million at 31 August 2019.

Notwithstanding clear progress, disbursement (approx. 5.9%) and outreach (24% of target) remain behind plan. Disbursement remains low principally due to field implementation being widely delayed in 2019, driven by two factors:

1. Cashflow has been a significant obstacle to field implementation to date in 2019. Large numbers of field staff have been unpaid for several months, especially among new Social Mobilizer staff, limited field activities have been implemented and key activities to drive investment have been postponed pending release of funds into the Lead Project Agency – including business skills training, wider mobilization of producer groups into MSP brokering meetings and business-to-business follow-up to trigger new

- investment and sales.
- 2. Revised approach to contracting of key service providers on poultry and cassava have delayed immediate scaling-up (poultry) as well as medium term impacts and scale (cassava) to bring it in-line with the RGC Standard Operation Procedures (SOPs).

In addition to the above, there are important operational inefficiencies in the project that need to be addressed:

1.
  1. Limited accountability of project teams for delivery of results.
  2. Critical systems of MIS and accounting software are still not live, making supervision and management against results extremely difficult. On the project M&E and MIS in particular, both the management arrangements and technical advice on M&E has not been satisfactory and changes are needed to urgently address these long-outstanding issues.
  3. Hub-model for both overall management and concentration of senior field staff is not operationally efficient, especially given project now active 18 provinces. This is contributing to: high use of DSAs, not in line with SOP/regulations; too much time spent travelling to the field rather than working in the field; some PDOCs have lots of support and others very little, despite good market opportunities in their province.
  4. Separation of VC and PIAs teams, including via different management lines, has continued to hold back the focus on private investment. While there are reported to be some successes, the mission observed insufficient progress in this aspect since the 2018 Supervision Mission.
  5. Value Chain Innovation Fund (VCIF) criteria, especially for Window 1 & 2, are quite restrictive. Some VC teams have successfully understood and used them while others have not. These should be fine-tuned to increase relevance and ease of use.

In conclusion, AIMS' overall performance remains on track to meet its development objectives. However, with mid-term approaching, implementation needs to accelerate and scale-up while maintaining quality. To this end actions have been agreed between the mission and MOC and MEF and included here.

## D. Overview and Project Progress

In addition to the results above, key highlights of progress in the last 12 months include: mobilizing farmers organized to sell together and linking producer groups and buyers for real business; introduction of farm business diaries to all farmers now working within new contract to stimulate shift in thinking towards farming as a business; stronger capacity of the field teams, including the VC teams of the PDOC, Chambers of Commerce, Farmer Organizations and the fast integration of the new social Mobilization teams into the project. Together, these have been key drivers of increased private investment and sales results achieved in the last year.

The field teams now need to build on these successes by deepening the market linkages and building trust in the supply chains to create more investment and business opportunities for farmers and businesses and to do so on a far wider scale within the project provinces. The project has also done well in attracting youth and women into the farm business opportunities, with participation rates of 27% and 48% respectively.

In terms of improving field practice, the project teams and management are recommended to focus on five aspects: 1) implementing genuine *multi*-stakeholder platforms – with multiple competing buyers, multiple producer groups and multiple competing service providers interacting together in search of new businesses opportunities; 2) focus on building trust within the supply chains and not only on signing contract; 3) Give priority to market-based solutions and a private investment focus wherever feasible. Use of the AIMS VCIF or SDF should be seen as a last resort, not a first choice option; 4) Business skills roll-out should now be completed in full, led by Business Literacy Facilitators (BLF) and ensuring adequate depth of training – both in the course itself and the ToT to the BLF. Priority should also be given to women as BLFs; 5) VCIF – relax criteria to make it more usable (see below).

On Component 2, RDB has approved the first loans under the line of credit, totalling approximately US\$600,000, as well as the first grants for Window 1 of the Value Chain Innovation Fund.

For the VCIF, there are opportunities to improve the usability and relevance of the instrument through adjustment of specific criteria in the guidelines, specifically for Window 1 and Window 2 grants. With these adjustments, the VCIF continues to be expected to be a useful instrument for the scaling-up of new technologies and business models especially in the cassava, poultry and vegetable supply chains. In cassava, this relates to the scaling-up of clean seed production businesses at an industry-wide scale (Window 2). In poultry, it relates to promoting widespread investment by farmers (Window 1) in best-in-class technology packages from commercial service providers in order to reduce the disease and production risks inherent in more conventional production practices. For both vegetables and poultry, there are also expected to be important investments under Window 2 and 3 in the downstream supply chains, for example in collection centres, improved packhouses and slaughterhouses – either on a small-scale basis owned and operated by producer groups or on a medium or larger scale by businesses along the supply chain. In line with overall agreements related to the programmatic approach, the VCIF should also be made available to producer groups initially supported by ASPIRE and other programmes that then participate in the AIMS MSPs as already the case for the line of credit (LoC) under

## Component 2.

For the line of credit, RDB have been proactive in the last 12 months in identifying the initial batch of direct lending opportunities. With greater experience of working with AIMS and the lending opportunities created via MSP processes, RDB have estimated that their direct lending under AIMS may rise to up to US\$ 3 million in 2020. This appears credible if MSPs under Component 1 are scaled-up as currently envisaged in 2020. At an institutional-level, RDB continues to be strengthened – both through the expansion of its network of staffed offices around the country as well as its planned upgrading to a full commercial bank, including the injection of an additional US\$50 million in capital by RGC. RDB therefore remains a relevant implementing partner for AIMS, including in its direct lending operations.

Notwithstanding the above on direct lending, there has been limited appetite from any of the major micro-finance institutions (MFIs) to access wholesale loans via the line of credit with no such loans issued to date. The mission notes two other facts of relevance here. Firstly, from the field visits, there is clear evidence of MFIs continuing to lend strongly within the AIMS supported clusters and supply chains. More specific data should be available on this once the project MIS is operational. Secondly, the ownership and financial backing of the major MFIs has changed rapidly since AIMS was designed. Immediately prior to AIMS design, MFIs representing around 28% of market share of active borrowers had major international financing or majority foreign ownership. Today, MFIs accounting for around 92% market share have major international financing or foreign ownership. Given these major changes in the market and low appetite for wholesale lending under the LoC, there will be a need at mid-term review in 2020 to reassess the best ways for AIMS and the wider country programme to engage with the mainstream rural financial sector to promote increased lending to agriculture. This should also include an assessment of the relevant level of financial resources in the different instrument of AIMS under Component 2.

Financial management (FM) is assessed to be moderately satisfactory. No major issues have been identified. However, FM has not improved in the last year principally due to:

1. a delay of release of some RGC funds to the Lead project Agency owing to issues around DSA procedures. These delays have significantly affected project implementation and progress in 2019. During the pre-wrap up meeting, the Director General of the General Department of International Cooperation and Debt Management assured the mission that this will be resolved as soon as possible. The mission appreciates MEF's usual proactiveness and looks forward to this issue being addressed shortly.
2. delay in roll-out of accounting software and recruitment of additional FM contract staff to the field offices. These issues need to be addressed as a priority.

Procurement is assessed to be moderately satisfactory. Ex-post reviews of procurement and contract documents at AIMS shows that procurement activities are carried out in general in compliance with IFAD procurement guidelines. However, there are still shortcomings and constraints including (i) significant delays in approval of the 2019 AWPB and procurement plan; (ii) preparation of the procurement plan with prior/ex-post review requirements not consistent with provisions of the Letter to the Borrower (LTB), though it is also noted that actual procurement was in line with the provision of the LTB, (iii) slow procurement progress of planned activities; (iv) revised approach on selection of service providers that requires revision of the Sector Development Facility (SDF) guidelines; (v) work overload of MOC/DICO procurement unit (responsible for five on-going projects) requires a recruitment of a new procurement assistant.

On the issue of the priority service providers for the poultry and cassava supply chains, namely Green Innovet Cam (GIC), Heifer International Cambodia (HIC) and International Center for Tropical Agriculture (CIAT), the mission considers that the three identified service providers each offer unique value to the project development objectives. Accordingly, they remain an important opportunity for AIMS to accelerate and deepen its impact and should represent good value for money for the project. As such, the mission recommends that the procurement of these three identified services providers is progressed in line with the SOPs as a matter of priority.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>3. Cashflow:</b>  Ensure compliance with all SOP and other rules & regulation to avoid problems in future	MOC	10/2019
<b>1. Cashflow:</b>  Clear WAs for both RGC and IFAD, MoC provide all supporting docs to MEF; MEF clear all eligible expenses as recommended by Director General of the General Department of International Cooperation and Debt Management, MEF	MEF / MOC	11/2019

<b>2. Cashflow:</b>  Resolve issue of ineligible DSAs.	MEF / MOC	11/2019
<b>6. M&amp;E</b>  M&E function in MOC to be moved under direct management of Domestic Trade General Directorate under the Project Director to increase alignment and accountability of M&E team & systems to project needs	MOC	11/2019
<b>8. results-based management system</b>  Move to a results-based management system for all teams / service providers. All teams / service providers to be assigned quantitative results targets under the AWPB and their performance managed against these on monthly basis. Key results targets to be explicitly linked to logframe targets. All contracted staff and service providers to be on results-based contracts in-line with the above in their area of responsibility.	MOC	11/2019
<b>Component 1</b>  roll-out with emphasis on: <ul style="list-style-type: none"> <li>• Business Literacy Facilitators (BLF) to lead courses – encourage women as BLFs</li> <li>• Thorough ToT of BLFs</li> <li>• 50+hrs actual training time per course</li> <li>• Social Mobilizers (SM) play coaching role to BLFs</li> <li>• Use resource people / private service providers to deliver some sessions – e.g. buyers on market quality requirement / MFI staff on lending products/insurance</li> <li>• Monitor quality/effectiveness and rapidly update content / materials</li> </ul>	MOC + SM Service Providers	11/2019
<b>Component 2</b>  Supervision of RDB to remain unchanged, but with 6 PIAs transferred to MOC under revised VCI team with entire expanded VCI team targeted to generate private investment and leads to RDB/VCIF (see above)	MEF	11/2019
<b>Component 2</b>  Proposal for future staffing and administration at central level for Component 2 to be developed and agreed by MEF and reflected in AWPB 2020	MEF with MOC	11/2019
<b>5. MIS</b>  MIS operational across all project locations as a matter of urgency. Including improved commodity specific farm diaries.	MOC	12/2019
<b>7. VC and Investment (VCI)</b>  Creation of combined role of VC and Investment (VCI) Specialists in single team by combining 16 roles of VC Specialist (10) and Private Investment Advisors (6), with one assigned per province. Convert 3 Hub M&E roles to VCIS to give total 19 VCIS posts.	MOC, MEF support	12/2019
<b>10. VC service providers</b>  VC service providers: Complete procurement of the three service providers for poultry & cassava in line with SOPs.	MOC	12/2019

<b>4. Accounting software</b>  Accounting software to be operational across all project locations with expanded field team to 7 FM consultants	MOC	01/2020
<b>9. Province-based implementation</b>  Move to province-based implementation with regional hub/satellite offices staffing reduced to focus on operational backstopping of provinces, as per revised functional matrix.	MOC	01/2020
<b>Component 2</b>  VCIF criteria and parameters to be adjusted, especially for Window 1 and Window 2 on areas below: <ul style="list-style-type: none"> <li>• Matching grant to be increased to 35% (previously 20%) for both windows</li> <li>• Window 1 eligible grants per commune to be min. 3 and max. 20 farmers in each of up to 4 communes in a district (previously minimum 10 farmers in up to 3 communes)</li> <li>• Procedures for review / approval streamlined if possible given proposed changes to MOC management structure between hub offices and provinces.</li> </ul>	MEF / RDB	01/2020

## E. Project implementation

### a. Development Effectiveness

#### Effectiveness and Developmental Focus

<b>Effectiveness</b>	<b>Rating: 4</b>	<b>Previous rating: 4</b>
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#### Justification of rating

Rated as moderately satisfactory, the first evidence of results from the field indicates project objectives will be met, notwithstanding the slow start to the project in the first 2 years. Given the quality of the initial results, especially on the forward looking outcome indicator of private investment, the project can be expected to achieve all its major outcome indicators unless there are unforeseen disruptions to project delivery.

#### Log-Frame Analysis & Main Issues of Effectiveness

In the absence of an operational MIS it is difficult to provide a robust analysis of performance against the logframe at a detailed level. Notwithstanding these limitations, in terms of outreach, the cluster mapping process has to date covered 18,818 smallholder households, representing 24% of target outreach of 75,000 households. Among these, 6,308 households have participated in the critical multi-stakeholder platform, equivalent to 10.5% of the target households expected to increase farm incomes by at least 30%.

On the forward-looking outcome indicators of increased private investment, the project has now mobilized an estimated total of US\$1.373 million between farmers and businesses/agricultural cooperatives, equivalent to 34% of the updated mid-term target of US\$4,000,000 and 11% of the full project target of US\$12,000,000. While it is too soon after much of these investments, which are still in their first production cycle, this level of positive response from beneficiaries and businesses in the supply chain appears to validate the project's theory of change. Additional data is expected to be available in the next 3 months and then as the project scales up towards mid-term in 2020.

#### Development Focus

<b>Targeting and Outreach</b>	<b>Rating: 4</b>	<b>Previous rating: 4</b>
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#### Justification of rating

Rated as moderately satisfactory, the project appears to be broadly reaching its intended target groups, including poor, women and youth, but still at relatively limited scale in terms of quantitative outreach. Some data has been collected on

beneficiaries, justifying the above assessment – with 27% youth and 48% women beneficiaries to date. However, a lack of operational MIS means that it is not yet possible to monitor targeting performance in a more systematic way and hence to take corrective measure if issues are identified. The MIS that is close to completion, including via the farmer diaries and associated tablet-based beneficiary driven result monitoring, should provide detailed data on targeting performance – across provinces, supply chains and target groups – in the near future.

### Main issues

Project activities appear to be responding well to the needs of the intended target groups, as is evident in several aspects – including the positive response to the introduction of farm business diaries and also in the level of private investment seen by farmers to date in response to market opportunities facilitated by the project.

The presence of the full social mobilizer teams since early 2019 should have resulted in further strengthening of field targeting and inclusion of poorer households. However, the key issue at present is the lack of an operation MIS that mean it is difficult to monitor such performance in detail and, hence, to take corrective measures where issues are identified. It is now critical that the MIS is in place and providing clear data on targeting performance as the project begins to scale in the field.

<b>Gender equality &amp; women's participation</b>	<b>Rating: 4</b>	<b>Previous rating: 4</b>
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### Justification of rating

Rate as moderately satisfactory. There is strong participation of women, especially in the most profitable supply chains of chicken and vegetables. These provide high returns from more limited labour input close to home so are ideally suited to mix responsibilities of women - with high returns on labour reducing overall workload for a given level of livelihoods compared to more labour-intensive rice farming or factory work. Empowerment of beneficiaries, including women, is expected to further expand via the MSPs, business skills training and producer group mentoring now that the social mobilizers are fully on board. A focus on women in leadership positions in groups will increase voice and empowerment. The main limitation is on gender disaggregated data as MIS is still not operational.

### Main issues

While the project has started well in ensuring women's participation, especially among the most profitable chicken and vegetable supply chains, further opportunities exist to strengthen women's empowerment more broadly via the project. These include a positive bias towards women being selected as Business Literacy Facilitators, as leaders within producer groups and as key local technical services providers. These activities need to have a more deliberate and sustained focus within the project, but especially in the activities of the Social Mobilizer teams which are the primary teams responsible for this. Gender-based targets should also be explicitly included in the planned performance management system. However, at present, the lack of an operational MIS is inhibiting a more proactive monitoring and management of these issues and activities in the project.

<b>Agricultural Productivity</b>	<b>Rating: 4</b>
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### Justification of rating

Rated as moderately satisfactory. Agricultural profitability, rather productivity, is the prime focus of the project – through farming as a business. However, anecdotally observed during the mission, there appear to have already been good gains in both productivity and/or profitability across chicken (+50%), vegetables (+25%), and several rice groups (+15-25%). As with other aspects, the main limitation is the current lack of systematic data to provide more consolidated perspectives and rigorous analysis.

<b>Nutrition</b>	<b>Rating: N/A</b>
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<b>Adaptation to Climate Change</b>	<b>Rating: 4</b>	<b>Previous rating: 4</b>
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### Justification of rating

Rate moderately satisfactory. Promoting poultry and year-round vegetable production, especially via drip irrigation, reduces exposure to climate change by reducing reliance on heavily weather dependent livelihoods, such as traditional rice production. Planned further promotion of technologies for rainy season production when prices are high will further improve adaptation and resilience (e.g. hail net houses to reduce physical damage from heavy rains). Higher incomes also mean more financial assets and greater resilience to shocks. The issues now are to 1) link AIMS farmers to other programmes that can support additional investment in climate-resilient productive infrastructure, such as irrigation and roads, 2) accelerate development of clean cassava seed industry to stabilize the sector.

### Main issues

Beyond the generally positive bias of the project towards supporting rural communities to diversify and strengthen their livelihoods and improve resilience, there is an increasingly urgent need for the country to move the cassava industry to a more sustainable footing. Cassava production is the second most important crop, after rice, in Cambodia in terms of production and area planted currently estimated at around 600,000 ha. As a more drought tolerant and water efficient crops, it provides an important livelihood to 100,000's of households in upland agriculture areas across much of the north of Cambodia without reliable irrigation or water supply and is less vulnerable to the projected changes in weather, with more unpredictable rainfall patterns. Yet at present the entire industry is at increasingly urgent risk of widespread disease impact and the resulting loss of competitiveness and incomes. The cassava mosaic disease is now widespread across the region (Thailand, Cambodia, Vietnam) and infection rates continue to increase. Thus, developing an industry-scale clean seed supply market remains a high priority for the country and for AIMS in particular. The proposed partnership with CIAT, to be contracted as a service provider, therefore remains a high priority along with the proposed scaling-up of clean cassava production businesses using the AIMS instruments.

## **b. Sustainability and Scaling up**

<b>Institutions and Policy Engagement</b>	<b>Rating: 4</b>
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### **Justification of rating**

Rated as moderately satisfactory. While initial evidence is only just coming in, the first results on new approaches to increase private investment in agriculture are of considerable interest to policy makers. As further evidence grows, it is expected that the project will generate important policy insights on these issues in the next 1-2 years.

