# Overview of Cambodia Development Objectives in Agriculture

**by**

**H.E. CHAN TONG YVES, Secretary of State**
**Ministry of Agriculture, Forestry and Fisheries**
**Royal Government of Cambodia**
**26 August 2009, Australian Embassy**

**Ladies and Gentlemen,**

**Allow me, Ladies and Gentlemen, to brief you on the current situation of Cambodian Agriculture, its opportunities, strengths, weaknesses, challenges and constraints as well as recommendations for improving agricultural productivity and diversification as a dynamic driving force for economic growth and poverty reduction.**

**As you may know Cambodia is an agricultural country. Agriculture is the backbone of national economy contributing 34.4% in GDP with 80% of population living in rural areas and more than 70% of the country's labour forces depend on agriculture. Thus, improving agricultural productivity and diversification is the foremost priority of the RGC which is clearly reflected in the First and Second Rectangular Strategy of the RGC as well as in the NSDP and other relevant strategies and policy frameworks. We are now developing jointly with MOWRAM a strategic framework for agriculture and water development. The long term vision of the agriculture sector is to ensure enough, safe and accessible food for all people, reduce poverty and contribute to economic growth while ensuring the sustainability of natural resources.**

**Under the clear-sighted and strong leadership of Samdech Akka Moha Sena Padei Techo HUN SEN, Prime Minister of the Kingdom of Cambodia, from 2003 to 2008 agriculture has achieved significant result in agriculture production including crops, livestock, fishery products and other commodities with an average growth rate of 7.2% per year.**

**Therefore in the agriculture GDP in 2008, crops represent an important share about 52.7% followed by fisheries (25%), livestock (15.5%) and forestry (6.9%).**

**All these achievements have contributed to a great extent to the country economic growth averaging 10.24% per year during 5 years period (2004-2008) and a substantial decline in poverty rate from 34% in year 2004 to 30% in year 2007-that is a decline of 1% each year.**

From 2004 to 2008, rice which symbolises the state of food security in Cambodia has increased significantly in an annual average of 4.4% for harvested areas and 14.4% for production. Other non-rice products such as subsidiary and perennial crops, livestock products, fishery products continue to grow steadily. Nevertheless, rice is the staple food crop.

It is noteworthy that Cambodia has regained self-sufficiency in rice production and has become rice exporting country for more than a decade. It was estimated that Cambodia has achieved rice surplus of more than 2 million tons in 2008.

Despite impressive progress and achievements based on so many opportunities and strengths, Cambodia agriculture has overcome umber of constraints and challenges arising from the current underlying weaknesses related to soil, water, labours, technology, markets and capital which are valued as limited or under-utilised or inadequate. Those constraints are:

In pursuing its over-arching development goals which are to contribute to poverty reduction, food security and economic growth, the agriculture sector would have to define its strategic development framework built on the strengths and opportunities while overcoming the weaknesses.

That strategic framework encompasses the following key components:

1)- Ensure favourable pre-condition for success
2)- Strengthen the enabling environment
3)- Mobilise natural resources, land and water
4)- Mobilise human and financial resources inputs
5)- Empower people and communities
6)- Increase the productivity of agriculture
7)- Extend commercial agriculture and agro-business

Based on the strategic development plans, short & medium term concrete measures should be undertaken:

(1)- Implement government initiatives of "Agricultural Fund" to support agriculture.

(2)- Continue the implementation of government fiscal policy on agricultural inputs, agricultural machineries and equipments and strengthen monitoring on price of imported fertilizer.

(3)- Intensify and diversify agricultural production by smallholder farmers, particularly those who are poor and vulnerable.

**(4)- Accelerating access of smallholders to improved technology, improved agricultural inputs improved sol quality and water management.**

**(5). Further enhance agricultural productivity and diversification at national level.**

**(6)- Strengthen community-based organisations.**

**(7)- Develop agro-processing and agri-business.**

**(8)- Develop micro-credit**

**(9)- Improve access to agricultural land and land security.**

**The remarkable progress and achievements that agriculture sector has made over the last decade raised expectations over the prospects for alleviating poverty by 1% per year contributing significantly to the fulfilment of the Cambodia Millennium Development Goal.**

**CAVAC will contribute to a much greater achievement in agriculture in the year to come especially in poverty reduction of Cambodian people.**

**Thank you for your kind attention!**

**Remarks by H.E. Veng Sakhon, Secretary of State,**
**Ministry of Water Resources and Meteorology**
**On the Occasion of Pre-Tender Briefing**
**For**
**Cambodia Agricultural Value Chain Program (CAVAC)**

**26th August 2009**

## Excellencies, Distinguished Guests, Ladies and Gentlemen,

Today I have great honour and pleasure to join the Pre-Tender Briefing for the Cambodia Agricultural Value Chain Program (CAVAC) organised by AusAID in the purpose of sharing past experiences and to present an overview of the government policy and development strategies on water management and irrigation in Cambodia to be incorporated in the implementation of CAVAC.

I would like to take this opportunity to express my sincere thanks to the government of Australia and special thanks to AusAID for providing assistance to this important agriculture and water sector.

You are aware that the development of water resources policies and strategies are essential parts of the implementation of Royal Government of Cambodia Rectangular Strategy, National Poverty Reduction Strategy and National Strategy Development Plan. The poverty reduction is the main objective of our government's development agenda.

Given the broad perception of the importance of water resources in the national economy and the reduction of poverty, the Royal Government's "*Policy Agenda for Water Resource Sector*" has been set. The policy aims to provide adequate water supply and physical infrastructure in both rural and urban areas to tackle the principal causes of poverty, ensure food security and improve the living standards and health of our people.

## Excellencies, Distinguished Guests, Ladies and Gentlemen,

To promote Cambodian economic development growth through the enhancement of agricultural production, the Ministry of Water Resources and Meteorology (MOWRAM) has set up several goals for development of water resources. The following goals are:

1. To implement a Medium Term Strategy for Agriculture and Water supported by irrigated agriculture river basin management plans in selected key basins.

2. To provide a better able to manage water on farmers of irrigable cropland over an area that is increasing by at least 25,000 ha/year; and to improve management systems such as Farmer Water User Communities and Agriculture Extension and Technology Services.

3. To provide a better able to manage water on rain-fed cropland by improvement basic infrastructure such as constructed of check dam, dug ponds or more efficient field layouts; and to provide an advisory extension services

4. To implement an integrated approach on water resources management and development in considering all sources of water, linkages between water and other components of the basin environment, and the varying human and ecological demands on water resources.

The Rectangular Strategy Phase II established a commitment by the Royal Government of Cambodia to extend water management in supporting of agricultural development, particularly by irrigation systems. More broadly, a National Water Resources Policy (NWRP) was adopted by the Council of Ministers in 2004. It covers all aspects of Cambodia's water resources, including seawater and associated marine resources.

Water for agriculture was given high priority, and seven policy points are stated:

1. To provide farmers with the quantity and quality of water they need, when and where they need it, and within the limits of available water resources and technology.