<b>Partnership-building</b>	<b>Rating: 4</b>	<b>Previous rating: 5</b>
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### **Justification of rating**

Rated moderately satisfactory. The project has productive partnerships with the three Chambers of Commerce, two farmers organization and three new SM NGOs across the three hubs. The partnership with RDB is also now working better having done initial activities together and lending in 2019 and a strong joint plan for practical future collaboration to mobilize private investment. MOC is building partnerships with MAFF/ASPIRE and all also other important partner projects, e.g. senior AIMS staff are on the steering committee of AFD's Wat4CAM project. Next steps are listed below. One area of difficulty this year was the change of contract process from strategic partners to service providers for several important potential partners. This has been disruptive to the project and concerned partners.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Actions Collaboration with other programmes</b>  AIMS MSP roll-out to be operated as open platform to identify infrastructure priorities for other programmes, e.g: SAMBATT, Wat4Cam, RID4Cam.	MOC	10/2019
<b>Actions Collaboration with other programmes</b>  Set-up procedures to screen / refer infrastructure requirements to other programmes.	MOC with partner programmes	01/2020
<b>Actions Collaboration with other programmes</b>  Interactive AIMS maps: prepare and keep up-to-date interactive maps of producer groups and clusters in AIMS (learn from ASPIRE)	MOC	01/2020
<b>Actions Collaboration with other programmes</b>  Coordination with ASPIRE to be deepened at practical field level, with pilot field collaboration in at least one province per regional hub in 2020. When effective, scale-up to additional provinces in second half 2020.	MOC MAFF	01/2020
<b>Actions Collaboration with other programmes</b>  ASPIRE supported producer groups assessed to be “market ready” should be supported by the AIMS VCI team to participate in their local MSPs. Includes AIMS VCI teams to provide pre-MSP coaching + post-MSP facilitation of business-to-business follow-up activities.	MOC MAFF	01/2020
<b>Actions Collaboration with other programmes</b>  ASPIRE supported producer groups participating in the AIMS MSPs to be fully eligible to access AIMS Comp. 2 financing instruments on the same basis and procedures for other producer groups already in AIMS.	MOC MAFF	01/2020
<b>Actions Collaboration with other programmes</b>  AIMS to provide ToT, capacity building support and tools for introduction of business skill training, farmer diaries and linked tablet-based MIS system within ASPIRE	MOC MAFF	01/2020

#### **Human and Social Capital and Empowerment**

**Rating: 4**

**Previous rating: 4**

#### **Justification of rating**

Rated satisfactory. Although quantitative outreach is behind plan, strengthening human/social capital and empowerment is satisfactory. The project has facilitated farmers to come together to negotiate and sell their produce together for the very first time. It has started to build their confidence in working together and working with traders as producer groups. It has started to introduce key tools, including the farmers diaries, that enables farmers to understand their costs and income and hence empowers them to make informed choices about their production and sales. Producer groups seen in the mission are uniformly positive about these changes. Further strong progress in this area is expected in the future, especially as the SM teams are fully on board.

#### **Quality of Beneficiary Participation**

**Rating: 5**

**Previous rating: 5**

#### **Justification of rating**

Currently rated as satisfactory but also expected to be even higher in the future. Farmers views and priorities drive the priorities and activities of the project, especially via the MSP and B2B/B2S activities. These are deliberate and systematic process mainstreamed into the design to place beneficiaries at the heart of the project. This is reflected by the very high



level of financial contribution, with farmers having invest an estimated \$760k already into project activities in the last year - equivalent to 20% of total IFAD/RGC expenditures to date, with similar investment by agricultural cooperatives and businesses. The farmer diaries and linked MIS provide a systematic way to track these investments.

<b>Responsiveness of Service Providers</b>	<b>Rating: 5</b>	<b>Previous rating: 4</b>
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#### **Justification of rating**

Rated satisfactory. The main SP are the 3 SM NGOs. They have been highly committed and responsive and have managed to conduct a variety of critical activities relevant to the rural clientele of the project, such as initial rollout of farmer diaries and support in linkage with buyers, despite being collectively owed c. \$500k by MOC with many of their staff working unpaid for upto 6 months yet still continuing to perform. In addition, GIC - a key poultry industry service provider, has continued to support AIMS and farmers as best it can despite receiving no finance from the project due to the change in contract process to now being under the SOPs. However, the continued lack of payment / delayed procurement of other key service providers (CIAT, GIC, HIC) puts their performance at risk.

<b>Environment and Natural Resource Management</b>	<b>Rating:</b>
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<b>Exit Strategy</b>	<b>Rating:</b>
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<b>Potential for Scaling-up</b>	<b>Rating: 4</b>
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#### **Justification of rating**

Rated as moderately satisfactory but expect to increase in the future. The Lead Project Agency, MOC, has already sought to scale-up the project to work in multiple supply chains across 18 of the 24 rural provinces in the country – compared to an expected 11 provinces with multiple commodities at design. This represents a significant geographical scaling-up already prior to MTR. The project is seen to bring substance and capacity to MOC's core domestic trade mandate via its Provincial Departments of Commerce and AIMS is increasingly being mainstreamed in MOC. While the project has prepared some KM products on its practices, the lack of an operational MIS means there is not yet the robust evidence-base to engage more widely on scaling-up but this is fully expected after MTR.

### **c. Project Management**

<b>Quality of Project Management</b>	<b>Rating: 4</b>	<b>Previous rating: 4</b>
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#### **Justification of rating**

Rated as moderately satisfactory. The new project management team is focused on the development objectives and key results. The quality of management has improved at the senior AIMS management level with progress also at the sub-national level. The new management team is increasingly proactive in tackling implementation constraints, though still learning the RGC systems for major ODA projects. However, project management structures and processes have not been efficient - especially hub offices with the large number of provinces now in the project (18 vs 11 provinces in design) and between the two key implementing ministries. These are also a result of the design itself. MOC management has proposed changes to streamline project management which are supported by the mission.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>AWPB</b> AWPB: Submit AWPB 2020 for IFAD approval in timely manner	MOC	11/2019
<b>AWPB 2020</b> Explore feasibility to pilot involvement of focal person from PDoWA in VCI team in several provinces and include in AWPB 2020 if agreed	MOC	11/2019
<b>DoA</b> Delegated authority of Project Director (PD): In line with the SOPs and prevailing regulations, the delegated authority of the PD should be aligned with the requirements for efficient administration of the project, including as the Project Director of the Lead Project Agency the ability to formally communicate with all project stakeholders, including with MEF, and approve payments through the due process of financial amounts required for duly procured goods and services.	MOC	01/2020
<b>DoA</b> Chambers of Commerce in provinces: Support CoCs to assign one AIMS focal point to work with the VCI team in each province without CoC project staff.	MOC	01/2020

#### Knowledge Management

Rating: 4

Previous rating: 4

#### Justification of rating

Rated moderately satisfactory. The project developed and shared 7 cases studies in 2019 on good practices in both production and market linkage examples in poultry, vegetables, cassava and rice. This was delivered by hiring external facilitators. The project conducted a training on case study, story writing, video shooting and picture where 52 project staff participated. A newsletter was published during this year and it will be produced 2 times in a year. Project leaflets were also produced. The project has formed a knowledge management committee at hub level to manage and share the project learning, experience, and results. The project is hiring a service provider to develop 4 videos: 2 (10 minutes and 2 (2 minutes). The knowledge management and communication strategy is also developed.

#### Main issues

Knowledge products should be developed in Khmer language and share to farmers that it helps them to know about the opportunities from the project, project learning and innovations. Farmer to farmers story telling tools can be applied to share the knowledge for learning and scale-up.

Thematic learning teams including staff of Planning, VCI and M&E KM should be formed within the IFAD-Cambodia project to share the knowledge as well as exchange the expertise among the project that helps for learning and scale up. It should be organized twice per year, with the events led in rotation basis. It is very helpful to find the gaps and way forward in project implementation.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>KM</b> Comms / Knowledge management: Expand range of KM products / promotion video clips / vox pops to target audience of aspiring farmers / businesses to join AIMS. Also, other comms products to address specific technical/market issues of interest to farmers and businesses. Main focus of comms / KM for 2020 to be farmers and businesses (not policy makers and other projects). Use MIS real impact data to show financial benefits to real people / businesses	MOC	12/2019
<b>KM</b> Publication of 7 drafted cases in Khmer language and shared to farmers and other stakeholders	MOC	12/2019

#### **Value for Money**

**Rating: 4**

**Previous rating: 4**

#### **Justification of rating**

Rated only as moderately satisfactory, the overall value for money of the project appears to be strong. Results achieved in the last year, including additional private investment by farmers, ACs and businesses appears to be strong and likely to lead to good impacts for beneficiaries. Not least in that combined private investment facilitated by the project is now equivalent to almost 40% of total RGC/IFAD project expenditure to date. However, VfM is not rated more highly due to long delays in getting to this stage of implementation, although it is noted that almost all of the reason for the previous major delays appear to have now been resolved and so the project is expected to accelerate in the near future, raising its VfM.

#### **Main issues**

Project expenditure of US\$3.65 million at 31 August 2019 is equivalent to 8.1% of total RGC and IFAD financing of US\$44.9 million. Against this project outreach at the same date is estimate at 24% via the cluster mapping and approximately 10.5% against the more demanding level of participation in the MSPs (versus the 60,000 households target for deeper impacts) through which substantial private investment has been mobilized. Against both measures, the value for money of the project remain in-line or better than that expected at design.

Most input unit costs presented in its AWPB are reasonable and there are no significant variations between the planned and the actual expenditure in USD terms. There are control mechanisms in place with a view to avoiding any wasteful expenditure.

#### **Coherence between AWPB and Implementation**

**Rating: 3**

**Previous rating: 2**

#### **Justification of rating**

Rated moderately unsatisfactory. Physical progress against AWPB to 31 August was <60% and even lower on financial progress. However, the single main driver of this is the cashflow crisis that the project has faced since the early part of 2019 due to the delayed release of funds into the Lead Project Agency from 5 WAs due to issue relating to minor ineligible DSA costs. Corrective steps are now being taken by MEF and MOC to resolve this issue and hence coherence with AWPB should improve substantial once funds are available.

#### **AWPB Inputs and Outputs Review and Implementation Progress**

AWPB 2018 and AWPB 2019 were both approved very late in the year – in March 2018 and August 2019 respectively. There have also been significant cashflow issues in 2019 as outlined below. Notwithstanding these issues, the project has still managed to deliver a proportion of its planned physical activities to date in 2019. On the critical field activities of MSPs, business to business/service follow-up and cluster meetings, the project had achieved at total of 28% AWPB implementation in the 8 months to 31 August. The expected release of fund and full mobilization of teams is expected to result in a significantly increased performance by the end of the financial year.

#### **Performance of M&E System**

**Rating: 2**

**Previous rating: 2**

#### **Justification of rating**

Rating remains Unsatisfactory as in the previous Supervision Mission 2018. Despite investment of large amounts of time

and money, including prolonged International TA, the project MIS system is still not operational despite firm commitments by the previous AIMS management that this would be completed April 2019 at the very latest. The farmer diaries have been modified from that advised in writing by previous missions and will now have to be further updated. The operationalization of the full MIS is now an urgent priority for the project, as the lack of data on performance and results threatens the entire project.

## M&E System Review

M&E System set up is very important to the project that it helps to project to manage the project results in time and it is not happened in the project. The project has developed the M&E system implementation manual but still needs to improve by incorporating some elements: monitoring frame work (level of monitoring, types of monitoring) and feedback handling, evaluation frame work (rolling baseline and cluster tracking), data management (role and responsibility/ guideline), results sharing mechanism, M&E system implementation role and responsibility, capacity building and M&E action plans and budget etc

Data Management framework is crucial to project at farmers' level, group level, province/hub level and PMO/PIU level. It clearly indicates that what types of project needs, where it is found, how it can be collected, when it is to be collected, who is responsible, where it is stored how it analyses and how to share and data assurance process and responsibility. So, it should be covered clearly in the M&E manual.

The project has applied the rolling baseline and farmers' diary tools for tracking the project results annually. But the project has so far been unable to apply it as a strong M&E tool. The mission team suggested to project to finalize the farmers' diary by consulting technical expert of value chain commodities covering: production practices and technologies, production inputs detail (structured), harvesting data of other commodities etc.

The project has to establish the MIS system for storing, analysing and visualization of the project data and results but this has not yet been established to date.

M&E activities plan should be developed covering the whole project years and the project has to keep in AWPB for implementation to manage the results in time.

Individual staff monthly action plan and progress online tracking system recommended to the project which helps the project and staff to achieve the AWPB targets in given time frame. It is also promotes accountability of the staff towards the project. I can be used as a staff performance monitoring system by using a traffic light system. It means, the action plans completed within the planned time (Green colour), action plans completed within month but exceed the planned time (yellow colour) and the action plans not completed within planned time/month (red colour). The red colour also show the partially completed action plans too (25%, 50%, 75%). The mission suggest that the project management consider these aspects when developing its new Performance management system.

## Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)

**Rating: 4**

**Previous rating: 4**

## Justification of rating

Rated moderately satisfactory: A technical "Note to implement SECAP" is included in the main VC Development Facilitation Guide of the project. Full roll-out has been delayed along with other activities due to the cashflow crisis in the project through most of 2019 to date. AIMS has developed a tool in Khmer enabling its staff the check the status of climate change for each target areas from the Rapid Mapping step: "AIMS Rapid Mapping with Vulnerability Index". As soon as funds are released the new management team should ensure the SM and other teams begin to mainstream this in to mobilization and engagement processes with producer and in clusters. AIMS should also collaborate with ASPIRE to use their planned district vulnerability mapping analysis.

## SECAP Review

Due to project-wide implementation delays, there is no material change from previous mission which noted the following which remains relevant:

Follow-up technical meeting should address :

- implementation of SECAP into the Know-How guide.
- including the Vulnerability Index into AIMS MIS. Vulnerability Index is immediately operational in terms of tracking the status of climate change, interviewing people and facilitating discussion around Climate change, while it may take some time to gather all the VRAs undertaken by different projects.

Under ASPIRE and AIMS partnership, AIMS should:

- plan to incorporate the outputs from the planned ASPIRE district vulnerability mapping exercise in addition to the

- inventory of VRA undertaken by NCDDDS (ASPIRE, LGCC and others projects).
- Map the best practices under the component 3 and 4 of ASPIRE.
- Share and disseminate the Knowledge Products, used and produced by the component 4 of ASPIRE.
- Connect AIMS staff with SNAs involved in the conduct and use of VRAs

Through the above step, AIMS should now be mobilizing to use two established tools:

- Vulnerability Risk Assessment (VRA). There is commitment from NCDDDS (in ASPIRE, LGCC and others projects) and Small Grant Programme to share the VRA with AIMS. This will facilitate to proceed for the mapping.
- Vulnerability Index (VI). This tool was jointly developed by MoE and the International Institute for Environment and Development (IIED). See "IIED TAMD Cambodia" for their work with MoE and "Cambodia Vulnerability Index 2014-IFAD.xlsx" vulnerability index covering Cambodia wide. IIED and MoE have used the Commune Data Base to produce the Vulnerability Index (VI),

This will create an enabling environment for Mainstreaming Climate change in cluster development and induce the SECAP's implementation.

Given the delayed general implementation, the above action plan should now be followed by the new AIMS management team.

#### d. Financial Management & Execution

Disbursement by financier				
Type	Name	Current Amount	Disbursed Amount	Actual Rate
Domestic Financing breakdown	Private sector local	\$8,586,000	\$0	0.0%
	Beneficiaries	\$8,116,000	\$0	0.0%
	National Government	\$8,654,000	\$2,105,000	24.3%

Acceptable Disbursement Rate	Rating: 3	Previous rating: 3
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##### Justification of rating

1. The project is in its third year of implementation and by 31 August 2019, IFAD had released only USD 6.52 million (17.9%) including unjustified advance of USD 5.93 million (16.3%) out of a total loan of USD 36.3 million.

##### Main issues

The project had a slow start in the first two years due to delayed establishment of Project Steering Committee (Dec 2017), approval of PIM (Mar 2018), late opening of bank accounts (Aug 2018) and setup of accounting software (Aug 2018). All of the above contributed in substantially delay in the start of the project activities.

Further delays have been caused by delayed approval of AWPB, for 2018 it was approved in March 2018 and for 2019 it was finally approved in August 2019. The mission strongly recommends that the overall process of preparation and approval of AWPB needs to be planned so that the approval from IFAD and MEF is obtained before the end of November each year.

Finally in 2019, another key reason for slow financial progress has been due to lack of release of funds by RGC for AWPB 2019 for counterpart funding to the PMU. Accordingly, the project could not disburse funds to service providers and by the end of Sept 2019, lack of RGC funds resulted in a loan of USD 0.301 million from IFAD funds. The mission strongly recommends urgent processing of all pending RGC WAs and release of counterpart funding to the PMU.

The designated account is administered through revolving fund arrangement, whereby the advance is based on six months forecast amount of IFAD financed expenditure approved in the AWPB. Further advance is released after justification of at least 50% of previous advance. Since the beginning of the project, PMU in MOC has been provided advance amounting to USD 2.75 million by IFAD while until 30 Sept 2019 only USD 0.518 has been justified by the PMU. Two WAs amounting to USD 0.355 are pending approval by MEF for submission to IFAD, while another WA amounting to USD 0.265 until end August is yet to be prepared and submitted.

PIU in MEF has been provided advance of USD 0.770 million in April 2018, while until now only one WA amounting to USD 0.069 for expenditure until Dec 2018 has been submitted for justification. RDB has been provided advance of USD 3.0 million in Dec 2018 however, until now it has not submitted any WA for justification.

For 2019 AWPB the actual financial progress until Aug 2019 is USD 1.471 million (11.1%) as compared to annual target of USD 13.249 million. However, it is expected that if counterpart funding is provided, the disbursement rate could be significantly higher by the end of the financial year.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>AWPB Preparation &amp; Approval:</b> Timely preparation of AWPB and approval from IFAD and MEF before 30 Nov each year except for 2019 AWPB for which 31 Dec has been agreed.	PMO, MOC, MEF	12/2018
<b>Cashflow</b> Clear WAs for both RGC and IFAD, MoC provide all supporting docs to ME, MEF to clear all eligible expenses.	MEF / MOC	10/2019
<b>AWPB Preparation &amp; Approval</b> Timely preparation of AWPB and approval from IFAD and MEF	MOC	11/2019
<b>Disbursements vs. AWPB</b> Serious efforts should be made to achieve at least 80% disbursement level as compared to AWPB.	PMO	12/2019

### **Fiduciary aspects**

#### **Quality of Financial Management**

**Rating: 3**

**Previous rating: 4**

#### **Justification of rating**

Financial management is assessed to be moderately unsatisfactory. The FM has not improved since the last SM. The accounting system is still on manual basis although project has invested an effort to establish the computerized system. There is a serious delay of fund flow due to slow submission of the requests and the review of the advance clearance documents has taken a much longer time than expected. The IFAD fund was used to cover the some part of the government expenditures. The recruitment of additional FM contract staff and replacement of the Financial Specialist are still in the process. These issues need to be addressed as a priority.

#### **Main issues**

##### Accounting and Financial Reporting:

The project has procured and implemented an accounting software (SAGE 50) However, it was noted that (a) the software is not fully implemented/operational and is not installed at the regional hubs; (b) reporting function of the software needs development and customization; and (c) historic data needs to be posted in the software. In the meanwhile, the PMU is managing accounting and reporting through MS Excel, which is prone to mistakes.

The mission strongly recommends that the Accounting Software should be fully implemented and also installed at the regional hubs and reporting function should be developed/customised. Finally, all historical transactions should be posted into the software urgently.

Staffing. National Finance Advisor needs to be hired urgently, while considering the increase in the workload, a finance assistant should also be recruited at PMU to provide support. Regional/Provincial Finance Advisors recruitment to be completed.

Internal controls. The project has strong internal controls. However, it is recommended that the CFO / National Finance Specialist should visit the regions on a quarterly / half yearly basis to (i) provide training to field staff on finance matters; (ii) review the financial management at the regions; and (iii) to evaluate how to make the FM process more efficient and to resolve any issues.

It has been noted with concern that DSAs were paid in excess of allowable limits specified in the Government rules, and this has resulted in substantial delays in processing of withdrawal applications by the MEF. It is strongly recommend that the matter of ineligible DSA on an urgent basis. The mission also recommends that the PMU needs to ensure compliance with all SOPs, rules, regulations and procedures in future.

AWPB and budgeting system. The preparation and approval of AWPB was delayed for 2018 (Mar 2018 and Aug 2019). The mission recommends that the overall process of preparation and approval of AWPB needs to be planned so that the approval from IFAD and MEF is obtained before the end of November each year.

Treasury and funds flow. It has been noted with concern that counterpart funding was not provided and IFAD funds were used to pay for RGC share of expenses for around USD 0.301 M by end of Sep 2019. Accordingly, the mission recommends that a separate bank account should be opened for counterpart funding. The mission also recommends that the PMU prepare half-yearly cash forecasts (with monthly updates) taking into account financial commitments and forecasted expenditures.

Internal Audit. The project needs to establish internal audit arrangements either through the internal audit departments of MOC and MEF or through a private audit firm. The TORs of the internal auditor needs to be approved by IFAD and internal audit reports need to be provided to IFAD.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Regional</b>  CFO / National Finance Consultant to conduct a quarterly / half yearly visit to all regional hubs to (a) review the work and (b) to evaluate how to make the FM process more efficient and to resolve any issues.	PMO	11/2018
<b>Internal Audit:</b>  Project to have internal audit conducted either by the Internal Audit Department of MOC and MEF or by a private audit firm. TORs to be shared with IFAD for No Objection and reports to be shared with IFAD.	PMO	12/2018
<b>Cash Flow Forecast:</b>  Preparation of six-monthly cash flow forecast and its monthly updating.	PMO	12/2018
<b>Preparation of Monthly Financial Reports.</b>  Monthly financial reports should include analyses of disbursement rates by category, AWPB financial execution by sub-component, cash situation and forecast, procurement plan execution and administrative issues.	PMO	12/2018
<b>DSA to Consultants:</b>  Implement a system to enable those staff/consultant wishing to take advance DSA to cover their field activities to do so.	PMO	12/2018
<b>Internal Audit</b>  Project to have internal audit conducted either by the Internal Audit Department of MOC and MEF or by a private audit firm. TORs to be shared with IFAD for No Objection and reports to be shared with IFAD.	MOC & MEF	10/2019
<b>Cash Flow Forecast</b>  Preparation of six-monthly cash flow forecast and its monthly updating.	MOC	10/2019
<b>DSAs</b>  Resolve issue of ineligible DSAs.	MEF / MOC	11/2019
<b>Counterpart Fund Bank Account</b>  MOC to open and maintain separate account for project counter-part funds	MOC	12/2019



<b>Finance Team</b> Recruit one Finance Assistant at MOC to support Finance team at AIMS.	MOC	12/2019
<b>Accounting Software</b> Accounting software to be operational across all project locations with expanded field team to 7 FM consultants	MOC	01/2020
<b>Compliance with SOPs</b> Ensure compliance with all SOP and other rules & regulation to avoid problems in future	MOC	
<b>Regional Financial Management</b> CFO / National Finance Consultant to conduct a quarterly / half yearly visit to all regional hubs to (a) review the work and (b) to evaluate how to make the FM process more efficient and to resolve any issues.	MOC	

#### Quality and Timeliness of Audit

**Rating: 4**

#### Justification of rating

There was a slightly delay on submission of the audit report and the management letter.

#### Main issues

The audited financial statements, which were due on 30 June 2019, were submitted with a slight delay of 4 days.

The financial statements were prepared on the basis of modified cash basis of accounting, which are deemed acceptable to IFAD. The financial statements are fairly presented, the Statement of Expenditure enables the reconciliation with IFAD records, however the statement of fixed assets are missing and the statement of designated account showed only the ending balance without showing the reconciliation items.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Accounting Software</b> It's noted that the Microsoft Excel software was used for recording transactions which is not an accounting software and the use of unauthorized version is not legal. the recording of accounting entries using this software can result in loss of data or system errors. Management responded they used Accounting Software Sage 50 Quantum since mid-2018 but not fully in use due to customization issue, they were recruiting a consultant/company to fix this problem.	PMU	07/2019
<b>Reference Numbers</b> The auditor indicated that there were inconsistencies on recording transaction reference numbers in the Advance Register ("ADR") and Disbursement Voucher ("DV") which may cause difficulties in tracing those transactions as well as errors or misstatement remaining unsolved.	PMU	07/2019

#### Counterparts Funds

**Rating: 3**

**Previous rating: 5**

#### Justification of rating

By 31 August 2019, RGC share of actual expenditure was USD 2.106 million (24.3%), however, due to non release of counterpart contribution, RGC's share of expenditure amounting to USD 0.301 million were paid by using IFAD funds.



## Main issues

For AWPB 2019, counterpart funding was not released to the PMU and accordingly, the project could not disburse funds to service providers resulting in slow financial progress of the project. By the end of Sept 2019, lack of RGC funds resulted in a loan of USD 0.301 million from IFAD funds. The PMU has submitted three WAs amounting to USD 0.615 million, which have not been processed by MEF due to some ineligible expenses. During the mission, it was decided that the MEF would process all pending WAs urgently (eligible expense only) and release the funds to the project. Currently the project account in MOC has IFAD and RGC funds pooled together, which makes accounting and reporting complicated and also results in using funds of one financier to pay for the share of the other financier. It is therefore recommended that MOC should open and maintain a separate bank account for counterpart funding. The mission noted that although the GoC contribution was also in kind in the shape of office, utilities and government officers deputed to the project, the procedure for valuation, recording and reporting it has needs to be developed and implemented. The mission also noted that procedure for recording and reporting of both cash and in-kind contribution by other project parties including the beneficiaries, the private business, UNDP and Heifer etc. also needs to be developed and implemented.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Beneficiary, Private Business and other Parties Contribution:</b> Develop and implement procedure for valuation, recording and reporting of cash and in-kind contribution by the Beneficiaries, Private Business, UNDP, Heifer etc. .	PMO, MOC, MEF	12/2018
<b>Government In Kind Contribution:</b> Develop and implement procedure for valuation, recording and reporting of In-kind contribution by the Government.	PMO, MOC, MEF	12/2018
<b>Cashflow:</b> Clear WAs for both RGC and IFAD, MoC provide all supporting docs to MEF; MEF clear all eligible expenses.	MEF / MOC	10/2019
<b>Beneficiary, Private Business and other Parties Contribution</b> Develop and implement procedure for valuation, recording and reporting of cash and in-kind contribution by the Beneficiaries, Private Business, UNDP, Heifer etc. .	MOC	12/2019
<b>Government In Kind Contribution</b> Develop and implement procedure for valuation, recording and reporting of In-kind contribution by the Government.	MOC	12/2019
<b>Bank Account</b> MOC to open and maintain separate account for project counter-part funds	MOC	12/2019

**Compliance with Loan Covenants**

**Rating: 4**

**Previous rating: 4**

## Justification of rating

Compliance with loan covenants is rated as moderately satisfactory (4). The program has complied with most financing agreement covenants, while compliance on some is still outstanding.

## Main issues

The program has complied with most financing agreement covenants, while compliance on some is still outstanding including timely submission and approval of AWPB, submission of regular WAs, submission of unaudited financial statements and timely appointment of auditors. Full details are in Appendix 3 to the supervision report. The project needs to develop mechanism / procedure to ensure timely compliance with loan covenants.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Financing Covenants:</b>  Developing mechanism to ensure compliance with loan covenants including the following. <ul style="list-style-type: none"> <li>• Timely submission of AWPB</li> <li>• Recording of Beneficiary contribution</li> </ul>	MOC	12/2019

## Procurement

### Procurement

**Rating: 4**

**Previous rating: 4**

### Justification of rating

Rated moderately satisfactory. Ex-post reviews of procurement and contract documents at AIMS shows that procurement activities are carried out in general in compliance with IFAD procurement guidelines. However, there are still shortcomings and constraints including (i) significant delays in approval of the 2019 AWPB and procurement plan; (ii) preparation of the procurement plan with prior/ex-post review requirements not in consistence with provisions of the Letter to the Borrower, (iii) slow procurement progress of planned activities; (iv) revised approach on selection of SDF service providers that requires review and revision of the SDF guidelines; (v) work overload of MOC/DICO procurement unit (responsive for 05 on-going projects) requires a recruitment of a new procurement assistant.

### Procurement Review

**Review of Procurement Plan.** The 2019 Procurement Plan of AIMS was obtained IFAD's no objection on 07 May 2019, and finally approved by MEF in August 2019. The very late approval of 2019 procurement plan is due to changes in the project management and time consuming for revisions and reviews of the draft 2019 AWPB and procurement plan. Delays in preparation and approval of the 2019 AWPB and procurement plan hampered the implementation progress of planned activities. There are total 48 procurement packages in the 2019 procurement plan including 44 consulting services (35 individual consultants, 4 consulting firms and 5 partnership arrangements) and 4 goods contracts of total US\$ 3.24 million. The 2019 procurement plan was prepared in consistence with the 2019 AWPB. A template of procurement plan with plan and actual data was used for preparation of the procurement plan in line with RGC's procurement manual (May 2012). So far, there is no revision of the 2019 procurement plan.

There are still shortcomings in preparation of the 2019 procurement plan in term prior/ex-post review requirements (AIMS/C1/C/2017/20; AIMS/C2/C/2019/1; AIMS/C2/C/2019/3) and planned budgets (AIMS/C1/C/2018/28, AIMS/C1/C/2018/32). Procurement methods and prior/ex-post review requirements should be identified in consistence with provisions specified in the Letter to the Borrower (28 February 2017).

**Review of Ongoing/Completed Procurement Activities and Documentation** There are significant delays in implementation of planned 2019 procurement activities. By 30 September 2019, total 18 contracts (38%) out of total planned 48 contracts were signed (43% for individual consultant selections, 50% for consulting firms selections, 25% for goods procurement and none for partnership agreements) of total US\$ 728,183 (22% of the total procurement budget).

Constraints in procurement implementation include (i) delays in preparation of Terms of Reference and Specifications by the technical units; (ii) changing the members of BEC, CEC and PRC, consequently, the procurement team need to brief the procurement guidelines and procedures to new members; (iii) The procurement unit at MOC PMO (a Chief of Unit, 2 officials and a National Procurement Specialist) has to handle five different projects including AIMS and 4 grant projects of MOC at the same time, thus suffering from work overload; (iv) time consuming to obtain signatures on procurement reports (minutes, evaluation reports...etc.); and (v) the resignation of a number of recruited consultants. So far, total 10 (19%) out of total 53 recruited individual consultants had resigned; and (vi) revised approach for selection process of SDF service providers, that required reviews and updates of SDF guidelines, particularly on detailed procedures for selection of service providers and ownership of invested assets.

**Review of Contract Administration and Management, and Records and Filing** At AIMS PMO, the procurement tracking sheet and the contract register were used for monitoring procurement progress and contract administration of the planned contracts. However, data on actual procurement progress and contract status were not updated regularly. The ex-post reviews show that in general procurement and contract documents are kept in a separate folder for each package, and easy to access. However, some procurement and contract documents (advertisement, contract document) were not found in hard folders.

**Procurement staff training needs.** Currently, there are a Chief of Procurement Unit, 02 Procurement Officers and a National Procurement Specialist for AIMS Project. The Chief of Procurement Unit and one Procurement Officer have 07 years' experience in DICO Procurement Unit. Another Procurement Officer just has 1-year experience in DICO Procurement Unit. Newly recruited procurement staff in MOC DICO was already trained on the job.

Trainings on NOTUS rollout for project staff were organized in Vientiane (March 2019). MOC/PMO procurement staffs in charge of NOTUS were getting used to NOTUS for submission of procurement and contract documents subjected to IFAD's prior reviews. Further training needs for procurement staff include (i) SOP and Procurement Guideline training for new procurement staff; (ii) NOTUS training for Procurement Team; and (iii) contract management and supply chain training.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Procurement</b> Recruit 1 additional procurement assistant working at MOC to support the procurement team for AIMS' procurement activities (dedicated 100% to AIMS procurement)	MOC	01/2020
<b>Procurement</b> Prepare procurement plans with procurement methods and prior/post review in line with provisions of Letter to Borrower 26/02/17	MOC	01/2020
<b>Procurement</b> SDF guidelines to be updated to ensure compliance with SOP. Needs IFAD NOL.	MOC	01/2020

#### e. Key SIS Indicators

<b>Likelihood of Achieving the Development Objective</b>	<b>Rating: 4</b>	<b>Previous rating: 4</b>
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##### Justification of rating

The project is firmly rated as 4 on overall implementation performance. This reflects a balance of the first strong results from the field, outreach to 24% of target, and improvements in management, together with strong aspects of beneficiary participation, human and social capital development, responsive services and relevance and continued good partnership. This is offset by low disbursement, unsatisfactory M&E and lower than planned quantitative outreach.

<b>Assessment of the Overall Implementation Performance</b>	<b>Rating: 4</b>	<b>Previous rating: 4</b>
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##### Justification of rating

The project is rated as 4 on likelihood of achieving its development objectives. The first results from the field demonstrate the practical relevance of the core approaches of the project and suggest the project is on track to achieve its development objective. However, the lack of scale to date raises some question about the achievable total scale within the timeframe, as results are still limited. With all key elements of the project team and process now in place, the next 12 months will be critical in determining if the project. One specific area of uncertainty is on cassava. The project has not yet initiated planned major interventions in this area and so these remain untested at the scale envisaged.

#### F. Agreed Actions

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Overview and Project Progress</b>		
<b>3. Cashflow:</b> Ensure compliance with all SOP and other rules & regulation to avoid problems in future	MOC	10/2019

<b>1. Cashflow:</b>  Clear WAs for both RGC and IFAD, MoC provide all supporting docs to MEF; MEF clear all eligible expenses as recommended by Director General of the General Department of International Cooperation and Debt Management, MEF	MEF / MOC	11/2019
<b>2. Cashflow:</b>  Resolve issue of ineligible DSAs.	MEF / MOC	11/2019
<b>6. M&amp;E</b>  M&E function in MOC to be moved under direct management of Domestic Trade General Directorate under the Project Director to increase alignment and accountability of M&E team & systems to project needs	MOC	11/2019
<b>8. results-based management system</b>  Move to a results-based management system for all teams / service providers. All teams / service providers to be assigned quantitative results targets under the AWPB and their performance managed against these on monthly basis. Key results targets to be explicitly linked to logframe targets. All contracted staff and service providers to be on results-based contracts in-line with the above in their area of responsibility.	MOC	11/2019
<b>Component 1</b>  roll-out with emphasis on: <ul style="list-style-type: none"> <li>• Business Literacy Facilitators (BLF) to lead courses – encourage women as BLFs</li> <li>• Thorough ToT of BLFs</li> <li>• 50+hrs actual training time per course</li> <li>• Social Mobilizers (SM) play coaching role to BLFs</li> <li>• Use resource people / private service providers to deliver some sessions – e.g. buyers on market quality requirement / MFI staff on lending products/insurance</li> <li>• Monitor quality/effectiveness and rapidly update content / materials</li> </ul>	MOC + SM Service Providers	11/2019
<b>Component 2</b>  Supervision of RDB to remain unchanged, but with 6 PIAs transferred to MOC under revised VCI team with entire expanded VCI team targeted to generate private investment and leads to RDB/VCIF (see above)	MEF	11/2019
<b>Component 2</b>  Proposal for future staffing and administration at central level for Component 2 to be developed and agreed by MEF and reflected in AWPB 2020	MEF with MOC	11/2019
<b>5. MIS</b>  MIS operational across all project locations as a matter of urgency. Including improved commodity specific farm diaries.	MOC	12/2019

<b>7. VC and Investment (VCI)</b>  Creation of combined role of VC and Investment (VCI) Specialists in single team by combining 16 roles of VC Specialist (10) and Private Investment Advisors (6), with one assigned per province. Convert 3 Hub M&E roles to VCIS to give total 19 VCIS posts.	MOC, MEF support	12/2019
<b>10. VC service providers</b>  VC service providers: Complete procurement of the three service providers for poultry & cassava in line with SOPs.	MOC	12/2019
<b>4. Accounting software</b>  Accounting software to be operational across all project locations with expanded field team to 7 FM consultants	MOC	01/2020
<b>9. Province-based implementation</b>  Move to province-based implementation with regional hub/satellite offices staffing reduced to focus on operational backstopping of provinces, as per revised functional matrix.	MOC	01/2020
<b>Component 2</b>  VCIF criteria and parameters to be adjusted, especially for Window 1 and Window 2 on areas below: <ul style="list-style-type: none"> <li>• Matching grant to be increased to 35% (previously 20%) for both windows</li> <li>• Window 1 eligible grants per commune to be min. 3 and max. 20 farmers in each of up to 4 communes in a district (previously minimum 10 farmers in up to 3 communes)</li> <li>• Procedures for review / approval streamlined if possible given proposed changes to MOC management structure between hub offices and provinces.</li> </ul>	MEF / RDB	01/2020
<b>Sustainability and Scaling up</b>		
<b>Actions Collaboration with other programmes</b>  AIMS MSP roll-out to be operated as open platform to identify infrastructure priorities for other programmes, e.g: SAMBATT, Wat4Cam, RID4Cam.	MOC	10/2019
<b>Actions Collaboration with other programmes</b>  Set-up procedures to screen / refer infrastructure requirements to other programmes.	MOC with partner programmes	01/2020
<b>Actions Collaboration with other programmes</b>  Interactive AIMS maps: prepare and keep up-to-date interactive maps of producer groups and clusters in AIMS (learn from ASPIRE)	MOC	01/2020
<b>Actions Collaboration with other programmes</b>  Coordination with ASPIRE to be deepened at practical field level, with pilot field collaboration in at least one province per regional hub in 2020. When effective, scale-up to additional provinces in second half 2020.	MOC MAFF	01/2020