2. To promote the rehabilitation and construction of irrigation, drainage, and flood management infrastructure, in order to provide sufficient water for agricultural production and to alleviate the adverse consequences of excess water.

3. To promote the development and extension of appropriate water management technologies that are particularly suited to rain-fed agricultural areas, such as water harvesting, improvements to the moisture-holding capacities of soils and use of farm ponds and check dams.

4. To strengthen and expand Farmer Water User Communities, to enable them to participate in water management and allocation and to maintain irrigation infrastructure with effectiveness and sustainability.

5. To minimize the impact on the water resources caused by the uses of chemical substances in the agricultural production by encouraging people to implement diversified agriculture and intensified cropping.

6. To strengthen the capacity of MOWRAM and PDOWRAM engineers and technicians on the job training through the project implementation including surveying, designing, construction supervision and water management.

7. To strengthen the water resources information/data system including hydrology and meteorology and Cambodian Irrigation Scheme Information System (CISIS).

A number of other policy points in the NWRP have much relevance to water management for agriculture, related to resource management on the basis of river basins, equitable sharing and allocation of water and the sustainability of aquatic ecosystems.

**Excellencies, Distinguished Guests, Ladies and Gentlemen,**

Beside afore-mentioned efforts and achievements, MOWRAM has jointly developed a Medium Term Strategy for Agriculture and Water with assistance of donors and involvement of stakeholders. It was approved by two ministries on March 30 2007. Both Ministries have assigned their staff to be the members of Task Management Support Group and Design Team to formulate the five programs development. Four of five development programs were endorsed by the Co-Chairs and it is now coming to a conclusion in harmonising the five programs. We have an intention to move from the projects to the program-based approach by integrating to the National Program through the line ministries.

I do believe that CAVAC is one of the projects under the framework of SAW in contributing successfully to implement Royal Government Rectangular Strategy, NSDP and especially to our Medium Term Strategy on Agriculture and Water and confidently it will make the Kingdom of Cambodia to become one of the biggest rice exporters in the region.

On behalf of the Ministry of Water Resources and Meteorology and on my own behalf, I would like to thank you all very much for your kind attention and I wish you good health and success for your mission.

Thank you!

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# Cambodia Agricultural Value Chain Program (CAVAC)

Katherine Mitchell
2nd Secretary (Development Cooperation)
Australian Embassy, Phnom Penh

Australian Government
AusAID

## Overview

1. Cambodia Agricultural Value Chain (CAVAC) Program Overview
2. Linkages with the Strategy for Agriculture and Water
3. Linkages with initiatives in the agriculture and rural development sector
4. Implications of the Global Economic Crisis for CAVAC's implementation

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## CAVAC Overview

>*Goal*: Reduced rural poverty in targeted provinces

>*Objective*: Accelerated growth in the value of agricultural production and smallholder income in the rice based farming systems of targeted provinces.

>*Initial Focus*: Rice and fruit and vegetable value chains in Kampong Thom, Kampot and Takeo

>*Implementation Period*: Jan 2010-June 2014

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## Components

1. Agribusiness Development
2. Water Management and Irrigation
3. Research and Extension
4. Business Enabling Environment

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## Management Arrangements

>Team Leader (directly contracted to AusAID)
- –Achievement of quality program outputs and outcomes

>Operational Contractor
- –Recruitment of program personnel, procurement, logistical, financial management and administrative support, under the leadership of the Team Leader

>Australian Centre for International Agricultural Research (ACIAR)
- –Implementation of CAVAC's research and extension component, under the leadership of the Team Leader

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## Governance Arrangements

>National Steering Committee will provide high-level coordination, oversight and guidance
- –Co-chaired by the Secretaries of State from the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Water Resources and Meteorology.
- –AusAID will represent the Australian Government on the steering committee.

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## Monitoring

>CAVAC's implementation will be assessed every 6 months by a Sector Monitoring Group which will provide independent, expert performance monitoring and strategic advice.

>Late 2011/early 2012, a Mid Term Review will examine progress against agreed targets, management performance, alignment with Cambodian Government policies and programs and harmonisation with other donor-funded initiatives.

>The review will form the basis for a recommendation on whether to proceed with the fourth and fifth years of CAVAC's implementation.

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## Strategy for Agriculture & Water (SAW)

- CAVAC will support SAW implementation directly through the policy support funding facility.
- CAVAC will remain fully aligned and integrated with relevant SAW programs, requiring on-going collaboration with other programs initiated under the SAW.
- CAVAC will inform SAW implementation by contributing lessons learned from CAVAC's implementation.

- Program 1: Institutional Capacity Building and Management Support
  - CAVAC's Research and Extension and Water Management Components
- Program 2: Food Security
  - CAVAC's objective of accelerated growth in the value of agricultural production and smallholder income is aligned with this program
- Program 3: Agribusiness Development
  - CAVAC Agribusiness and Business Enabling Environment Components
- Program 4: Water, Irrigation and Land Management
  - CAVAC's Water Management Component
- Program 5: Research, Education and Extension
  - CAVAC's Research and Extension Component

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## Linkages with Other Initiatives

>Smallholder Agriculture and Social Protection Operation (World Bank)

>Food assistance (World Food Program)

>Water Resource Management Programs (Asian Development Bank and Cambodian Development Resource Institute)

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## Smallholder Agriculture and Social Protection Operation

>Implemented by Royal Government of Cambodia (Ministry of Economy and Finance lead) and World Bank
>AusAID contributing analytical and capacity building support and design and evaluation of pilot approaches.

Smallholder Agriculture
>Streamlining farmer organization legal frameworks
>Strengthening the governance of input markets
>Piloting financial support for rice millers
>Smart-subsidy pilots for seed and fertilizer

Social Protection
>Cash for Work pilots could be implemented along with CAVAC irrigation and market infrastructure construction

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## Food Assistance

>CAVAC will strengthen the capacity of farmer groups to market their products and WFP may be able to purchase rice through these farmer groups, improving smallholder farmer incomes

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## Water Resource Management Programs

>Water Resource Management Research Capacity Building Program (implemented by Cambodian Development Resource Institute in partnership with Royal University of Phnom Penh and Sydney University)
- –Research on (i) catchment water sharing and land use; (ii) economic analysis of water resource management; and (iii) governance and institutional development should inform CAVAC's Water Management Component

>AusAID also exploring options to strengthen national and provincial capacity to manage water resources in an integrated way

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## Community Development Programs

>Cambodia-Australia NGO Cooperation Agreements will be complete by end 2010.

>AusAID will explore options to support community development programs that link the poorest and most vulnerable to the market opportunities that CAVAC will generate.

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## Harmonisation with other Development Partner and Government Initiatives

>Concentration of development partners working on water management in Kampong Thom (AusAID, ADB, AFD, IFAD).

>Opportunity to harmonise programs and work collaboratively with provincial government.

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## Global Economic Crisis

>Impact on economic growth, income and employment (particularly from garment, construction and tourism sectors).

>Agriculture sector important in absorbing unemployed and increasing income.

>CAVAC needs to accelerate implementation of activities that promote agricultural productivity, generate rural employment and improve household incomes.

- –Irrigation and market infrastructure construction
- –Improved seed and fertilizer markets

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## Questions?

# AusAID Cambodia Agricultural Value Chain Program Tender Briefing

Phnom Penh, 26 August 2009

Ruth Megirian AusAID

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## Structure of the RFT

### Section 1

- Part 1 - Tender Specific Conditions
- Part 2 - Project Specific Contract Conditions
  - Becomes Part A of the Contract
- Part 3 - Draft Scope of Services
  - Becomes Schedule 1 of the Contract
- Part 4 - Draft Basis of Payment
  - Becomes Schedule 2 of the Contract

2

## Section 2

- Part 5 - Standard Tender Conditions
- Part 6 - Standard Contract Conditions
  - Becomes Part B of the Contract

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- Endorsement
  - Tender for the Cambodia Agriculture Value Chain Program
- Tender close
  - 2.00 pm, Thursday, 1 October 2009
- Mode of submission
  - Electronically, via AusTender at http://tenders.gov.au
  - Hard copy

    Tender Box
    Ground Floor, AusAID House
    255 London Circuit
    Canberra ACT 2601

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## Electronic Lodgment before Tender Closing Time

- PDF (note file size limit)
- Tenderer's Declaration
- Tender Schedule A – Technical Proposal
- Tender Schedule B – Specified Personnel
  - Core Personnel
  - Other Nominated Personnel
- Tender Schedule C - Financial Proposal
- Tender Schedule D - Financial Information

- Terms and conditions relating to the use of Austender are at Part 5, Annex D of the RFT and on the Austender website: https://www.tenders.gov.au
- Submissions received by e-mail will be rejected.

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## Hard copy before Tender Closing Time

- One Original
  - Technical Proposal (Tender Schedules A and B)
- One Original
  - Financial Proposal (Tender Schedule C)
  - Financial Assessment (Tender Schedule D)
  - Tenderer's Declaration
- One CD containing all files as for electronic lodgment

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# Further Information

- **Read all documentation carefully**
- Tenderers are encouraged to familiarise themselves with the:
  - AusAID contracts charter http://www.ausaid.gov.au/business/pdf/charter.pdf
  - Commonwealth Procurement Guidelines http://www.finance.gov.au/procurement/procurement_guidelines.html

These documents set out the responsibilities of AusAID and the tenderer.

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## Questions on the RFT or the Program

- Must be submitted in writing to cavac@ausaid.gov.au or

  fax +612 6206 4885
- Can be submitted anytime prior to close of business (AEST) Thursday, 17 September 2009.
- Will be answered by issuing an addendum via AusTender before close of business Thursday, 24 September 2009.

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## Tender Assessment

- Eligibility – this tender is untied, meaning there are no restrictions on eligibility to bid.
- Conformity (see Annex C in Part 5)
  - AusAID may seek clarifications but a non-conforming tender may be rejected.
- Assessment and scoring against the selection criteria set out in Clause 5 of Part 1 of the RFT
- Like-for-like financial assessment of proposals assessed as technically suitable
- Overall score determines the preferred tenderer

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## Assessment

- Technical assessment = 85% of total score
- Technical Assessment Panel (TAP) consists of up to 5 voting members including AusAID staff and external independent consultants.
- TAP members assess and score all bids against the selection criteria. Initial scores will indicate which tenderers are assessed as technically suitable and will be invited to interview.
- TAP meeting in Phnom Penh, including interviews. Technical scores may be adjusted, based on interview.
- Financial scores calculated
- Final scores calculated.

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## Assessment Process

- Check bids for conformance to tender requirements
- Assess bids against Selection Criteria
- Interview
- Finalise technical scores
- Conduct like for like assessment
- Confirm financial capacity
- Make recommendation to delegate
- Negotiate contract with successful tenderer
- Notify unsuccessful bidders
- Distribute debriefs

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## Tender Schedule A: Technical Proposal

- Response to Selection Criteria 12 pages
- Annex 1 – Past Experience Form
- Annex 2 – Mobilisation Plan
- Annex 3 – Risk Management Plan
- Annex 4 – Letters of Association and details of proposed sub-contractors
- Annex 5 – Commonwealth Government Policies Compliance

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## Tender Schedule B: Specified Personnel

- Table of proposed team members
  - General Manager
  - Procurement Manager
  - Monitoring and Evaluation Manager
- CVs for General Manager, Procurement Manager and Monitoring and Evaluation Manager.

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## Tender Schedule C: Financial Proposal

- Table 1 – Like-for-Like Assessment
  - Summary of tenderer's financial proposal for the period January 2010 to 30 June 2014
- Table 2 – Profit and Management Fees
- Table 3 – Long Term Personnel Costs
- Table 4 – Other Program Personnel Costs

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Tender Schedule D: Financial Assessment

- Two options – see Part 1, Clause 8.
- AusAID may contact the nominated company accountant to obtain further information if required.
- Financial information is treated as commercial-in-confidence by AusAID. Distribution is limited to AusAID's Procurement area and the firm contracted to report on the tenderer's financial capacity to implement the contract.

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# Feedback on Tenders

- Written debriefs will be available to all tenderers on request, after completion of contract negotiations with the preferred tenderer.
- Debriefs include scores and ranking against the selection criteria.

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## Important Dates

| | |
|---|---|
| 17 September | • Final date for questions to AusAID on RFT (14 days before tender close) |
| 24 September | • Final date for AusAID to issue addenda/respond to tenderer questions (7 days before tender close) |
| 1 October | • RFT closing date |
| Up to 2 days mid November | • TAP meeting |
| December | • If delegate approves TAP recommendation, negotiate contract |
| | • Contractor mobilisation and 2 week training activity in Phnom Penh |