<b>Actions Collaboration with other programmes</b>  ASPIRE supported producer groups assessed to be “market ready” should be supported by the AIMS VCI team to participate in their local MSPs. Includes AIMS VCI teams to provide pre-MSP coaching + post-MSP facilitation of business-to-business follow-up activities.	MOC MAFF	01/2020
<b>Actions Collaboration with other programmes</b>  ASPIRE supported producer groups participating in the AIMS MSPs to be fully eligible to access AIMS Comp. 2 financing instruments on the same basis and procedures for other producer groups already in AIMS.	MOC MAFF	01/2020
<b>Actions Collaboration with other programmes</b>  AIMS to provide ToT, capacity building support and tools for introduction of business skill training, farmer diaries and linked tablet-based MIS system within ASPIRE	MOC MAFF	01/2020
<b>Project Management</b>		
<b>AWPB</b>  AWPB: Submit AWPB 2020 for IFAD approval in timely manner	MOC	11/2019
<b>AWPB 2020</b>  Explore feasibility to pilot involvement of focal person from PDoWA in VCI team in several provinces and include in AWPB 2020 if agreed	MOC	11/2019
<b>KM</b>  Comms / Knowledge management: Expand range of KM products / promotion video clips / vox pops to target audience of aspiring farmers / businesses to join AIMS. Also, other comms products to address specific technical/market issues of interest to farmers and businesses. Main focus of comms / KM for 2020 to be farmers and businesses (not policy makers and other projects). Use MIS real impact data to show financial benefits to real people / businesses	MOC	12/2019
<b>KM</b>  Publication of 7 drafted cases in Khmer language and shared to farmers and other stakeholders	MOC	12/2019
<b>DoA</b>  Delegated authority of Project Director (PD): In line with the SOPs and prevailing regulations, the delegated authority of the PD should be aligned with the requirements for efficient administration of the project, including as the Project Director of the Lead Project Agency the ability to formally communicate with all project stakeholders, including with MEF, and approve payments through the due process of financial amounts required for duly procured goods and services.	MOC	01/2020
<b>DoA</b>  Chambers of Commerce in provinces: Support CoCs to assign one AIMS focal point to work with the VCI team in each province without CoC project staff.	MOC	01/2020

Financial Management & Execution		
<b>Regional</b>  CFO / National Finance Consultant to conduct a quarterly / half yearly visit to all regional hubs to (a) review the work and (b) to evaluate how to make the FM process more efficient and to resolve any issues.	PMO	11/2018
<b>AWPB Preparation &amp; Approval:</b>  Timely preparation of AWPB and approval from IFAD and MEF before 30 Nov each year except for 2019 AWPB for which 31 Dec has been agreed.	PMO, MOC, MEF	12/2018
<b>Beneficiary, Private Business and other Parties Contribution:</b>  Develop and implement procedure for valuation, recording and reporting of cash and in-kind contribution by the Beneficiaries, Private Business, UNDP, Heifer etc. .	PMO, MOC, MEF	12/2018
<b>Government In Kind Contribution:</b>  Develop and implement procedure for valuation, recording and reporting of In-kind contribution by the Government.	PMO, MOC, MEF	12/2018
<b>Internal Audit:</b>  Project to have internal audit conducted either by the Internal Audit Department of MOC and MEF or by a private audit firm. TORs to be shared with IFAD for No Objection and reports to be shared with IFAD.	PMO	12/2018
<b>Cash Flow Forecast:</b>  Preparation of six-monthly cash flow forecast and its monthly updating.	PMO	12/2018
<b>Preparation of Monthly Financial Reports.</b>  Monthly financial reports should include analyses of disbursement rates by category, AWPB financial execution by sub-component, cash situation and forecast, procurement plan execution and administrative issues.	PMO	12/2018
<b>DSA to Consultants:</b>  Implement a system to enable those staff/consultant wishing to take advance DSA to cover their field activities to do so.	PMO	12/2018
<b>Accounting Software</b>  It's noted that the Microsoft Excel software was used for recording transactions which is not an accounting software and the use of unauthorized version is not legal. the recording of accounting entries using this software can result in loss of data or system errors. Management responded they used Accounting Software Sage 50 Quantum sine mid-2018 but not fully in use due to customization issue, they were recruiting a consultant/company to fix this problem.	PMU	07/2019

<b>Reference Numbers</b>  The auditor indicated that there were inconsistencies on recording transaction reference numbers in the Advance Register ("ADR") and Disbursement Voucher ("DV") which may cause difficulties in tracing those transactions as well as errors or misstatement remaining unsolved.	PMU	07/2019
<b>Cashflow</b>  Clear WAs for both RGC and IFAD, MoC provide all supporting docs to ME, MEF to clear all eligible expenses.	MEF / MOC	10/2019
<b>Cashflow:</b>  Clear WAs for both RGC and IFAD, MoC provide all supporting docs to MEF; MEF clear all eligible expenses.	MEF / MOC	10/2019
<b>Internal Audit</b>  Project to have internal audit conducted either by the Internal Audit Department of MOC and MEF or by a private audit firm. TORs to be shared with IFAD for No Objection and reports to be shared with IFAD.	MOC & MEF	10/2019
<b>Cash Flow Forecast</b>  Preparation of six-monthly cash flow forecast and its monthly updating.	MOC	10/2019
<b>AWPB Preparation &amp; Approval</b>  Timely preparation of AWPB and approval from IFAD and MEF	MOC	11/2019
<b>DSAs</b>  Resolve issue of ineligible DSAs.	MEF / MOC	11/2019
<b>Financing Covenants:</b>  Developing mechanism to ensure compliance with loan covenants including the following. <ul style="list-style-type: none"> <li>• Timely submission of AWPB</li> <li>• Recording of Beneficiary contribution</li> </ul>	MOC	12/2019
<b>Disbursements vs. AWPB</b>  Serious efforts should be made to achieve at least 80% disbursement level as compared to AWPB.	PMO	12/2019
<b>Beneficiary, Private Business and other Parties Contribution</b>  Develop and implement procedure for valuation, recording and reporting of cash and in-kind contribution by the Beneficiaries, Private Business, UNDP, Heifer etc. .	MOC	12/2019
<b>Government In Kind Contribution</b>  Develop and implement procedure for valuation, recording and reporting of In-kind contribution by the Government.	MOC	12/2019



<b>Bank Account</b> MOC to open and maintain separate account for project counter-part funds	MOC	12/2019
<b>Counterpart Fund Bank Account</b> MOC to open and maintain separate account for project counter-part funds	MOC	12/2019
<b>Finance Team</b> Recruit one Finance Assistant at MOC to support Finance team at AIMS.	MOC	12/2019
<b>Procurement</b> Recruit 1 additional procurement assistant working at MOC to support the procurement team for AIMS' procurement activities (dedicated 100% to AIMS procurement)	MOC	01/2020
<b>Procurement</b> Prepare procurement plans with procurement methods and prior/post review in line with provisions of Letter to Borrower 26/02/17	MOC	01/2020
<b>Procurement</b> SDF guidelines to be updated to ensure compliance with SOP. Needs IFAD NOL.	MOC	01/2020
<b>Accounting Software</b> Accounting software to be operational across all project locations with expanded field team to 7 FM consultants	MOC	01/2020
<b>Compliance with SOPs</b> Ensure compliance with all SOP and other rules & regulation to avoid problems in future	MOC	
<b>Regional Financial Management</b> CFO / National Finance Consultant to conduct a quarterly / half yearly visit to all regional hubs to (a) review the work and (b) to evaluate how to make the FM process more efficient and to resolve any issues.	MOC	

## Accelerating Inclusive Markets for Smallholders (AIMS)

### Logical Framework

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
Outreach	1.b Estimated corresponding total number of households members							MIS - Farmer Diary, MIS	Annual	PMO	
	Household members		150 000	300 000	47 173	84 364	28.1				
	1.a Corresponding number of households reached							MIS - Farmer Diary, MIS	Annual	PMO	
	Women-headed households	0	3 750	7 500	3 791	6 671	88.9				
	Non-women-headed households				6 464	11 669					
	Households				10 255	18 340					
	1 Persons receiving services promoted or supported by the project							MIS - Farmer Diary, MIS. Member of active cluster of AIMS and other projects (ASPIRE)	Annual		
	Females	0		75 000	5 661	10 124	13.5				
	Males	0		75 000	41 512	74 240	99				
	Indigenous people	0			2 830	5 061					
	Total number of persons receiving services	0		150 000	47 173	84 364	56.2				

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
<b>Project Goal</b> Enhance prosperity of Cambodian smallholder farmers through increasingly profitable links to agri-businesses and markets	80% of total of 75,000 direct beneficiaries increased real net farming income by >30%							MIS - Farmer Diary, MIS	Baseline; Mid-term; End line	PMO	Assumes continued social, political and economic stability in the country and neighboring ASEAN region
	Households	0	20 000	60 000	0	0	0				
<b>Development Objective</b> To increase returns from agriculture value chains for smallholders, including poorer farmers and youth, through efficient public sector investment	Number of beneficiaries' increased return on labour in farming by 50%							MIS - Farmer Diary, MIS	Baseline; Mid-term; End line	PMO	There are no prolonged collapses in export/local demand or prices for agricultural products.
	Households	0	13 500	40 000	0	0	0				
	Public return on investment (ROI)							MTR & PCR	end of project	PMO	
	ROI	0		20	0	0	0				
<b>Outcome</b> 1. Profits to farmers and businesses from Inclusive value chains increased for multiple higher value products.	Adoption rate of production and postharvest technologies of participating farmers							MIS - Farmer Diary	Baseline; Mid-term; End line	PMO	There are no prolonged collapses in export/local demand or prices for agricultural products. For AIMS value chains substantial improvements in production and post-harvest are necessary and feasible as foundations of growth.
	adoption rate	0	40	60	0	0	0				
	Aggregate value of products sold in target locations in priority value chains in real terms							MIS - Farmer Diary	Annual	PMO	
	percentage increase		10	30	0	0	0				

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
<b>Outcome</b> 2. Private investment increased in priority value chains from smallholders and agribusinesses	Smallholder investment in priority value chains and production clusters							MIS - Farmer Diary, MIS	Annual	PMO	Sufficient numbers of banks and MFIs continue to show commercial interest and commitment to expanding agricultural lending portfolio to smallholder and agribusiness sectors Participating smallholders have sufficient interest to improve their financial literacy. Positive framework conditions for investment into agriculture
	percentage increase		10	30	9	9	30				
	Partner Financial Institutions (PFIs) continue financing VCs							MIS	Annual	PMO	
	PFIs		4	5	9	12	240				
	Agri-business investment in priority value chains and production clusters							Annual VC tracking survey	Annual	PMO	
	percentage increase		10	30	0	0	0				
	Participating smallholder farmers with increased financial literacy							pre/post FL training assessment	Annual	PMO	
	smallholder farmers		50	50	0	0	0				
<b>Outcome</b> 3. Substantially increased capacity of national and sub-national institutions to design and deliver inclusive agriculture market development initiatives	MSPs that are active, well attended and positively regarded by participants of target VC cluster locations							Project reports; MSP Participant surveys	Annual	PMO	External socio-political factors do not disrupt MSPs. Sufficient interest from Private sector in MSPs across all priority VCs of AIMS. Assumes 80% of total direct project beneficiaries
	MSPs		90	90	74	124	137.8				
<b>Output</b> Farmers receiving training in production practices and financial/business literacy	1.1.4 Persons trained in production practices and/or technologies							ASPIRE, Service Providers on Poultry, Cassava VC.	Annual	PMO	Assumes 66% of total direct project beneficiaries
	Men trained in crop					588					
	Women trained in crop					588					

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
	Men trained in livestock										
	Women trained in livestock										
	Total persons trained in crop					1 176					
	Total persons trained in livestock										
	1.1.7 Persons in rural areas trained in financial literacy and/or use of financial products and services							project report	Annual	PMO	
	Females				153	153					
	Males			50 000	418	418	0.8				
	Young				23	23					
	Indigenous people				0	0					
Output PPPs or similar partnerships with large and small agri-businesses and service enterprises	PPPs or similar partnerships with large and small agri-businesses and service enterprises							VCIF and regular business with BC	Annual	PMO	Sufficient interest and involvement of Private Sector in partnering government.
	partnerships		100	250	44	75	30				
Outcome additional ORMS core indicators to be monitored and reported, but no targets	2.2.3 Rural producers' organizations engaged in formal partnerships/agreements or contracts with public or private entities							Buy and sell contract	base; mid-term; endline; annual	PMO	
	Number of POs				66	91					
	Percentage of indigenous POs				0	0					

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
	Women in leadership position				0	0					
	2.2.5 Rural producers' organizations reporting an increase in sales							Buy and sell contract	base; mid-term; endline; annual	PMO	
	Number of Rural POs				23	23					
	Rural POs wtih women in leadership position										
	2.1.3 Rural producers' organizations supported							MIS	Annual	PMO	
	Rural POs supported			1 628	214	351	21.6				
	Total size of POs				407	407					
	Males				740	1 147					
	Females				407	740					
	Young				74	148					
	Indigenous people				10	10					
	Women in leadership position				10	20					

## **Cambodia**

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### **Accelerating Inclusive Markets for Smallholders (AIMS)**

#### **Supervision Report**

#### **Appendix 1: Financial: actual financial performance; by financier by component and disbursements by category**

Mission Dates: 3-21 October 2019  
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**Appendix 2: Actual financial performance by financier; by component and disbursements by category**

**Table 2A: Financial performance by financier (USD '000) as at 31 Aug 2019**

<b>Financier</b>	<b>Appraisal</b>	<b>Disbursements</b>	<b>Per cent disbursed</b>
IFAD loan	36,257	1,540	4%
Government	8,654	2,105	24%
Beneficiaries	8,116	-	-
Private Business	8,586	-	-
<b>Total</b>	<b>61,613</b>	<b>3,645</b>	<b>6%</b>

**Table 2B: Financial performance by financier by component (USD '000) as at 31 Aug 2019**

<b>Component</b>	<b>IFAD loan</b>			<b>Government</b>			<b>Beneficiaries</b>			<b>Private Business</b>			<b>Total</b>		
	<b>Appraisal</b>	<b>Actual</b>	<b>%</b>	<b>Appraisal</b>	<b>Actual</b>	<b>%</b>	<b>Appraisal</b>	<b>Actual</b>	<b>%</b>	<b>Appraisal</b>	<b>Actual</b>	<b>%</b>	<b>Appraisal</b>	<b>Actual</b>	<b>%</b>
Value Chain Development	13,994	797	6%	6,810	1,070	16%	273	-	-	-	-	-	21,077	1,867	9%
Value Chain Financing	20,721	401	2%	602	333	55%	7,843	-	-	8,586	-	-	37,751	734	2%
Project Management Unit	1,542	342	22%	1,243	702	56%	-	-	-	-	-	-	2,785	1,044	37%
<b>Total</b>	<b>36,257</b>	<b>1,540</b>	<b>4%</b>	<b>8,654</b>	<b>2,106</b>	<b>24%</b>	<b>8,116</b>	<b>-</b>	<b>-</b>	<b>8,586</b>	<b>-</b>	<b>-</b>	<b>61,613</b>	<b>3,645</b>	<b>6%</b>



**Table5C: IFAD loan disbursements (USD, as at 31 Aug 2019)**

Category	Category description	Original Allocation	Disbursement	W/A pending	Balance	Percent disbursed
I	Consultancies	2,100,000	475,581	373,423	1,250,996	40.4%
II	Training	3,200,000	61,717	167,506	2,970,777	7.2%
III	Credit	8,100,000	-	242,949	7,857,051	3.0%
IV	Grants	16,800,000	-	290	16,799,710	0.0%
V	Operating Costs	2,600,000	50,056	168,190	2,381,754	8.4%
	Unallocated	3,500,000	-	-	3,500,000	0.0%
	Advance – MOC PMU		2,231,210	-	(2,231,210)	-
	Advance – MEF PIU		701,445	-	(701,445)	-
	Advance - RDB	-	3,000,000	-	(3,000,000)	-
	<b>Total</b>	<b>36,300,000</b>	<b>6,520,009</b>	<b>952,358</b>	<b>28,827,633</b>	<b>20.6%</b>

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### **Accelerating Inclusive Markets for Smallholders (AIMS)**

#### **Supervision Report**

#### **Appendix 2: Physical progress measured against AWP&B**

Mission Dates: 3-21 October 2019  
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Asia and the Pacific Division  
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## Appendix 2: Physical progress measured against AWP&B [Data not yet received from PMU]

Component/Outcome Sub-component or Output		Indicator	Unit	Period: [Insert date: dd-m-yy] to [Insert date: dd-m-yy]			Cumulative Actual	Appraisal Target	%
				AWP&B	Actual	%			
<b>Component 1 / Outcome</b>									
Sub-component / Output									
Sub-component / Output									
Sub-component / Output									
<b>Component 2 / Outcome</b>									
<b>Component 3 / Outcome</b>									
<b>Component 4 / Outcome</b>									

## **Cambodia**

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### **Accelerating Inclusive Markets for Smallholders (AIMS)**

#### **Supervision Report**

#### **Appendix 3: Compliance with legal covenants: status of implementation**

Mission Dates: 3-21 October 2019  
Document Date 18/11/2019  
Project No. 2000001268  
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Asia and the Pacific Division  
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## Appendix 3: Compliance with legal covenants: status of implementation