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# CAVAC

AND WHAT IS NOT SO CLEARLY WRITTEN IN THE DOCUMENTS

26 AUGUST

# History

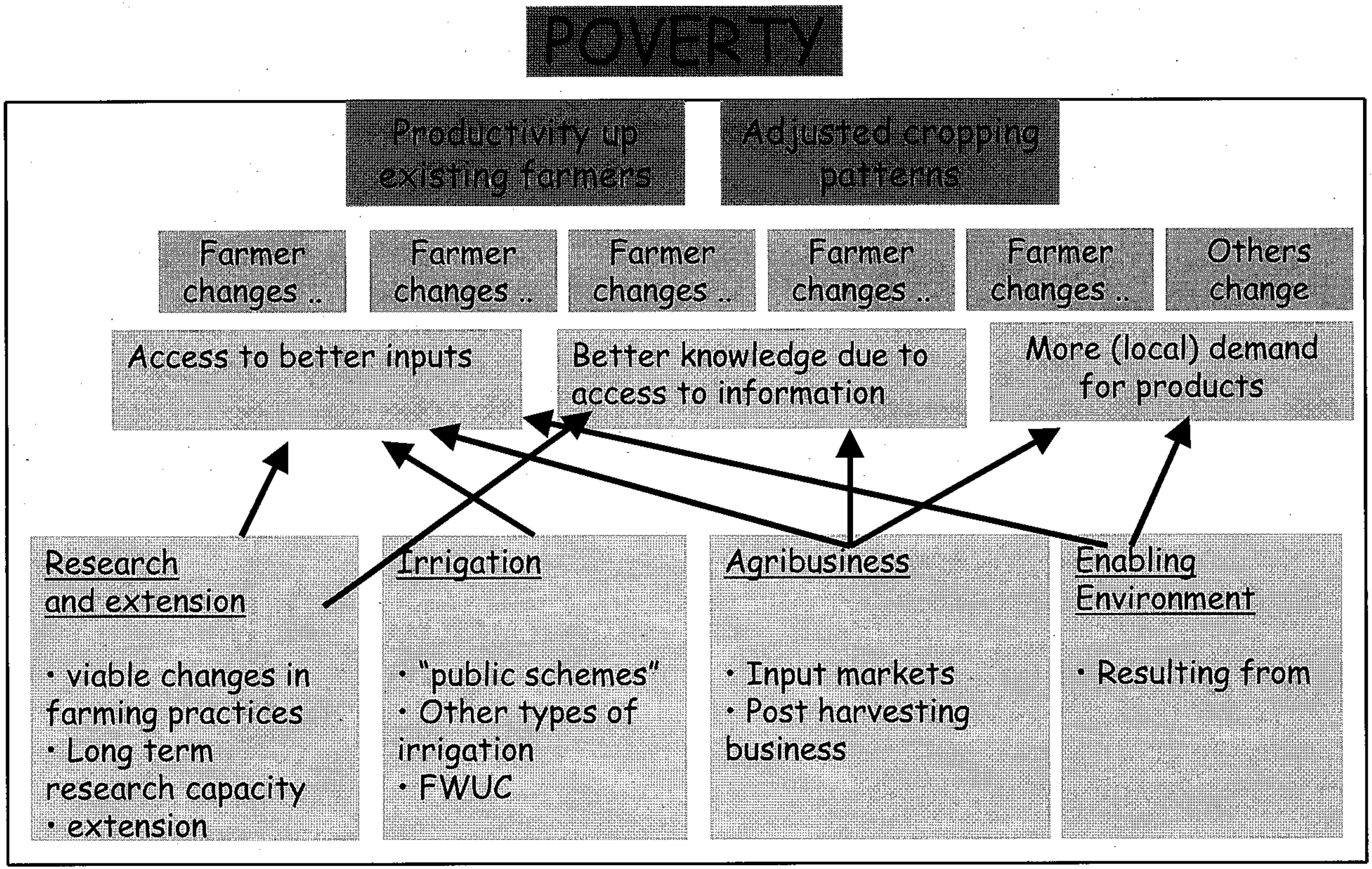
| | | | |
|---|---|---|---|
| Agricultural Quality Improvement Project (AQIP) | AU$17 M | 2002 -2008 | Food security; cash incomes; rice production; rice milling; vegetable marketing; seed companies. |
| Cambodia-Australia Agricultural Extension Project (CAAEP) I + II | AU$19 M (II) | 2001-2007 | Extension support, MAFF |
| Cambodia Agriculture Research and Development Institute - Assistance Project (CARDI-AP) | AU$6 M | 2002-2006 | research |

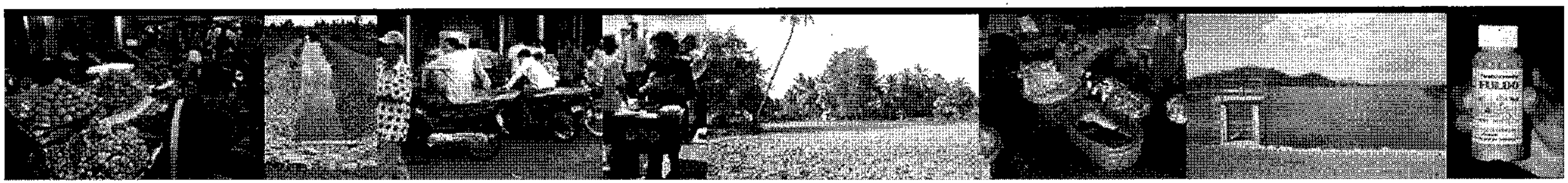
- Irrigation rehabilitation designs and feasibility
- Farmer Field Schools / Farmer Marketing Schools
- Support to associations

| CAVAC | |
|---|---|
| "Inception" | 2006 - 2007 |
| Redesign | 2007 - 2008 |
| Interim | 2007 - [illegible] |
| Restart | Feb-2009 |

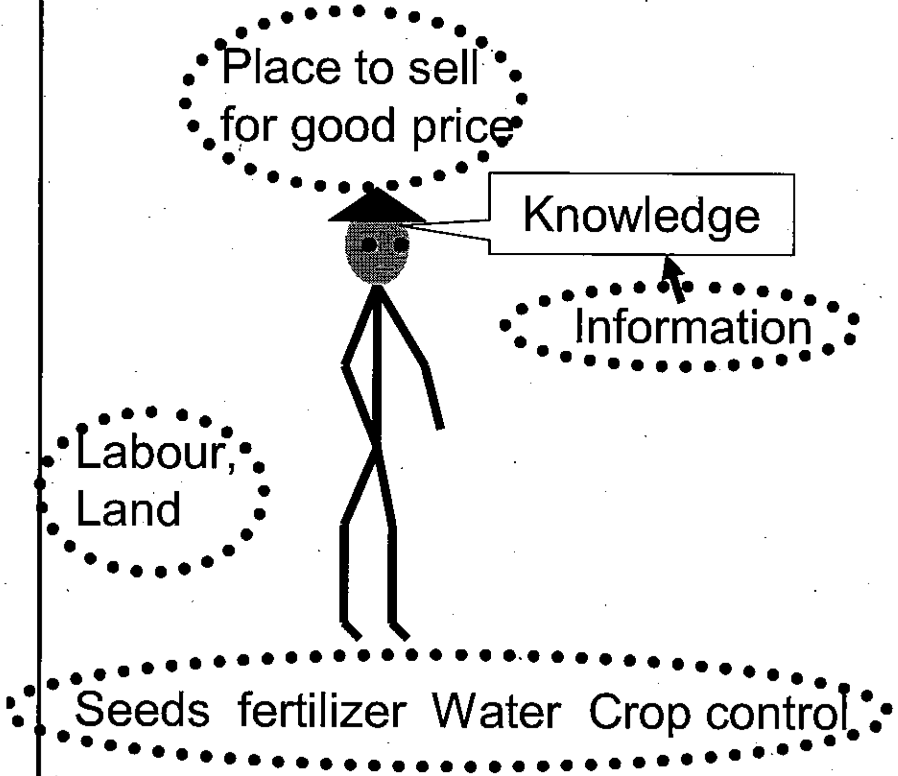
- CARF 7
- Large research
- Extension design
- Feasibility CARDI
- Understanding Agricultural practices

- Reassessment irrigation
- Assessing AgriBusiness potential
- Institutional arrangements
- Draft strategies
- Preparation for swift start up

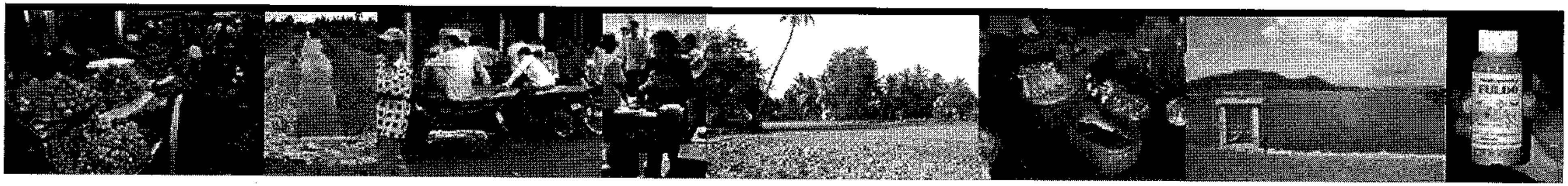

POVERTY
Productivity up existing farmers
Adjusted cropping patterns
Farmer changes ..
Farmer changes ..
Farmer changes ..
Farmer changes ..
Farmer changes ..
Others change
Access to better inputs
Better knowledge due to access to information
More (local) demand for products
Research and extension
• viable changes in farming practices
• Long term research capacity
• extension
Irrigation
• "public schemes"
• Other types of irrigation
• FWUC
Agribusiness
• Input markets
• Post harvesting business
Enabling Environment
• Resulting from



# Innovations



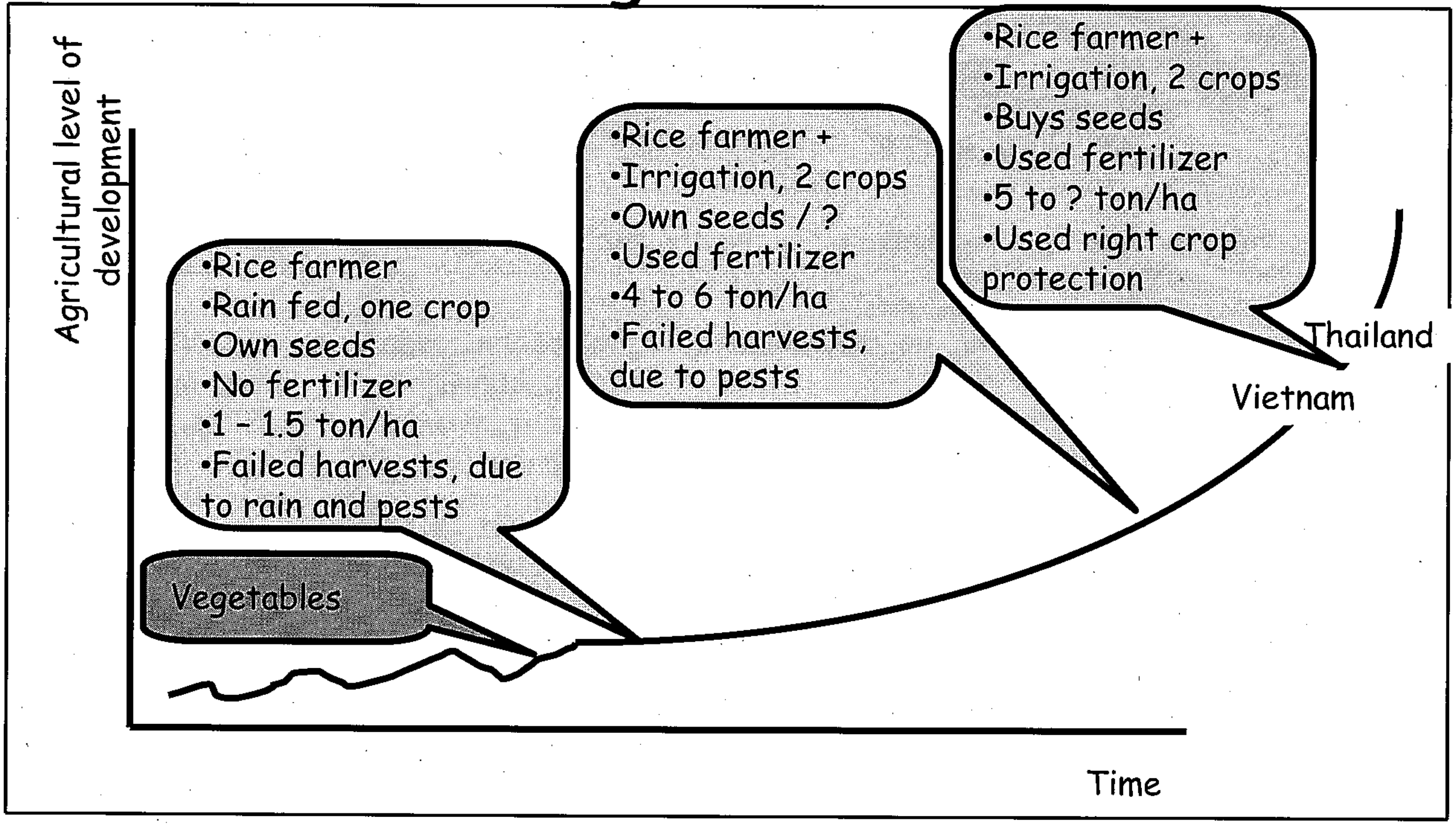

- Larger farmer produce export quality rice
- Farmers buy good seeds
- Farmers produce a second rice crop
- Farmers use irrigation for vegetable production
- Farmers use the right pesticide when there is a major threat
- Farmers get a better price because value chain works better
- And ~~much~~ more.