Description	Target/Action Due Date	Compliance status
<b>Financing Agreement</b>		
<b>Section B Para 6 and LTB Para 13 - Designated Accounts for IFAD Loan</b> There shall be two bank accounts denominated in USD (Designated Accounts). One will be opened for the Ministry of Commerce (MOC) and one will be opened for the Ministry of Economy and Finance (MEF) in the National Bank of Cambodia.	Condition precedent for first WA	Complied MOC: 16 June 2017 MEF: 16 Jun 2017
<b>Section B Para 6- Designated Accounts for RGC Counterpart Financing</b> The borrower shall open a bank account denominated in USD (RGC Counterpart Account) in the National Bank of Cambodia for RGC Counterpart Financing.	Condition precedent for first WA	Complied 16 June 2017
<b>Section B Para 7 and LTB Para 17 - Programme Accounts</b> There shall be one Project Account denominated in USD (the Project Account) opened by MOC.  The Project Account shall receive and hold the proceeds of the Financing transferred from the MOC Designated and RGC Counterpart Account. The MOC Project Account financial resources shall be used for the implementation of component 1 and the overall project's coordination activities.  The Designated Account managed by MEF shall be used for the implementation and coordination activities related to component 2 and shall transfer funds to two additional Sub- Project Accounts for the management of the credit line and the Value Chain Innovation Fund (VCIF) by the Rural Development Bank (RDB) or a qualified private bank.	Condition precedent for first WA	Complied but some observations. MOC PA: 10 Aug 2017 Sub-Project Accounts opened in Regional Hubs but these were not specified in Financing Agreement. Project Account for MEF was opened on 13 Sept 2017, however, it was not provided for in the Financing Agreement.
<b>Section B Para 8. - Counterpart Funding</b> The Borrower/Recipient shall provide counterpart financing for the Programme in the amount of USD 8,650,000.	Throughout the programme	In process.
<b>Section E Para 1. - Conditions Precedent to Withdrawal</b> The following are designated as additional general conditions precedent to withdrawal <ul style="list-style-type: none"> <li>• The Project Management Office (PMO) and Programme Steering Committee (PSC) has been duly established and staffed in accordance with Section II, Schedule 1 to this Agreement;</li> <li>• The Project key staff, including a Project Director and a Finance Officer at MOC, acceptable to the Fund have been duly appointed.</li> <li>• By MOC Ministerial order the Department of International Cooperation (DICO) has been entrusted as financial administrator for component 1 and the overall project for coordination purposes.</li> <li>• A computerized accounting system acceptable for the Fund shall have been procured at PMO;</li> <li>• A Project Implementation Manual (PIM) shall have been prepared in form and substance satisfactory to the Fund; and</li> <li>• For disbursement related to component 2.1, as Subsidiary Agreement between the borrower and RDB or a qualified private bank as outlined in section I of Schedule 1 to this Agreement has been signed, in form and substance satisfactory to the Fund.</li> </ul>	Condition precedent for first WA	Complied  PMO: 5 Apr 2017 PSC: 5 Dec 2017 PD: 5 Apr 2017 FO: 5 Apr 2017 DICO: 5 Apr 2017 Accounting Software: Aug 2018 PIM: 6 Mar 2018 Subsidiary Agreement: 25 May 2018
<b>Schedule 1, II, Para 1 - Programme Steering Committee (PSC).</b> The PSC shall be co-chaired by MEF and MOC and will be comprised of members representative of Ministry of Agriculture, Forestry and Fisheries (MAFF), Ministry of Industry and Handicrafts (MIH), Ministry of Environment (MOE), Ministry of Women's	After effectiveness	Complied

Description	Target/Action Due Date	Compliance status
Affairs (MOWA), partner institutions such as, Provincial Chambers of Commerce from Regional Hub, PFIs (MFIs plus RDB or qualified private bank), National Network of Farmer Organizations, Technical Working Group on Agriculture and Water - Development Partner Lead Facilitator.		
<b>Schedule 1, II, Para 2 - Lead Executing Agency (LEA)</b> The LEA shall be MOC, who shall have the overall responsibility for the Project implementation on behalf of the Steering Committee.	After effectiveness	Complied
<b>Schedule 1, II, Para 3 - Project Management Office (PMO)</b> A PMO shall be established within the MOC, with structure, functions and responsibilities in accordance with the PIM and acceptable to the Fund. The PMP will be led by a Project Director (PD), expected to be at the Director General of Domestic Trade (DGDT) and Directorate General of International Trade (DGIT) with additional externally recruited project staff as required. The finance unit of PMO will be headed by a Finance Officer.	After effectiveness	Complied
<b>Schedule 1, II, Para 4 - Implementing Agency (IA)</b> Within MEF, a Project Implementation Unit (MEF-PIU) will be established with the General Department of International Cooperation and Debt Management (GDICDM) as the Management Team of Component 2.	After effectiveness	Complied
<b>Schedule 1, II, Para 8 &amp; 9 - Programme Implementation Manual (PIM).</b> The Borrower shall prepare a PIM which shall include (i) institutional coordination and day to day execution of the Project; (ii) Project budgeting, disbursement, financial management, procurement monitoring, evaluation, reporting and related procedures; (iii) detailed description of Implementation arrangements for each Project component and (iv) such other administrative, financial, technical and organisation arrangements and procedures as shall be required for the Project. The LPA shall forward the draft PIM to the Fund for comments and approval. The LPA shall adopt the PIM, substantially in the form approved by the Fund and the LPA shall promptly provide copies thereof to the Fund.	Condition precedent for first WA	Complied
<b>Schedule 2, Para 2 &amp; LTB Para 16 - Start-up Costs</b> Withdrawal in respect of expenditure for start-up costs in Categories I, II, and V incurred before the satisfaction of the general conditions precedent to withdrawal shall not exceed an aggregate amount of USD 500,000.	Up to satisfaction of conditions precedent to withdrawal	Complied
<b>Schedule 3, Para 2 - Project Audits</b> The external audit will be carried out by the private audit firms hired among those already prescribed by other International IFIs. Only those firms will be invited to submit expression of interest and selected through a competitive process acceptable to the Fund.	30 June 2019	Complied
<b>General Conditions</b>		
<b>Section 7.01 (b) (ii) - AWPB</b> Before each Project Year, the LPA shall submit the draft AWPB to the oversight body designated by the Borrower for its review. When so reviewed, the LPA shall submit the draft AWPB to IFAD for comments no later than 60 days before the beginning of the Project Year. If IFAD does not comment on the draft AWPB within 30 days of receipt, the AWPB shall be deemed to be acceptable to IFAD.	31 Oct 2017 31 Oct 2018	Complied but substantially delayed. 2017: 12 Mar 2018 2018: 3 May 2019 (IFAD approval & 5 Aug 2019 (MEF approval))
<b>Section 7.08 - Insurance</b> The Borrower / LPA shall insure all goods and buildings used in the Project against such risks and in such amounts as shall be consistent with sound commercial practice.	Ongoing	Not Complied
<b>Section 8.01 - Implementation Records</b>	Ongoing	Complied and ongoing

Description	Target/Action Due Date	Compliance status
The Borrower/Recipient shall ensure that Project Parties maintain records and documents adequate to reflect their operations in implementing the Project until the Project Completion Date and shall retain such records and documents for at least ten (10) years thereafter.		
<b>Section 9.01 - Financial Records</b> The Project Parties shall maintain separate accounts and records in accordance with consistently maintained appropriate accounting practices adequate to reflect the operations, resources and expenditures related to the Project until the Financing Closing Date and shall retain such accounts and records for at least ten (10) years thereafter.	Ongoing	Complied and ongoing
<b>Section 9.02 - Financial Statements</b> The Borrower/Recipient shall deliver to the Fund detailed financial statements of the operations, resources and expenditures related to the Project for each Fiscal Year prepared in accordance with standards and procedures acceptable to the Fund and deliver such financial statements to the Fund with four (4) months of the end of each Fiscal Year.	30 April 2018 30 April 2019	Not Complied Complied
<b>Section 9.03 - Audit of Accounts</b> The Borrower / Recipient shall (a) each Fiscal Year, have the accounts relating to the Project audited in accordance with the auditing standards acceptable to the Fund and the IFAD Guidelines on Project Audits by Independent auditors acceptable to the Fund; (b) within six (6) months of the end of each Fiscal Year, furnish to the Fund a certified copy of the audit report. The Borrower / Recipient shall submit to the Fund the reply to the management letter of the auditors within one month of receipt thereof.	30 June 2019  31 July 2019	Complied with slight delay  Complied
<b>Section 11.01 (c) - Taxation</b> The use of any proceeds of the Financing to pay for Taxes is subject to the Fund's policy of requiring economy and efficiency in the use of its financial.	Ongoing	Complied and ongoing
<b>Letter to the Borrower</b>		
<b>Para 13 &amp; 14 - Revolving Fund</b> The Designated Accounts will be administered following Revolving Fund arrangements. Under the revolving Fund modality the first advance withdrawal cannot exceed the period of six months' forecast amount of IFAD financed expenditures approved in the AWPB. Further advanced to the Designated Account will be made for next reporting period based on the AWPM or expenditure forecast provided that at least 75% of the immediately preceding advance and 100% of all period advances have been fully justified.	Ongoing	Complied and ongoing
<b>Para 19 - Counterpart Funding</b> Counterpart funding will be allocated to AIMS through the Government budgeting system.	Ongoing	Partially Complied. Counterpart funding provided to the project was quite limited in 2019.
<b>Para 20 - Beneficiary Contribution</b> Beneficiary contribution, mainly in kind, shall be properly accounting for in the AIMS accounting system.	Ongoing	Not Complied
<b>Para 33 - Appointment of first Independent Auditors</b> The Borrower / Recipient must appoint independent auditors acceptable to IFAD within 120 days after entry into force of the Agreement.	120 days after effectiveness	Not Complied
<b>Para 33 - Appointment of subsequent Independent Auditors</b> The Borrower / Recipient will appoint independent auditors acceptable to IFAD, within 120 days after the beginning of each succeeding fiscal year.	30 April 2018 30 April 2019	Not Complied Not Complied

Description	Target/Action Due Date	Compliance status
<b>Para 34 - Audit Log</b> Audit Log (of audit observations) shall be maintained and updated regularly.	Continuous	Complied
<b>Amendment dated 13 Oct 2017 - Interim Financial Reports (IFR)</b> Interim Financial Reports must be submitted to IFAD at quarterly intervals within 45 days after the period-end.	Ongoing	Complied



## **Cambodia**

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### **Accelerating Inclusive Markets for Smallholders (AIMS) Supervision Report**

#### **Appendix 4: Technical background analysis**

Mission Dates: 3-21 October 2019  
Document Date 18/11/2019  
Project No. 2000001268  
Report No. 5222-KH

Asia and the Pacific Division  
Programme Management Department

## Kingdom of Cambodia

### Building Adaptive Capacity through the Scaling-up of Renewable Energy Technologies in Rural Cambodia (S-RET)

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#### Supervision Aide Memoire

Type of mission	Supervision
Project Name	Building Adaptive Capacity through the Scaling-up of Renewable Energy Technologies in Rural Cambodia (S-RET)
Country	Kingdom of Cambodia
Country Programme Director	Mr Kaushik Barua, APR
Name of Project Director	Dr. Meas Pyseth
Date of mission (month/year)	16-21 October / 2019
Project Area:	Phase one: 5 Provinces (Kandal, Kampot, Takeo, Prey Veng, Svay Rieng), Phase 2: Country Wide
Days in the field	2 days
Field sites visited	2 Provinces: Takeo, Kampot
Mission composition	

Asia Pacific Region (APR)  
Programme Management Department



## Background and main objective of the mission

1. The Building Adaptive Capacity through the Scaling-up of Renewable Energy Technologies in Rural Cambodia (S-RET) Project Supervision Mission (SM) was organised in Cambodia from 16<sup>th</sup> to 21<sup>st</sup> October 2019. The main objective of the mission was to prepare an Aide Memoire agreed on between IFAD and the Royal Government of Cambodia (RGC) with an in-depth evaluation of progress, implementation challenges and the sustainability and scaling up of project interventions. The mission also assessed the financial disbursement against AWPB 2019. This aspect is particularly important given project completion in December 2020. Aligned with the programmatic approach, the mission also emphasized linkages with the Agriculture Services Programme for Innovation, Resilience and Extension (ASPIRE) programme and the Accelerating Inclusive Markets for Smallholders (AIMS) project.
2. The mission participated in consultations with central and provincial level staff under the Ministry of Agriculture, Forestry and Fisheries (MAFF) and met with National Biodigester Programme (NBP), PDAFF representatives (Kandal, Prey Veng, Svay Rieng, Kampot and Takeo) and 9 grantees currently active in Testing and Rollout grants. The mission also met with the Ministry of Environment, Department of Climate Change to evaluate the possibility for continued support to S-RET through GEF, GCF or other climate finance.

## Key mission agreements and Conclusions

3. S-RET has achieved 36.7% of its outreach target, supporting 2,937 out of target 8,000 households. Relevance of the programme is satisfactory and its potential for sustainability and scaling-up is moderately satisfactory (4/6).
4. **Independent evaluation of Testing grants** successfully accomplished and technical report completed. The evaluation results consider awarding four rollout grants. Moving forward, the S-RET team needs to ensure recruiting the marketing and business-coaching firm in parallel with signing of contracts with rollout grantees.
5. **AWPB 2020** preparation process will be integrated with ASPIRE (MSP, common mapping interface, group assessment tool, farmers groups networking) and serve the purpose of enhancing connections between business clusters and private entities supported by S-RET through the rollout grants. Based on preliminary calculations, approximately 4,935 RET installations will be installed by December 2020. Grantees rolling out RET for value-addition processes i.e. solar dryers for beef can benefit from certifying product quality (measuring moisture and nutrient content), branding and packaging. S-RET/MAFF can refer to ASPIRE AM recommendations regarding certification schemes.
6. **National Biodigester Programme (NBP)** will likely not reach the target of 3,000 biodigester installations. To date, NBP has installed 1,465 units installed (49%). Given the recent change in NBP programme director, the mission could not provide an in-depth review but reiterates MTR recommendations, which view NBP phasing out of the construction business, increasing its role in regulatory control, and leading the implementation of the MAFF Biodigester Policy. The international policy specialist will be responsible to follow-up on MTR recommendations.
7. **Knowledge Management.** KM consultant develop infographic material (video interviews, photographs on the themes of youth, gender, innovation, adaptation to climate change) to document results of the project. Field visits planned from 24 - 30 October 2019 and deliverables detailed in the TOR.

## Component 1:

8. In AWPB 2019, the activity *RET promotion through commercial fair events* has not yet occurred. Given time constraints, mission proposes a direct contracting arrangement with an experienced firm in renewable energy / agriculture sector that can organize promotional events/awareness campaigns in selected provinces.
9. **Financial incentives** under S-RET provide max USD150 for IGRF group members, Poor ID 1 and ID 2 farmers to support RET suppliers to expand outreach in more remote areas and empower private sector to promote technologies with a long-term sustainability. With ASPIRE expanding countrywide, support and increased engagement of grantees in the form of performance based incentives will be explored (i.e. lump sum for reaching new provinces or higher targets) for uptake of renewable energy technologies (RET).
10. **Business models and financial linkages.** One of the grantees, Kosol/LES have set-up innovative finance schemes where 50% of the total RET cost (US\$950) is paid up front; the remaining 50% paid in the form of dried beef/fish directly to the company (approximately 3kg per week) which has set up e-commerce/mobile platforms and working with retailers. Dried beef sells at US\$25/30 per kg. This business model is promising as it allows farmers to break-even within six months from investment and increase production capacity with secure marketing and sales networks.

11. Certain grantees already have linkages with existing microfinance institutions (MFIs) such as HKL, Amret, Vision, and Nexus Clean Revolving Fund. These financial channels need strengthening. The marketing and business-consulting firm together with the S-RET team to explore these options, including Rural Development Bank (RDB). One other challenge noted during discussions with various solar energy suppliers is that each company purchases solar panels at different retail prices (from US\$0.50 to US\$0.80 cents per watt).
12. **Limited knowledge and skills on RET at provincial, commune and village level.** Provincial departments require further capacity building support on RET (types, investment costs and benefits, operation and maintenance). S-RET should allocate funds to support the Department of Agricultural Engineering for establishing hands-on training and demonstration centres.
13. **Capacity building for Department of Agricultural Engineering (DAEng) and Department of Extension of Agriculture, Forestry and Fisheries (DEAFF).** As project completion approaches, there is a need to systemize the experiences of tested RETs, gather lessons learnt and outcome studies to generate evidence for policy dialogue. The project will develop an action plan to support training of provincial and national staff on RET. Mission suggests the DAEng and DEAFF prepare a detailed follow-up proposal by mid November 2019 for submission in AWPB 2020.
14. No specialized department under MAFF exists to support renewable energy for small-scale agriculture. The mission suggests that the international policy specialist prepare a brief note by end Jan 2020 on the current and future institutional setting to support renewable energy. Taking into account, Ministry of Mines and Energy (MME) caters more towards large-scale, grid-connected systems and there is limited collaboration with MME's Rural Electrification fund.

#### **Component 2:**

15. **Study tours.** Following the positive outcome from the study visit to Tamil Nadu Agricultural University (TNAU), second study visit planned from 3-8 November 2019 in Thailand to meet with representatives from the Department of Energy and discuss best practices on supportive policies for integration of renewable energy into agriculture. The concept note (with deliverables outputs and schedule) has been approved and no objection provided by IFAD.
16. **Policy studies.** The results of SBK policy study on energy use in smallholder agriculture discussed at TWG-CCAFF meeting on 25<sup>th</sup> Dec. 2018. The second policy study on economic and financial analysis of RET will be incorporated with other studies to develop MAFF policy on "Promotion of RET use in Agricultural Production and Agri-processing". The first draft was finalised in *Khmer* version and submitted to TWG-CCAFF for review and comments. The second TWG-CCAFF meeting to be organized end of November 2019 to review and consolidate comments.
17. Discussions are ongoing with Ministry of Environment to ensure alignment with National Committee for Sustainable Development (NCSD) objectives (in particular for climate mitigation and adaptation) which reflect the Nationally Determined Contributions (NDCs) now also an IFAD corporate tracking requirement.
18. **Coordination with ASPIRE.** Grantees have been testing RET over the past one year and understand farmer needs but also how to work with MAFF/PDAFF (reporting according to MAFF requirements and collaboration with CEWs, a good exit strategy for ASPIRE). Grantees to participate in future MSPs and S-RET to facilitate Technology Orientation workshops (already supported in three provinces - Kampong Chhnang, Pursat and Kratie).
19. **Curriculum development.** Post MTR, the mission suggested to develop a Renewable Energy module at RUA with support from RUPP and CAES. This activity to be further supported. S-RET team to explore the modalities for development of RET curriculum/module based on the experiences of the Sustainable Land Management (SLM) curriculum approved in RUA through support from WOCAT.
20. **The M&E and MIS systems.** With the recruitment of the M&E specialist, the project is tracking results on the ground through the MIS system. Field visits noted one challenge: entering farmer profile in the MIS system by CEW require extra travel time, which is not reflected in the ASPIRE-CEW contract. S-RET to allocate USD2 per CEW for this activity.
21. **Logframe and output targets.** Post-MTR certain risk mitigation measures involved adjustment of targets. Specifically, the output target on number of RET installations was reduced from 5,000 to 2,000. The rationale being the targets of biodigesters (3,000) were likely unachievable and 5000 households will invest in another RET which does not reduce non-renewable biomass (NRB) and fossil fuel used. Consequently, the development objective of GHG emission reduction potential reduced from 451,000 tons CO<sub>2e</sub> to at least 80,000 tons CO<sub>2e</sub>. The MTR report (in particular report 2: *GHG Reduction Benefit Assessment*) provides

valid reasons for these changes which at project completion will be re-calculated based on a re-identification of the baselines (given a mix of RET rolling out).