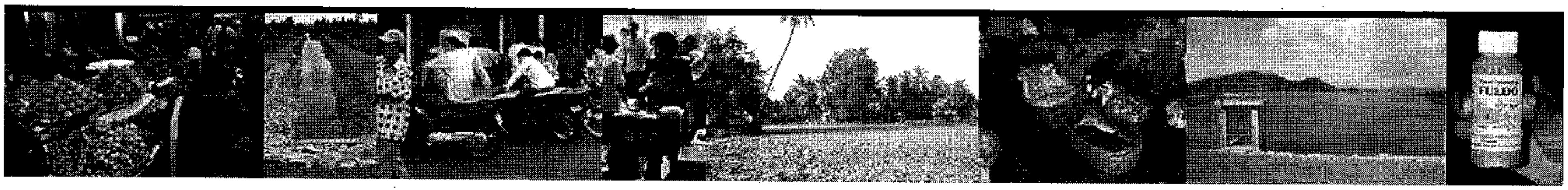


# Page 21 PDD; the essence

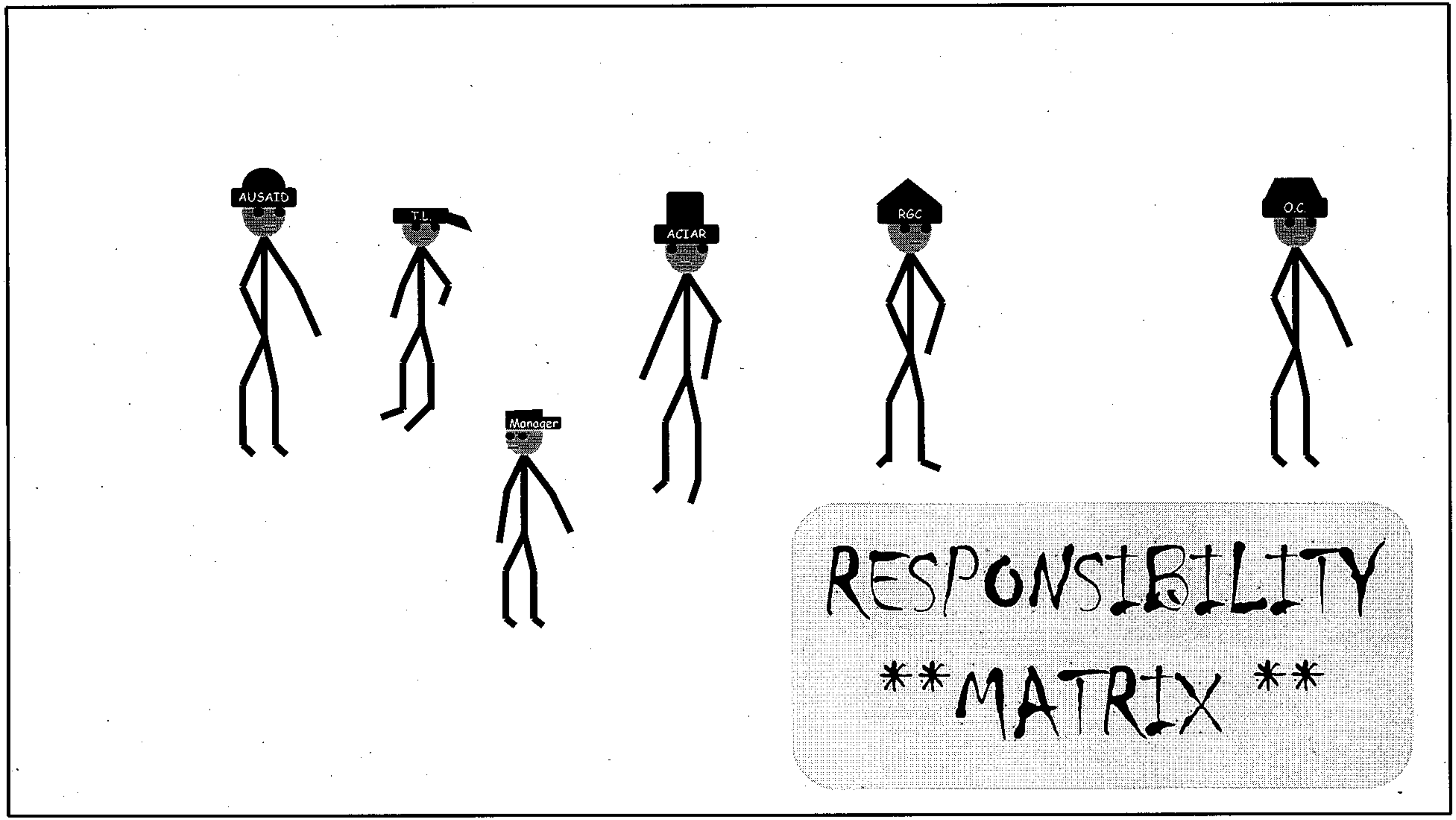
| | |
|---|---|
| Production Inputs (Water Management) | Farmer organisations must be involved in the planning and management of irrigation schemes if they are to be sustainable. Emphasis needs to be placed on building the O&M capacity of farmer organisations prior to investing in scheme rehabilitation. |
| Agricultural Markets | The private sector is better placed than government to facilitate production and marketing linkages. Emphasis should be placed on working with private sector actors....incentive.... solution after the Program has ended. |
| Skills and Information (Extension and Research). | Extension and research systems established with donor-funding have difficulty being sustained by public agencies....... developing a multi-channel approach to research and extension delivery.......... |
| Business Enabling Environment | ......with particular emphasis on improved Public Private Dialogues (PPD). |
| Gender | need to be considered in detail in both design and implementation if they are to be addressed effectively |

# farming in Cambodia

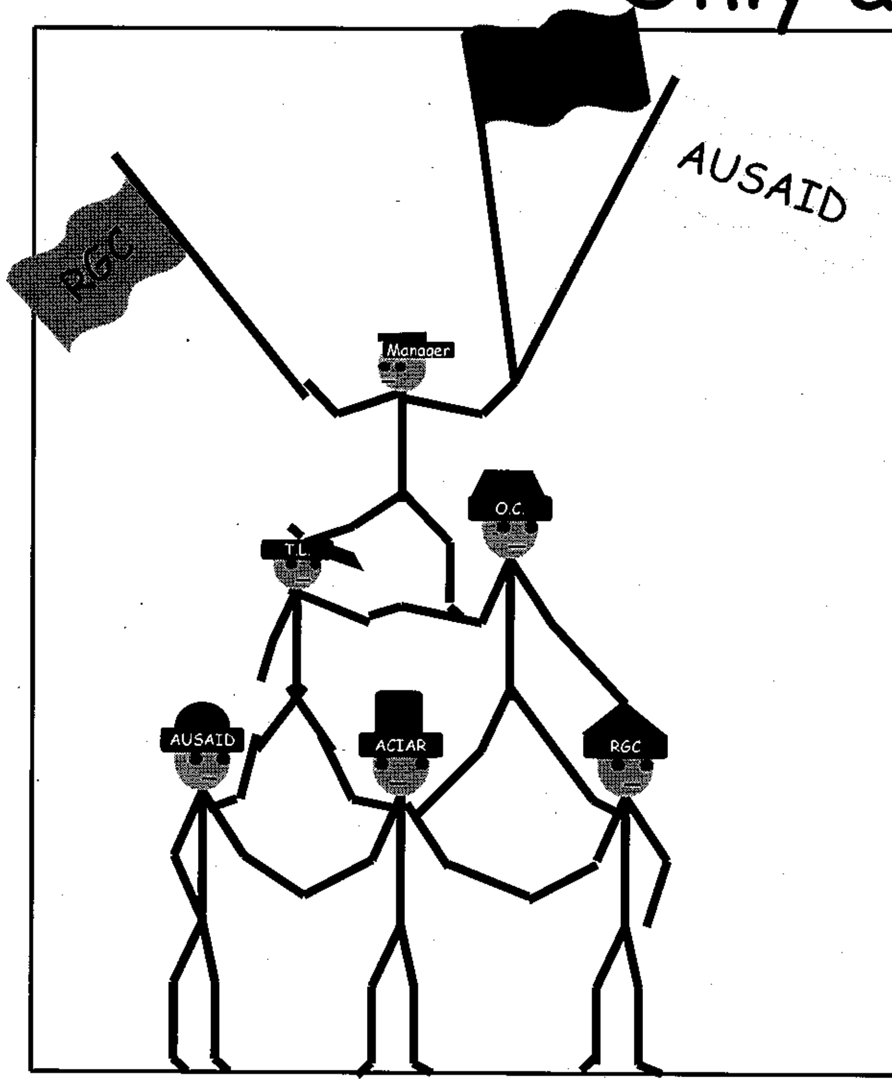


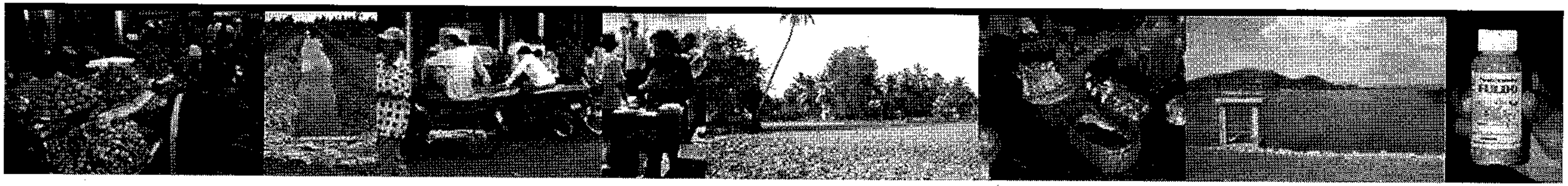



# All these stakeholders




# Only as a team!!



# Team leader / OC / ACIAR

2. MANAGEMENT ARRANGEMENTS

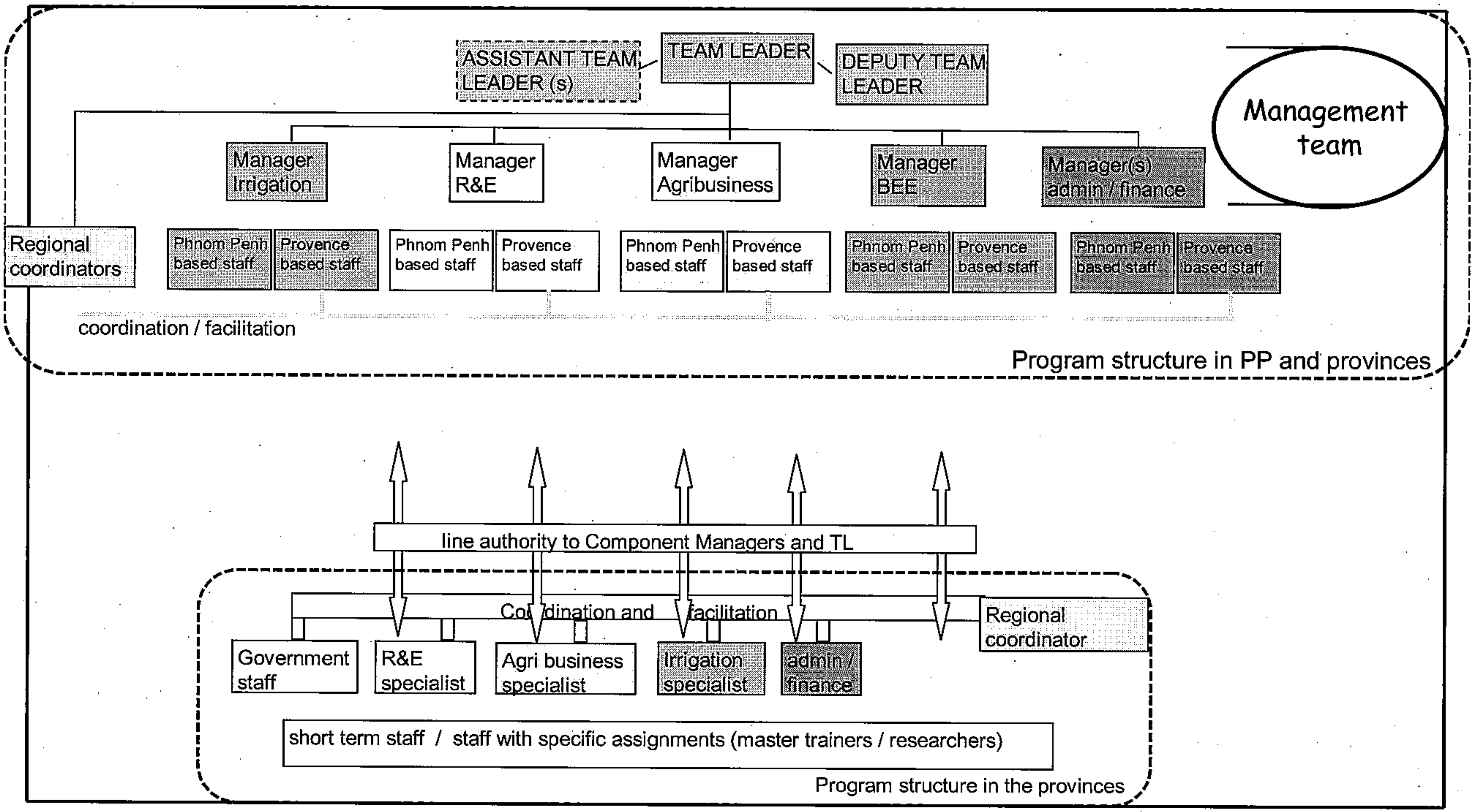
2.1 Responsibility for implementation of the Program is shared between the Team Leader, the Operational Contractor, and the Australian Centre for International Agricultural Research (ACIAR) under the direction of AusAID. AusAID is responsible for managing the head contracts (ie, AusAID's legal agreements with the Team Leader, Operational Contractor and ACIAR) associated with delivery of the program.

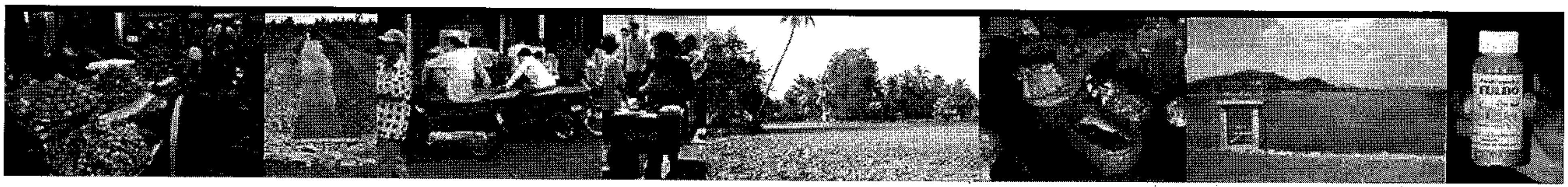
page 35
Request for tender

(a) The Team Leader is responsible for the achievement of quality program outputs and outcomes.