22. **Financial Management.** Overall, the Financial Management is well-managed, monthly financial reports are being prepared and quarterly financial statements submitted to IFAD and Withdrawal Applications submitted with regularity and Designated Account reconciliation is prepared monthly. By the end of Sept 2019, spent in Category 1: Grants and Subsidies was USD 930 994 (32.1%), Category II: Consultancies USD 519 556 (52.0%) and USD 240,474 (96.2%) for Category III: Operating costs, resulting in a total spent of USD 1 691 024 out of the total grant of USD 4 600 000 (36.8%). As of 30<sup>th</sup> September 2019, total balance remaining is USD 2 899 309. With one year remaining, disbursement has to pick up and more activities allocated for PDAFF in provinces beyond phase 1.
23. Considering that Category III: Operating Cost has already been utilised more than 96% of the original allocation and Unallocated amount is USD 450 000, there is a need to prepare financial projections of the project from Oct 2019 until Completion date (31 Dec 2020) and Closing date (30 June 2021) and submit a request for reallocations to IFAD for approval.
24. IFAD and the Royal Government of Cambodia endorse the findings of the supervision mission.

### Agreed Action

	Component 1	Responsibility	Deadline	Status
	<b>Project Management</b>			
1.	<b>Sign rollout agreements with Testing grantees (round one)</b> Finalize and sign contract agreements with four companies awarded rollout grants	MAFF/S-RET, grantees	15 Nov 2019	DONE
2.	<b>Recruit independent expert evaluator for reviewing round two testing grants</b> Assess potential rollout grants to award in round two and ensure consistency with criteria adopted in round one. Include national TAs to support this process.	MAFF/S-RET	December 2019	Agreed
3.	<b>ASPIRE-SRET coordination</b> Shared planning of MSP, common mapping, group assessment tool and farmers groups networking to support ASPIRE with increase use of PPP and contracting out instruments.	MAFF/S-RET, ASPIRE Sec.	Ongoing	Agreed
	<b>Component 1</b>	<b>Responsibility</b>	<b>Deadline</b>	<b>Status</b>
4.	<b>Testing grantees.</b> - Extend contract of Heifer International conditional to Heifer implementing as per contract RET in three ACs in Takeo by December 2019. - Terminate contract with CamSolar due to non-performance immediately. - Adjust targets for testing of NRG, CRDT and SOGE.	MAFF/S-RET	December 2019	
5.	<b>RET promotion through commercial fair events.</b> Promote commercial fair event in selected provinces for RET being rolled out.	MAFF/S-RET	December 2019	
6.	<b>RET competition event.</b> Prepare concept note detailing objectives and outcome of RET competition event. Pilot this in Takeo and if possible link with Provincial Technology Fair.	MAFF/S-RET	March 2020	
7.	<b>Financial incentives for RET suppliers</b> Ensure financial incentive of USD150 for each RET purchased by IGRF group members, Poor ID 1 and ID 2 farmers	MAFF/S-RET	Ongoing	
8.	<b>Recruit Marketing and Business firm</b> Amend TOR to include facilitation skills to access finance/credit for scaling up RET	MAFF/S-RET	15 Nov 2019	
	<b>Component 2</b>	<b>Responsibility</b>	<b>Deadline</b>	<b>Status</b>
9.	<b>Recruit International Policy specialist</b> Amend TOR to include follow-up of NBP activities under sub-component 1.3	MAFF/S-RET	15 Nov 2019	
10.	<b>Prepare TOR for 2<sup>nd</sup> policy study on economic and financial analysis of RET</b> Submit request for proposals and recruit consulting firm	MAFF/S-RET	January 2020	
11.	<b>Finalize draft Policy on RET for Agriculture</b> Finalise consultations and prepare an outline and key priorities by Q2 2020. Share a revised draft policy document in English with list of comments shared by TWG-CCAFF. Provide minutes of TWG-CCAFF meetings (in English version)	MAFF/S-RET	December 2019	
	<b>Knowledge Management</b>	<b>Responsibility</b>	<b>Deadline</b>	<b>Status</b>
12.	<b>Recruit two internships with remunerations</b> Interns with relevant background studies tasked to develop case studies for each rollout grant (total 6)	MAFF/S-RET	December 2019	
13.	<b>Finalize and translate Training Manual for each RET also in English version and share</b> The training manuals to be compiled, translated and disseminated to beneficiaries and all stakeholders	MAFF/S-RET	Ongoing	
	<b>M&amp;E / MIS</b>	<b>Responsibility</b>	<b>Deadline</b>	<b>Status</b>
14.	<b>Purchase technical monitoring equipment</b> Prepare a list of monitoring equipment for measuring various technical parameters (energy/water consumption, soil pH etc.)	MAFF/S-RET	January 2020	
15.	<b>Develop an online interactive map</b> Online database with exact GPS location of all RET installations (include the ASPIRE clusters that have introduced RET)	<b>MIS Specialist</b>	December 2019 (ongoing)	

16.	<b>Recruit consultancy firm/consultant to assess the GHG emission benefits of the project</b> End of project exercise to validate the GHG emission reduction potential of the project			
17.	<b>Update progress reporting template to reflect all actions and identify quarterly milestones for RET testing, roll-out and the NBP activities</b> as well as by mandating sex-disaggregated data collection and by including a chapter on women participation and gender equality.			
	<b>AWPB Preparation &amp; Approval</b>	<b>Responsibility</b>	<b>Deadline</b>	<b>Status</b>
18.	<b>Prepare AWPB 2020 and submit to IFAD</b> Ensure all remaining project funds allocated given project completion in December 2020	MAFF/S-RET, IFAD	15 Nov 2019	
19.	<b>Prepare financial projections of the project</b> from Oct 2019 until Completion date (31 Dec 2020) and Closing date (30 June 2021). Submit a request for reallocations including the 'unallocated funds' to IFAD for approval.	MAFF/S-RET, IFAD	30 Nov 2019	
20.	<b>Include budget for TA to NBP</b> Technical assistance to refine piloting of biogas running small-scale farm machinery.	MAFF/S-RET, NBP	March 2020	
21.	<b>Recruit short-term national consultant for development of Action Plan for RET Policy on Agriculture</b> Recruit a national policy specialist to support development of Action Plan (this will become a section in the RET Policy on Agriculture)	MAFF/S-RET	March 2020	
22.	<b>Prepare a concept note and detailed budget and workplan for capacity building of Department of Agricultural Engineering</b> To ensure exit strategy and operational sustainability of RET promoted, capacitate the Agricultural Engineering department especially at provincial level in troubleshooting, operation and maintenance of RET	MAFF/S-RET	15 Nov 2019	
23.	<b>MAFF/S-RET Workshop in Q3 2020</b> Organize S-RET workshop to discuss findings from S-RET project and present the draft RET Policy for Agriculture	MAFF/S-RET		

H.E. Dr Meas Pyseth  
Under-Secretary of State  
Ministry of Agriculture, Forestry and Fisheries

Mr Kaushik Barua  
Country Director  
International Fund for Agricultural Development

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Date

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Date



## **Cambodia**

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### **Accelerating Inclusive Markets for Smallholders (AIMS)**

#### **Supervision Report**

#### **Appendix 5: Mission preparation and planning, TORs, schedules, people met**

Mission Dates: 3-21 October 2019  
Document Date 18/11/2019  
Project No. 2000001268  
Report No. 5222-KH

Asia and the Pacific Division  
Programme Management Department

## Appendix 5: Mission preparation and planning, TORs, schedules, people met.

### A. TEAM Composition

	ASPIRE	AIMS	SRET
<b>Mission Leader</b>	Mr. Kaushik Barua		
<b>Deputy Mission Leader</b>	Mr. Meng Sakphouseth		
<b>Team Leader</b>	Mr. Manu Jouve (02 – 22 Oct) Ms. Elizabeth Ssendiwala (02 – 17 Oct)	Mr. Nigel Smith (02 – 22 Oct)	Mr. Karan Sehgal (15 – 21 Oct)
<b>Specific Mission Member</b>	Mr. Julian Abrams (Component 1 and 4) (no field visit)	Mr. SUN Yinhong (VCIF, SDF, and LC guideline) (02-12 Oct)	
<b>Cross Project Specialist</b>	Mr. Arsalan Vardag, Financial Specialist (Finance) (30th Sept – 21 Oct)		
	Mr. Phan Duy Toan, Procurement Specialist (Procurement) (12 – 28 Oct)		
	Mr. Krishna Thapa (M&E) (02 – 21 Oct)		
	Mr. Steven Jonckheere, Gender and Targeting Specialist (Gender and Targeting) (02 – 18 Oct)		
	Ms. Maliha Hamid Hussein (COSOP Progress Report) (12– 21 Oct)		

## B. Detail Schedule for IFAD Joint Super Mission from 02 to 22 October 2019

Date	Time	Activities	Participants	Place	Agenda	IFAD Team	AIMS
Thu. 3 Oct 19	08:30-12:00	Kick-Off Meeting	<ul style="list-style-type: none"> <li>- H.E Minister = 1</li> <li>- MAFF Delegation = 5</li> <li>- ASPIRE SEC = 10</li> <li>- DPS and DAF = 2</li> <li>- GDA = 2</li> <li>- DEAFF = 2</li> <li>- SNEC = 2</li> <li>- NCDDs = 2</li> <li>- RUA = 2</li> <li>- PLCA = 2</li> <li>- AIM = 15</li> <li>- S-RET = 5</li> <li>- MEF = 2</li> <li>- IFAD = 9</li> </ul> <b>Total = 61</b>	MAFF-DIC Meeting Room	<ul style="list-style-type: none"> <li>- Welcome Speech by ASPIRE &amp; S-RET Director</li> <li>- Welcome Remark Speech by IFAD Representative</li> <li>- Minister's Remarks and Recommendations</li> <li>- Short presentation by each project (ASPIRE, S-RET &amp; AIM)-15mn <ul style="list-style-type: none"> <li>• project doc</li> <li>• progress and log-frame</li> <li>• Good impacts/ recommendations</li> </ul> </li> <li>- Open Discussion</li> <li>- Finalize detail schedule</li> </ul>	<ul style="list-style-type: none"> <li>- Mr. Kaushik Barua</li> <li>- Mr. Meng Sakphouseh</li> <li>- Mr. Manu Jouve</li> <li>- Mr. Nigel Smith</li> <li>- Ms. Elizabeth Ssendiwala</li> <li>- Mr. Julian Abrams</li> <li>- Mr. SUN Yinhong</li> <li>- Mr. Arsalan Vardag</li> <li>- Mr. Krishna Thapa</li> <li>- Mr. Steven Jonckheere</li> </ul>	<ol style="list-style-type: none"> <li>1. Mr. Chan Sokty</li> <li>2. Mr. Samrith Sakura</li> <li>3. Mr. Oung Sokhan</li> <li>4. Ms. Kong Sedika</li> <li>5. Mr. Long Khemvichet</li> <li>6. Mr. Ung Dara Rat Moni</li> <li>7. Mr. Kim Hout</li> <li>8. Mr. Chheang Borin</li> <li>9. Mr. Tous Sina</li> <li>10. Mr. Lee Renato</li> <li>11. Mr. Sieng Komira</li> <li>12. Mr. Lim Chan Sopheak</li> <li>13. Mr. Lim Amrin</li> <li>14. Mr. Khieu Hout</li> <li>15. Mr. Thouk Bunroeun</li> <li>16. Mr. Kim Lydeth</li> <li>17. Mr. Sou Vuthy</li> <li>18. Mr. Duong Vannarith</li> <li>19. Mr. Leang Heng</li> <li>20. Mr. Hor Daluch</li> </ol>
	14:00-17:00	Meeting with AIMS	<ul style="list-style-type: none"> <li>- PMO</li> <li>- PIU</li> <li>- HUB Manager</li> <li>- Deputy Hub Manager</li> </ul>	Bayon Meeting Room at First Floor	<ul style="list-style-type: none"> <li>- Welcome Speech by AIMS Director</li> <li>- Remark by IFAD Mission Team Leader</li> <li>- Open discussion on main documents</li> </ul>	<ul style="list-style-type: none"> <li>- Mr. Nigel Smith</li> <li>- Mr. Meng Sakphouseh</li> <li>- Mr. SUN Yinhong</li> <li>- Mr. Krishna Thapa</li> <li>- Mr. Arsalan Vardag</li> <li>- Mr. Steven Jonckheere</li> </ul>	

Date	Time	Activities	Participants	Place	Agenda	IFAD Team	AIMS
	14:00-14:30	Meeting with PLCA	- 6	ASIRE SEC Room	- Short Presentation (5mn) - Discussion	- Mr. Manu Jouve - Ms. Elizabeth Ssendiwala - Mr. Julian Abrams	-
	14:30-15:30	Meeting with RUA	- 5	ASIRE SEC Room	- Short Presentation (5mn) - Discussion		-
	15:30-16:30	Meeting with GDA	- 10	ASIRE SEC Room	- Discussion		-
	16:30-17:30	Meeting with DEAFF	- 8	ASIRE SEC Room	- Short Presentation (5mn) - Discussion		-
<b>Fri. 4 Oct 19</b>	08:30-12:00	AIMS Meeting with MEF & RDB	- PIU - RDB	MEF Meeting Room	- To contact Bong Mony	- Mr. Nigel Smith - Mr. Meng Sakphouseh - Mr. SUN Yinhong	- AIMS Managements - 2 VCs - Mr. Ung Dara Rat Moni - Mr. Thouk Bunroeun
	14:00-17:00	AIM's Meeting with key project partners	- PMO - PIU - HUB Manager - Deputy Hub Manager - GIC - Heifer Cambodia - VSO - AVSF - CIAT - RDB	Bayon Meeting Room First Floor	-		
	08:00-10:30	Meeting with ASPIRE SEC	- 20	ASPIRE Meeting Room	- Short Presentation (5mn) - Discussion	- Mr. Manu Jouve - Ms. Elizabeth Ssendiwala - Mr. Julian Abrams - Mr. Steven Jonckheere	-
	11:00-12:00	Meeting with SNEC	- 4	MEF-Building C, 5th floor	- Short Presentation (5mn) - Discussion		-
	14:00-15:00	Meeting with NCDDs	- 10	Building T 2nd Floor	- Short Presentation (5mn) - Discussion		-
	15:30-	Meeting with	- 13	DPS Meeting Room	- Short Presentation		-

Date	Time	Activities	Participants	Place	Agenda	IFAD Team	AIMS
	17:00	DPS			(5mn) - Discussion		
	17:00	Leaving for Takeo	- ASPIRE SEC = 5-8 - GDA = 3 - DAEFF = 2 - DPS = 2 - IFAD = 8		Hotel Takeo-Villa 012 991 658/088 555 9365 Booked by ASPIRE Team	- Mr. Meng Sakphouseth - Mr. Nigel Smith - Mr. SUN Yinhong - Mr. Steven Jonckheere (AIMS Vehicle)  - Mr. Manu Jouve - Ms. Elizabeth Ssendiwala - Mr. Arsalan Vardag - Mr. Krishna Thapa (ASPIRE Vehicle)	- Mr. Ung Dara Rat Moni - Mr. Thouk Bunroeun - Ms. Kong Sedika - Mr. Lim Chan Sopheak - Ms. Kim Channary - KMC - M&E
<b>Sat. 5 Oct 19</b>	08:00-12:00	AIMS Field Visit	- Supervision Mission Team - PMO Team - Hub Team - Focal staffs from PDoC Kampot - SMM SMS and SM - Representative Producers - Representative Buyers - Representative Input supplier	- Lvethmei Village, Praimbeimom Commune, Treang District, Takeo province.	Conduct Meeting with the members of the backyard chicken cluster and giving a practical review of the production and packaging location.	- Mr. Meng Sakphouseth - Mr. Nigel Smith - Mr. SUN Yinhong - Mr. Steven Jonckheere	- Mr. Ung Dara Rat Moni - Mr. Thouk Bunroeun - Ms. Kong Sedika - Mr. Lim Chan Sopheak - Ms. Kim Channary - KMC - M&E
		ASPIRE 'Field Visit	- ASPIRE Team - PDAFF	- Kdey run village, Khvav Commune, Traing District	- Visit Chicken cluster and hatching with S-RET - Visit Chick hatching	- Mr. Manu Jouve - Ms. Elizabeth Ssendiwala - Mr. Arsalan Vardag - Mr. Krishna Thapa	-
	14:00-17:00	AIMS Field Visit	- PMO Team	Trapeangpring Khangchoeung	Conduct Meeting with the members of the	- Mr. Meng Sakphouseth	- Mr. Ung Dara Rat Moni - Mr. Thouk Bunroeun

Date	Time	Activities	Participants	Place	Agenda	IFAD Team	AIMS
			<ul style="list-style-type: none"> <li>- Hub Team</li> <li>- Focal staffs from PDoC Kampot</li> <li>- SMM SMS and SM</li> <li>- Representative Producers</li> <li>- Representative Buyers</li> <li>- Representative Input supplier</li> </ul>	Village, Trapeangpring Commune, Tuekchhou District, Kampot Province	Vegetable cluster and giving a practical review of the production Location.	<ul style="list-style-type: none"> <li>- Mr. Nigel Smith</li> <li>- Mr. SUN Yinhong</li> <li>- Mr. Steven Jonckheere</li> </ul>	<ul style="list-style-type: none"> <li>- Ms. Kong Sedika</li> <li>- Mr. Lim Chan Sopheak</li> <li>- Ms. Kim Channary</li> <li>- KMC</li> <li>- M&amp;E</li> </ul>
		ASPIRE 'Field Visit	<ul style="list-style-type: none"> <li>- ASPIRE Team</li> <li>- PDAFF</li> </ul>	- Trang Kok Commune, Trang Kok District	- Visit Vegetable Cluster	<ul style="list-style-type: none"> <li>- Mr. Manu Jouve</li> <li>- Ms. Elizabeth Ssendiwala</li> <li>- Mr. Arsalan Vardag</li> <li>- Mr. Krishna Thapa</li> </ul>	-
<b>Sun. 6 Oct 19</b>	08:00-12:00	AIMS Field Visit	<ul style="list-style-type: none"> <li>- PMO Team</li> <li>- Hub Team</li> <li>- SMM SMS and SM</li> <li>- Representative Producers</li> <li>- Representative Buyers</li> <li>- Representative Input supplier</li> </ul>	Prey Preay village, Angtasorm Commune, Tramkok District, Takeo province	Conduct Meeting with the members of the Chicken cluster and giving a practical review of the production Location.	<ul style="list-style-type: none"> <li>- Mr. Nigel Smith</li> <li>- Mr. SUN Yinhong</li> <li>- Mr. Arsalan Vardag</li> <li>- Mr. Krishna Thapa</li> </ul>	-
		ASPIRE 'Field Visit	<ul style="list-style-type: none"> <li>- ASPIRE Team</li> <li>- PDAFF</li> </ul>	Ponlue village, Chumrash pen commune, Samrong district	Visit vegetable cluster	<ul style="list-style-type: none"> <li>- Mr. Meng Sakphouseh</li> <li>- Mr. Manu Jouve</li> <li>- Ms. Elizabeth Ssendiwala</li> <li>- Mr. Steven Jonckheere</li> </ul>	-
	14:00-17:00	AIMS Field Visit	<ul style="list-style-type: none"> <li>- PMO Team</li> <li>- Hub Team</li> <li>- Focal staffs from PDoC Kampong</li> </ul>	Kaheng commune, Samrongtong District, Kampong Speu province	Conduct Meeting with the members of the Vegetable cluster and giving a practical review	<ul style="list-style-type: none"> <li>- Mr. Nigel Smith</li> <li>- Mr. SUN Yinhong</li> <li>- Mr. Arsalan Vardag</li> <li>- Mr. Krishna Thapa</li> </ul>	-

Date	Time	Activities	Participants	Place	Agenda	IFAD Team	AIMS
			<ul style="list-style-type: none"> <li>Speu</li> <li>- SMM SMS and SM</li> <li>- Representative Producers</li> <li>- Representative Buyers</li> <li>- Representative Input supplier</li> </ul>		of the production Location.		
		ASPIRE 'Field Visit	<ul style="list-style-type: none"> <li>- ASPIRE Team</li> <li>- PDAFF</li> </ul>	<ul style="list-style-type: none"> <li>- Nheng Nhorng commune, Kush commune, Tramkak district</li> </ul>	<ul style="list-style-type: none"> <li>- Chicken cluster</li> <li>- Chicken hatchery</li> </ul>	<ul style="list-style-type: none"> <li>- Mr. Meng Sakphouseth</li> <li>- Mr. Manu Jouve</li> <li>- Ms. Elizabeth Ssendiwala</li> <li>- Mr. Steven Jonckheere</li> </ul>	-
<b>Mon. 7 Oct 19</b>	08:30-12:00	AIMS Working session with Hub	<ul style="list-style-type: none"> <li>- PMO</li> <li>- PIU</li> <li>- Hub Team</li> </ul>	- PDOC Takeo	<ul style="list-style-type: none"> <li>- Welcome remark by Mr. Tous Sina,</li> <li>- Remarks by IFAD Mission Leader</li> <li>- Remarks by IFAD Mission Team Leader</li> <li>- Open discussion</li> </ul>	<ul style="list-style-type: none"> <li>- Mr. Meng Sakphouseth</li> <li>- Mr. Nigel Smith</li> <li>- Mr. SUN Yinhong</li> <li>- Mr. Krishna Thapa</li> </ul>	<ul style="list-style-type: none"> <li>- Mr. Chan Sokty</li> <li>- Mr. Ung Dara Rat Moni</li> <li>- Mr. Thouk Bunroeun</li> <li>- Ms. Kong Sedika</li> <li>- Mr. Lim Chan Sopheak</li> <li>- Ms. Kim Channary</li> <li>- KMC</li> <li>- M&amp;E</li> </ul>
		Meeting with PDAFF	- PDAFF	PDAFF's Meeting Room	-	<ul style="list-style-type: none"> <li>- Mr. Manu Jouve</li> <li>- Ms. Elizabeth Ssendiwala</li> <li>- Mr. Steven Jonckheere</li> <li>- Mr. Arsalan Vardag</li> </ul>	-
		Joint debriefing with ASPIRE & AIMS in Takeo	<ul style="list-style-type: none"> <li>- ASPIRE</li> <li>- AIMS</li> </ul> <b>Total = 50</b>	AIM's Meeting Room	<ul style="list-style-type: none"> <li>- Presentation of plenary findings</li> <li>- Discussion</li> </ul>	<ul style="list-style-type: none"> <li>- Mr. Meng Sakphouseth</li> <li>- Mr. Nigel Smith</li> <li>- Mr. SUN Yinhong</li> <li>- Mr. Krishna Thapa</li> <li>- Mr. Manu Jouve</li> </ul>	-
	14:00-17:00						

Date	Time	Activities	Participants	Place	Agenda	IFAD Team	AIMS
						<ul style="list-style-type: none"> <li>- Ms. Elizabeth Ssendiwala</li> <li>- Mr. Steven Jonckheere</li> <li>- Mr. Arsalan Vardag</li> </ul>	
<b>Tue. 8 Oct 19</b>	Full day	Hotel Check out					
		Leaving from Takeo to BTB	<ul style="list-style-type: none"> <li>- ASPIRE Team = 15</li> <li>- NCDDs = 3</li> <li>- IFAD</li> </ul>		Hotel Classy 076 868 6666/ 097 97 39 500	<ul style="list-style-type: none"> <li>- Mr. Meng Sakphouseth</li> <li>- Mr. Nigel Smith</li> <li>- Mr. SUN Yinhong</li> <li>- Mr. Steven Jonckheere (AIMS Vehicle)</li> <li>- Mr. Manu Jouve</li> <li>- Ms. Elizabeth Ssendiwala</li> <li>- Mr. Arsalan Vardag</li> <li>- Mr. Krishna Thapa</li> <li>- Pick up Ms. Barseba Tekle, from Villa Lungka (ASPIRE Vehicle)</li> </ul>	-
<b>Wed. 9 Oct 19</b>	08:00-12:00	AIMS Field Visit	<ul style="list-style-type: none"> <li>- VC (facilitator)</li> <li>- DHM (translator)</li> <li>- HM/M&amp;E</li> <li>- IFAD Mission</li> <li>- PMO</li> <li>- PIA, CoC, CFAP, SM</li> </ul>	Koh Thom village, Rukha Kiri District, Battambang	"Meet with the involved actors in the chicken business contract development and implementation"	<ul style="list-style-type: none"> <li>- Mr. Meng Sakphouseth</li> <li>- Mr. Nigel Smith</li> <li>- Mr. SUN Yinhong</li> <li>- Ms. Barseba Tekle</li> </ul>	<ul style="list-style-type: none"> <li>- Mr. Ung Dara Rat Moni</li> <li>- Mr. Thouk Bunroeun</li> <li>- Mr. Samrith Sakura</li> <li>- Mr. Sieng Komira</li> <li>- Mr. Cheng Srunhak</li> <li>- KMC</li> <li>- M&amp;E</li> </ul>
		ASPIRE's Field Visit	<ul style="list-style-type: none"> <li>- ASPIRE Team = 15</li> <li>- NCDDs = 3</li> <li>- PD AFF</li> </ul>	- Ta Sanh Commune, Sam Lot District	- Visit Pig AI Raising	<ul style="list-style-type: none"> <li>- Mr. Manu Jouve</li> <li>- Ms. Elizabeth Ssendiwala</li> <li>- Mr. Steven Jonckheere</li> </ul>	-



Date	Time	Activities	Participants	Place	Agenda	IFAD Team	AIMS
	13:00-17:30	AIMS Field Visit	<ul style="list-style-type: none"> <li>- VC (facilitator)</li> <li>- DHM (translator)</li> <li>- HM/M&amp;E</li> <li>- IFAD Mission</li> <li>- PMO</li> <li>- PIA, CoC, CFAP, SM</li> </ul>	Prek Taven Village, Prek Chik commune, Rukha Kiri District, Battambang	"Visit the vegetables collection activities between the contracted cluster farmers and a local collector"	<ul style="list-style-type: none"> <li>- Mr. Krishna Thapa</li> <li>- Mr. Meng Sakphouseh</li> <li>- Mr. Nigel Smith</li> <li>- Mr. SUN Yinhong</li> <li>- Ms. Barseba Tekle</li> </ul>	<ul style="list-style-type: none"> <li>- Mr. Ung Dara Rat Moni</li> <li>- Mr. Thouk Bunroeun</li> <li>- Mr. Samrith Sakura</li> <li>- Mr. Sieng Komira</li> <li>- Mr. Cheng Srunhak</li> <li>- KMC</li> <li>- M&amp;E</li> </ul>
		ASPIRE's Field Visit	<ul style="list-style-type: none"> <li>- ASPIRE Team = 15</li> <li>- NCDDs = 3</li> <li>- PDAFF</li> </ul>	<ul style="list-style-type: none"> <li>- Khleang Meas Commune, Bovel District</li> <li>- Khnach Romeas, Bovel District</li> </ul>	<ul style="list-style-type: none"> <li>- Visit Chicken Raising</li> <li>- Vegetable Production</li> </ul>	<ul style="list-style-type: none"> <li>- Mr. Manu Jouve</li> <li>- Ms. Elizabeth Ssendiwala</li> <li>- Mr. Steven Jonckheere</li> <li>- Mr. Krishna Thapa</li> <li>-</li> </ul>	-
<b>Thu. 10 Oct 19</b>	08:00-12:00	AIMS Field Visit	<ul style="list-style-type: none"> <li>- VC (facilitator)</li> <li>- DHM (translator)</li> <li>- HM/M&amp;E</li> <li>- IFAD Mission</li> <li>- PMO</li> <li>- PIA, CoC, CFAP, SM</li> </ul>	Trabaek Village, Mongkol Borei District, Banteay Mean Chey.	"Join B2B event where rice contracts will be renewed for 2 <sup>nd</sup> crop between the rice cluster farmers and a rice trader in Mongkol Borei District"	<ul style="list-style-type: none"> <li>- Mr. Meng Sakphouseh</li> <li>- Mr. Nigel Smith</li> <li>- Mr. SUN Yinhong</li> <li>- Mr. Krishna Thapa</li> </ul>	<ul style="list-style-type: none"> <li>- Mr. Ung Dara Rat Moni</li> <li>- Mr. Thouk Bunroeun</li> <li>- Mr. Samrith Sakura</li> <li>- Mr. Sieng Komira</li> <li>- Mr. Cheng Srunhak</li> <li>- KMC</li> <li>- M&amp;E</li> </ul>
		ASPIRE's Field Visit	<ul style="list-style-type: none"> <li>- ASPIRE Team = 15</li> <li>- NCDDs = 3</li> <li>- PDAFF</li> </ul>	<ul style="list-style-type: none"> <li>- Mong commune,</li> <li>- Prey Touch Commune, Moug Russey District</li> </ul>	<ul style="list-style-type: none"> <li>- Visit Chicken, vegetable Production</li> <li>- Visit Canal made by NCDD</li> </ul>	<ul style="list-style-type: none"> <li>- Mr. Manu Jouve</li> <li>- Ms. Elizabeth Ssendiwala</li> <li>- Mr. Steven Jonckheere</li> <li>- Ms. Barseba Tekle</li> </ul>	-
	14:00-17:00	AIMS Working session with Hub	<ul style="list-style-type: none"> <li>- PMO</li> <li>- PIU</li> <li>- Hub Team</li> </ul>	- PDOC Battambang	<ul style="list-style-type: none"> <li>- Welcome remark by Mr. Kim Huot,</li> <li>- Remarks by IFAD Mission Leader</li> <li>- Remarks by IFAD Mission Team Leader</li> <li>- Open discussion</li> </ul>	<ul style="list-style-type: none"> <li>- Mr. Meng Sakphouseh</li> <li>- Mr. Nigel Smith</li> <li>- Mr. SUN Yinhong</li> <li>- Mr. Krishna Thapa</li> </ul>	<ul style="list-style-type: none"> <li>- Mr. Chan Sokty</li> <li>- Mr. Ung Dara Rat Moni</li> <li>- Mr. Thouk Bunroeun</li> <li>- Mr. Samrith Sakura</li> <li>- Mr. Sieng Komira</li> <li>- Mr. Cheng Sunhak</li> <li>- KMC</li> <li>- M&amp;E</li> </ul>

Date	Time	Activities	Participants	Place	Agenda	IFAD Team	AIMS
		Working session with Provincial Authority and PDAFF	- ASPIRE Team = 15 - NCDDs = 3 - PDAFF	PDAFF Meeting Room	- Discussion	- Mr. Manu Jouve - Ms. Elizabeth Ssendiwala - Mr. Steven Jonckheere - Ms. Barseba Tekle	-
<b>Fri. 11 Oct 19</b>	08:30-12:00	Joint debriefing with ASPIRE & AIMS	- ASPIRE Team = 15 - NCDDs = 3 - PDAFF - AIMS	PDAFF Meeting Room	- Presentation of plenary findings - Discussion	- Mr. Kaushik Barua - Mr. Meng Sakphouseth - Mr. Nigel Smith - Mr. SUN Yinhong - Mr. Krishna Thapa - Mr. Manu Jouve - Ms. Elizabeth Ssendiwala - Mr. Steven Jonckheere - Ms. Barseba Tekle - Mr. Arsalan Vardag	-
	13:00-14:00	AIMS Leave for Siem Reap				- Mr. Kaushik Barua - Mr. Meng Sakphouseth - Mr. Nigel Smith - Mr. SUN Yinhong - Mr. Krishna Thapa - Mr. Steven Jonckheere	- Mr. Ung Dara Rat Moni - Mr. Thouk Bunroeun - Mr. Samrith Sakura - Mr. Sieng Komira - Mr. Cheng Srunhak - KMC - M&E
		ASPIRE's Leave for Pursat	- ASPIRE Team = 15 - NCDDs = 3		Hotel KM 076 868 6666/ 097 97 39 500	- Mr. Manu Jouve - Ms. Elizabeth Ssendiwala - Ms. Barseba Tekle - Mr. Arsalan Vardag	-
	14:00-17:00	AIMS Travel to Siem Reap	-			- Mr. Kaushik Barua - Mr. Meng Sakphouseth - Mr. Nigel Smith	- Mr. Ung Dara Rat Moni - Mr. Thouk Bunroeun - Mr. Samrith Sakura - Mr. Sieng Komira

Date	Time	Activities	Participants	Place	Agenda	IFAD Team	AIMS
						<ul style="list-style-type: none"> <li>- Mr. SUN Yinhong</li> <li>- Mr. Krishna Thapa</li> <li>- Mr. Steven Jonckheere</li> </ul>	<ul style="list-style-type: none"> <li>- Mr. Cheng Srunhak</li> <li>- KMC</li> <li>- M&amp;E</li> </ul>
		ASPIRE's Field Visit in Pursat	<ul style="list-style-type: none"> <li>- ASPIRE Team = 15</li> <li>- NCDDs = 3</li> <li>- PDAFF</li> </ul>	<ul style="list-style-type: none"> <li>- Chreng Village, Svay Luong commune, Kandieng District,</li> <li>- Veal village, Sresdok commune, Kandieng District</li> <li>- Chamkar Tapor, Phteas Koh, Pou Pi village at Sre Sdok commune, Kandieng district</li> <li>- Yos, Prey Kdei Leu, Kandal and Sthany villages, Kandieng Commune, Kandieng district</li> </ul>	<ul style="list-style-type: none"> <li>- Visit Vegetable Business Cluster (AC)</li> <li>- Chicken Cluster (CO)</li> <li>- Visit Irrigation canal small scale resilient infra.</li> </ul>	<ul style="list-style-type: none"> <li>- Mr. Manu Jouve</li> <li>- Ms. Elizabeth Ssendiwala</li> <li>- Ms. Barseba Tekle</li> <li>- Mr. Arsalan Vardag</li> </ul>	-
<b>Sat. 12 Oct 19</b>	08:30-11:00	AIMS Field Visit	<ul style="list-style-type: none"> <li>- PMO</li> <li>- PIU</li> <li>- Hub Team</li> </ul>	<ul style="list-style-type: none"> <li>- Chrey Kangchoeung village, Kean Sangke commune, Sotr Nikum district</li> </ul>	"Meet with a trader, GIC and chicken cluster farmers expanded their production to meet the high demand of chicken"	<ul style="list-style-type: none"> <li>- Mr. Kaushik Barua</li> <li>- Mr. Meng Sakphouseh</li> <li>- Mr. Nigel Smith</li> <li>- Mr. SUN Yinhong</li> <li>- Mr. Krishna Thapa</li> <li>- Mr. Steven Jonckheere</li> </ul>	<ul style="list-style-type: none"> <li>- Mr. Ung Dara Rat Moni</li> <li>- Mr. Thouk Bunroeun</li> <li>- Mr. Samrith Sakura</li> <li>- Mr. Sieng Komira</li> <li>- Mr. Cheng Srunhak</li> <li>- KMC</li> <li>- M&amp;E</li> </ul>
		Meeting with Pursat PDAFF	<ul style="list-style-type: none"> <li>- ASPIRE Team = 15</li> <li>- NCDDs = 3</li> <li>- PDAFF</li> </ul>	Pursat PDAFF Meeting Room	<ul style="list-style-type: none"> <li>- Presentation</li> <li>- Discussion</li> </ul>	<ul style="list-style-type: none"> <li>- Mr. Manu Jouve</li> <li>- Ms. Elizabeth Ssendiwala</li> <li>- Ms. Barseba Tekle</li> <li>- Mr. Arsalan Vardag</li> </ul>	-

Date	Time	Activities	Participants	Place	Agenda	IFAD Team	AIMS
	13:00-16:00	AIMS Field Visit	- PMO - PIU - Hub Team	Botdongkao village, Samroang commune, Soutr Nikum district	"Meet with a Vegetable Community who bring their vegetables to sell at the Weekly Market"	- Mr. Kaushik Barua - Mr. Meng Sakphouseth - Mr. Nigel Smith - Mr. SUN Yinhong - Mr. Krishna Thapa - Mr. Steven Jonckheere	- Mr. Ung Dara Rat Moni - Mr. Thouk Bunroeun - Mr. Samrith Sakura - Mr. Sieng Komira - Mr. Cheng Srunhak - KMC - M&E
		Field Visit	- ASPIRE Team = 15 - NCDDs = 3 - PDAFF	Krakor disitrcet, - Saravan village, Sna Ansa commune, - Anlong Thnaot commune,	- Visit to chicken production clusters	- Mr. Manu Jouve - Ms. Elizabeth Ssendiwala - Ms. Barseba Tekle - Mr. Arsalan Vardag	-
	15:00	Leaving for Kampong Chhnang	-		Hotel Sovann Phom 076 868 6666/ 097 97 39 500	- Mr. Manu Jouve - Ms. Elizabeth Ssendiwala - Ms. Barseba Tekle - Mr. Arsalan Vardag	-
<b>Sun. 13 Oct 19</b>	07:30-08:30	AIMS Market Visit	- SRP PDoC (AIMS officials) - SRP PDAFF - PMO - PIU - Hub Team	- Weekly market (Siem Reap Town)	- Visit weekly market that coordinate by AIMS PDOC Siem Reap	- Mr. Kaushik Barua - Mr. Meng Sakphouseth - Mr. Nigel Smith - Mr. Krishna Thapa - Mr. Steven Jonckheere	- Mr. Ung Dara Rat Moni - Mr. Thouk Bunroeun - Mr. Samrith Sakura - Mr. Sieng Komira - Mr. Cheng Srunhak - KMC - M&E
	08:30-9:15	Angkor Market	- PMO - PIU - Hub Team	- Visit Angkor Market (Siem Reap Town)	- To see the chicken product that supply to Angkor market		-
	9:15-11:00	Meeting with Partners	- Agrisud - GRET - SRP PDAFF - SRP PDoC (AIMS officials)	- PDOC Siem Reap	- Discussion with partners		-

Date	Time	Activities	Participants	Place	Agenda	IFAD Team	AIMS
			- PMO - PIU - Hub Team				
	12:00-17:00	Leaving back to Phnom Penh					
	08:00-12:00	ASPIRE's Field Visit	- ASPIRE Team = 15 - NCDDs = 3 - PDAFF	- Chres commune, Kampong Tralach - Chueng Krev commune, Rolea B'ier District.	- Canal (component 4) - Visit Chicken cluster	- Mr. Manu Jouve - Ms. Elizabeth Ssendiwala - Ms. Barseba Tekle - Mr. Arsalan Vardag	-
	14:00-17:00	ASPIRE's Field Visit	- ASPIRE Team = 15 - NCDDs = 3 - PDAFF	- Prasneb commune, - Bantey Prel commune Rolea B'ier District	- Visit Chicken Production business cluster - Visit Vegetable business cluster -	- Mr. Manu Jouve - Ms. Elizabeth Ssendiwala - Ms. Barseba Tekle - Mr. Arsalan Vardag	-
<b>Mon. 14 Oct 19</b>	08:30-12:00	AIMS Meeting	- GIC and Heifer	- GDDT Meeting room/MOC	- Discussion	- Mr. Meng Sakphouseth - Mr. Nigel Smith - Mr. Steven Jonckheere	-
		ASPIRE's Working session with PA and PDAFF	- ASPIRE Team = 15 - NCDDs = 3 - PDAFF	PDAFF's Meeting Room	- Discussion	- Mr. Manu Jouve - Ms. Elizabeth Ssendiwala - Ms. Barseba Tekle - Mr. Arsalan Vardag	-
	14:00-15:30	AIMS Meeting	- AVSF	- GDDT Meeting room/MOC	- Discussion	- Mr. Meng Sakphouseth - Mr. Nigel Smith - Mr. Steven Jonckheere	-
		ASPIRE's Field Visit	- ASPIRE Team = 15 - NCDDs = 3	- Teuk hout Commune, Rolea B'ier District.	- Visit Vegetable cluster	- Mr. Manu Jouve - Ms. Elizabeth Ssendiwala	-

Date	Time	Activities	Participants	Place	Agenda	IFAD Team	AIMS
			- PDAFF			- Ms. Barseba Tekle - Mr. Arsalan Vardag	
	17:00	Leaving for PP	- ASPIRE Team = 15 - NCDDs = 3			- Mr. Manu Jouve - Ms. Elizabeth Ssendiwala - Ms. Barseba Tekle - Mr. Arsalan Vardag	-
<b>Tue. 15 Oct 19</b>	08:30-10:00	Team internal work			-	-	-
	10:30-12:00		-		-	-	-
	08:30-09:30	ASPIRE's Meeting with Private sectors	- East West Seed = 2	Mr. Boreth's Room	- East West Seed	- Mr. Manu Jouve - Ms. Elizabeth Ssendiwala - Mr. Meng Sakphouseth	-
	09:30-10:30		- Khmer Organic	Mr. Boreth's Room	- Net house		
	10:30-11:30		- Chain Project	Mr. Boreth's Room	- Collaboration - Sharing technology		
	14:00-15:00	Meeting with GDA	- GDA	GDA Meeting Room		- Mr. Manu Jouve - Ms. Elizabeth Ssendiwala - Mr. Meng Sakphouseth	-
<b>Wed-Thu 16-17 Oct</b>	Full day	IFAD Office	IFAD				
<b>Fri 18 Oct 19</b>	14:00-17:00	AIMS Pre-Wrap up at MOC	- PMO - PIU	GDDT Meeting room MOC	- Presentation of plenary findings - Discussion	- Mr. Meng Sakphouseth - Mr. Nigel Smith - Mr. SUN Yinhong - Mr. Krishna Thapa - Mr. Steven Jonckheere	-

Date	Time	Activities	Participants	Place	Agenda	IFAD Team	AIMS
		ASPIRE-Pre Wrap up at MAFF	<ul style="list-style-type: none"> <li>- ASPIRE SEC = 10</li> <li>- DPS and DAF = 5</li> <li>- GDA = 3</li> <li>- DEAFF = 3</li> <li>- SNEC = 3</li> <li>- NCDDs = 3</li> <li>- RUA = 3</li> <li>- PLCA = 2</li> <li>- MEF = 2</li> <li>- IFAD = 13</li> <li>- 2person/PDAFF (Takeo, K.Chhnang, Pursat and BTB)</li> </ul>	MAFF-DIC Meeting Room	<ul style="list-style-type: none"> <li>- Presentation of plenary findings</li> <li>- Discussion</li> </ul>	<ul style="list-style-type: none"> <li>- Ms. Maliha Hamid Hussein</li> <li>- Mr. Kaushik Barua</li> <li>- Mr. Manu Jouve</li> <li>- Ms. Barseba Tekle</li> <li>- Mr. Arsalan Vardag</li> <li>- Mr. Julian Abrams</li> <li>- Mr. Phan Duy Toan</li> </ul>	-
<b>Sat-Sun 19-20 Oct</b>	Full day	IFAD Office	IFAD				
<b>Mon 21 Oct 19</b>	08:30- 12:00	ASPIRE and S-RET's Wrap up	<ul style="list-style-type: none"> <li>- ASPIRE SEC = 20</li> <li>- DPS and DAF = 10</li> <li>- GDA = 5</li> <li>- DEAFF = 5</li> <li>- SNEC = 3</li> <li>- NCDDs = 5</li> <li>- RUA = 5</li> <li>- PLCA = 2</li> <li>- MEF = 2</li> <li>- AIMS = 5</li> <li>- S-RET = 15</li> </ul>	Meeting Room ?????	<ul style="list-style-type: none"> <li>- Presentation of findings</li> <li>- Discussion</li> <li>- Agreed action plans</li> </ul>	<ul style="list-style-type: none"> <li>- Mr. Meng Sakphouseh</li> <li>- Mr. Nigel Smith</li> <li>- Mr. Krishna Thapa</li> <li>- Ms. Maliha Hamid Hussein</li> <li>- Mr. Kaushik Barua</li> <li>- Mr. Manu Jouve</li> <li>- Ms. Barseba Tekle</li> <li>- Mr. Arsalan Vardag</li> <li>- Mr. Julian Abrams</li> </ul>	-

Date	Time	Activities	Participants	Place	Agenda	IFAD Team	AIMS
			- AIMS = 3 - IFAD = 13 - PDAFFs = 48 <b>Total = 130</b>			- Mr. Phan Duy Toan	
	14:00-17:00	AIMS Wrap up	- PMO - PIU - HUB Manager - Deputy Hub Manager	Bayon meeting room MOC	-	- Mr. Meng Sakphouseth - Mr. Nigel Smith - Mr. Krishna Thapa - Ms. Maliha Hamid Hussein - Mr. Kaushik Barua - Mr. Manu Jouve - Ms. Barseba Tekle - Mr. Arsalan Vardag - Mr. Julian Abrams - Mr. Phan Duy Toan	-



## **Cambodia**

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### **Accelerating Inclusive Markets for Smallholders (AIMS)**

#### **Supervision Report**

#### **Appendix 6: Procurement**

Mission Dates: 3-21 October 2019  
Document Date 18/11/2019  
Project No. 2000001268  
Report No. 5222-KH

Asia and the Pacific Division  
Programme Management Department

## Appendix 6: Procurement review working paper

### I. Review of Procurement Plan

1. The 2019 Procurement Plan of AIMS was obtained IFAD's no objection on 07 May 2019, and finally approved by MEF in August 2019. The very late approval of 2019 procurement plan is due to changes in the project management and time consuming for reviews and revisions of the draft 2019 AWPB and procurement plan. Delays in preparation and approval of the 2019 AWPB and procurement plan hampered the implementation progress of planned activities. There are total 48 procurement packages in the 2019 procurement plan including 44 consulting services (35 individual consultants, 4 consulting firms and 5 partnership arrangements) and 4 goods contracts of total US\$ 3.24 million. So far, there is no revision of the approved 2019 procurement plan. The 2019 procurement plan was prepared in consistence with the 2019 AWPB. A template of procurement plan with plan and actual data was used for preparation of the procurement plan in line with RGC's procurement manual (May 2012).
2. There are still shortcomings in preparation of the 2019 procurement plan in term prior/ex-post review requirements (AIMS/C1/C/2017/20; AIMS/C2/C/2019/1; AIMS/C2/C/2019/3) and planned budgets (AIMS/C1/C/2018/28, AIMS/C1/C/2018/32), those were corrected during procurement implementation. Procurement methods and prior/ex-post review requirements should be identified in consistence with provisions specified in the Letter to the Borrower (28 February 2017).

### II. Review of Ongoing/Completed Procurement Activities and Documentation

3. There are significant delays in implementation of planned 2019 procurement activities. By 30 September 2019, total 18 (38%) out of total 48 planned contracts were signed (43% for individual consultant selections, 50% for consulting firms selections, 25% for goods procurement and none for partnership agreements) of total US\$ 728,183 (22% of the total procurement budget).
4. Constraints in procurement implementation and contract administration and management include (i) significant delays in finalization and approval of the 2019 AWPB and procurement plan; (ii) delays in preparation of Terms of Reference and Specifications by the technical units; (iii) changing the members of BEC, CEC and PRC, consequently, the procurement team need to brief the procurement guidelines and procedures to new members; (iv) the procurement unit at MOC PMO (a Chief of Unit, 2 officials and a National Procurement Specialist) has to handle five different projects including AIMS and 4 grant projects of MOC at the same time, thus suffering from work overload; (v) time consuming to obtain signatures on procurement reports (minutes, evaluation reports...etc.); (v) the resignation of a number of recruited consultants. So far, total 10 (19%) out of total 53 recruited individual consultants had resigned; and (vi) revised approach for selection process of SDF service providers, that required reviews and updates of SDF guidelines, particularly on detailed procedures for selection of service providers and ownership of invested assets.
5. Post reviews of procurement and contract documents at ASPIRE/SEC showed that procurement activities were carried out in general in compliance with IFAD project procurement guidelines. Procurement documents (REOI/request for proposal, EOI/proposal evaluation reports, minutes, etc.) are prepared in comprehensive manner and in line with SOP procedures.

### III. Review of Contract Administration and Management

6. At AIMS PMO, the procurement tracking sheet and the contract register were used for monitoring procurement progress and contract administration of the planned contracts. However, data on actual procurement progress and contract status were not updated regularly.

### IV. Review of issues identified in the previous review and aide-mémoire and procurement related issues identified in project audit reports

Agreed Action (2018 SM)	Responsibility	Agreed Date	Status (Oct. 2019)
Explore suitable procurement training program for recently appointed procurement staff in DICO and ensure their participation.	AIMS PMO	Dec 18	<b>Completed.</b> Newly recruited procurement staff in DICO was already trained on the job.
Seek IFAD and MEF concurrence before processing the unplanned urgent procurement activities and accommodate all those unplanned activities in the revised procurement plan of respective year.	AIMS PMO/MEF PIU/IFAD	1 Nov 18 - ongoing	<b>Complied.</b> All procurement requirements are being sought with NOL from MEF and IFAD before actual processing is done.
Ensure that IFAD approved AWPB & Procurement plan and MEF approved AWPB & Procurement Plan have no discrepancies on activities and estimated budget allocation. In case of inconsistency, seek IFAD NOL by sending a revised AWPB and procurement plan.	AIMS PMO/MEF PIU/IFAD	Nov 18	<b>Complied.</b>
Ensure that (i) all applicants are equally treated while evaluating their EOIs for elimination or detail evaluation, (ii) all CVs are carefully read and evaluated following the evaluation criteria set out for the vacancy (iii) all key element of contract agreement are correctly written and carefully reviewed by the authority before signing the contract.	AIMS PMO/MEF PIU	1 Nov 18 - ongoing	<b>Complied.</b>

7. The Financial Audit Report for 2018 raised no significant issues relating to procurement.

**V. Review of project's procurement filing system and the ease of document retrieval**

8. The ex-post reviews show that in general procurement and contract documents are kept in a separate folder for each package, and easy to access. However, some procurement and contract documents (advertisement, PCR's minutes on contract negotiation, contract document) were found in the hard folder (AIMS/C1/C/2019/40, AIMS/C1/C/2019/41). The chief of procurement unit explained that the draft contract document and PRC's minutes of contract negotiation were under submission for approval by the project management.

**VI. Review of any significant changes in the Borrower/Recipient's procurement system and practices**

9. There is no significant change in RGC's procurement system and practices. The current applicable national procurement regulations include Procurement Law 2012, Implementing Rules and Regulations Governing Procurement, 2010, Standard Operating Procedures for All Externally Financed Programs/Projects in Cambodia, 2012; Procurement Manual for All Externally Financed Programs/Projects in Cambodia (Volume I - Policies and Procedures; Volume 2 - National Bidding Documents for Goods and Works (NCB, Shopping), 2012; and Procurement Manual for Consulting Service, MEF, 2010.
10. MEF has conducted consultation workshops in 2018/2019 for revisions of the Standard Operating Procedures for All Externally Financed Programs/Projects in Cambodia (SOP) and the Procurement Manual with technical assistance from Japanese Fund for Poverty Reduction (JFPR).

**VIII. Assessment of further procurement staff training needs**

11. Currently, there are a Chief of Procurement Unit, 02 Procurement Officers and a National Procurement Specialist for AIMS Project. The Chief of Procurement Unit and one Procurement Officer have 07 years' experience in charge of the Procurement Unit. Another Procurement Officer just has 1-year experience in the Procurement Unit. Newly recruited procurement staff in MOC/DICO was already trained on the job. Currently, the procurement unit at MOC PMO has to handle five different projects including AIMS and 4 grant projects of MOC at the same

time, thus suffering from work overload and requires a recruitment of one additional procurement assistant working at MOC to support the procurement team for AIMS' procurement activities (dedicated 100% to AIMS procurement).

12. Trainings on NOTUS rollout for project staff were organized in Vientiane (March 2019). MOC/PMO procurement staffs in charge of NOTUS were getting used to NOTUS for submission of procurement and contract documents subjected to IFAD's prior reviews.
13. Further training needs for procurement staff include (i) SOP and Procurement Guideline training for new procurement staff; (ii) NOTUS training for Procurement Team; and (iii) contract management and supply chain training.

#### IX. Key findings and conclusions from the PRM assessment update

During the supervision mission, the Procurement Risk Matrix was prepared for AIMS (see the excel file of the PRM attached). The inherent procurement risk rating for AIMS is 2.50 (*medium to low risk*).

#### X. Procurement performance indicator rating and justification

Procurement is rated ***moderately satisfactory (4)***. Ex-post reviews of procurement and contract documents at AIMS shows that procurement activities are carried out in general in compliance with IFAD procurement guidelines. However, there are still shortcomings and constraints including (i) significant delays in approval of the 2019 AWPB and procurement plan; (ii) preparation of the procurement plan with prior/ex-post review requirements not consistent with provisions of the Letter to the Borrower (LTB), though it is also noted that actual procurement was in line with the provision of the LTB, (iii) slow procurement progress of planned activities; (iv) revised approach on selection of service providers that requires revision of the Sector Development Facility(SDF) guidelines; (v) work overload of MOC/DICO procurement unit (responsible for five on-going projects) requires a recruitment of a new procurement assistant.

#### XI. Recommendations for improvement and follow-up actions for the Borrower/Recipient and/or IFAD

Actions	Responsibility	Deadline	Status
Prepare procurement plans with procurement methods and prior/ex-post review requirements in consistence with provisions of the Letter to the Borrower (26 Feb 2017).	MOC PMO; MEF PIU	31 December 2019	Agreed
Recruit 1 additional procurement assistant working at MOC to support the procurement team for AIMS' procurement activities (dedicated 100% to AIMS procurement)	MOC PMO	31 December 2019	Agreed
Review and update the SDF Guidelines to ensure compliance with SOP; Obtain IFAD's no objection on the revised SDF Guidelines.	MOC PMO	31 December 2019	Agreed