(b) The Operational Contractor is responsible for logistic, financial management and administrative support to the Team Leader. The oversight and/or management of all Program procurement and grants administration for Components 1, 2 and 4 is also the responsibility of the Operational Contractor. The Operational Contractor is also responsible for providing limited logistic, financial, administrative and procurement support related to the *management* of Component 3 in accordance with requirements specified in the approved Annual Work Plan.

(c) ACIAR is responsible for the implementation of the Research and Extension Component (Component 3) under the leadership of the Team Leader. ACIAR is also responsible for management of procurement directly associated with the *implementation* of the research and extension activities under Component 3.


ASSISTANT TEAM LEADER (s)
TEAM LEADER
DEPUTY TEAM LEADER
Management team
Manager Irrigation
Manager R&E
Manager Agribusiness
Manager BEE
Manager(s) admin / finance
Regional coordinators
Phnom Penh based staff
Provence based staff
Phnom Penh based staff
Provence based staff
Phnom Penh based staff
Provence based staff
Phnom Penh based staff
Provence based staff
Phnom Penh based staff
Provence based staff
coordination / facilitation
Program structure in PP and provinces
line authority to Component Managers and TL
Coordination and facilitation
Government staff
R&E specialist
Agri business specialist
Irrigation specialist
admin / finance
Regional coordinator
short term staff / staff with specific assignments (master trainers / researchers)
Program structure in the provinces



# Project Characteristics

| Basic believes: | Versus: |
| --- | --- |
| • Real sustainability | - Short gains |
| • Outreach | - Direct delivery |
| • Based on reality | - Standard solutions |
| • Impact oriented | - Output oriented |
| • Clarity and acceptance of all roles in p.s. | - NGO and Gov in role of private sector |
| • Long term poverty red. through productivity | - Direct impact on poorest |
| • Project need to learn | - Output oriented |

# Characterizing the program II

| | |
|---|---|
| - Process oriented | - Difficult to plan activities<br>- Flexibility<br>- M&E is important as management tool |
| -Business like | - React quickly with contracts and payment<br>- Flexible<br>- Contracts with informal businesses and unreliable payments<br>- Business Branding / separate office |
| -Working with Government | - Different contracting arrangements<br>- With different bodies ( provincial, Community, Village, ...*FWUCs*)<br>- A need to sort out ownership and responsibility |

# And once.......

I hope for:

- Swift mobilization
- Finalization procedures
- Coordination on M&E person

But most: good team work

# Cambodia Agricultural Value Chain Program (CAVAC)

Pre-Tender Briefing
26 August 2009

## PROBITY PRINCIPLES

1.1 Best Value for Money
1.2 Encouraging Competition
1.3 Efficient Effective and Ethical use of Commonwealth Resources
1.4 Accountability and Transparency
1.5 Confidentiality & Impartiality

## Commonwealth Procurement Guidelines [1]

**Legislative & Policy Framework**

*Governs Australian Public Service*

**Financial Management Framework**

*Governs financial management, including proposals to spend public money*

**Procurement Policy Framework**

*Governs duties related to the procurement of property or services*

1 Department of Finance & Deregulation – Financial Management Guidance No. 1

# 1. PROBITY PRINCIPLES

1.1 Value for Money

- Core principle underpinning the procurement
- Cost is only one element in assessing VFM

1.1.1 Whole of life value for money assessment

- Fit for purpose
- Performance history of the supplier
- Relative risk of each proposal
- Flexibility to adapt to change

# 1. PROBITY PRINCIPLES (Cont'd)

1.2 Encouraging Competition

- Potential suppliers should have an equal opportunity

# 1. PROBITY PRINCIPLES (Cont'd)

1.3 Efficient Effective and Ethical use of Commonwealth Resources - requirement of S44 of the Financial Management & Accountability Act 1997

1.3.1 Efficiency – the selection of the procurement process in terms of transparency and fairness.

1.3.2 Effectiveness – accuracy in the specification, rigor in the evaluation process and contract negotiations, and management of the contract.

1.3.3 Ethics – moral boundaries underpinning the procurement process, eg. honesty, consistency, integrity

## 1. PROBITY PRINCIPLES (Cont'd)

1.4 Accountability & Transparency

- Prime consideration throughout the procurement process.
- Documentation of the procurement process to facilitate scrutiny.

## 1. PROBITY PRINCIPLES (Cont'd)

1.5 Confidentiality & Impartiality

- Proposals are treated as Commercial in Confidence
- TAP members are required to sign Confidentiality and Conflict of Interest declarations
- Proposals are only assessed on responses to the selection criteria

# 2. Probity Advisor

2.1 Advisor vs Auditor

2.2 Probity Audit Opinion

Royal Government of Cambodia
No. 29

Sub Decree
on
The Implementation of Merit Based Performance Incentives
444

The Royal Government of Cambodia

- Having seen the Constitution of the Kingdom of Cambodia
- Having seen the Royal Decree No. NS/RKT/0704/124 dated July 15, 2004 on the appointment of the Royal Government of Cambodia
- Having seen the Royal Kram No 02/NS/94 dated July 20, 1994 promulgated the Law on the Organization and Functioning of the Council of Ministers
- Having seen the Royal Kram No. 06/NS/94 dated October 26, 1994 promulgated the Law on the Common Statute of Civil Servant of the Kingdom of Cambodia
- Having seen the Royal Decree No.CS/RKT/1297/273 dated December 01, 1997 on the Common Principles of the Organization of the Civil Services
- Having seen the Royal Decree No.NS/RKT/0904/284 dated September 27, 2004 on the Establishment of the Supreme Council of State Reform
- Having seen the Royal Decree No.NS/RKT/1201/450 dated December 01, 2001 on the Base Salary and Supplement Allowance of Civil Servant
- Having seen the Sub Decree No. 83 dated August 13, 2002 on the Establishment and Implementation of the Priority Mission Group
- Referring to request of Chairman of the Council for Administration Reform

**Decides**

## Chapter 1
## General Provisions

### Article 1.

This Sub Decree aims to set consistent and harmonious principles for the implementation of Merit Based Performance Incentive (MBPI) for civil servants who are working with projects of ministries and institutions which are financed by Development Partners through agreements between Development Partners and the Royal Government of Cambodia.

### Article 2.

MBPI is an incentive paid to civil servants in addition to base salary and other allowances who participate in the management, implementation and provision of technical skills involved in the implementation of strategic development priorities of ministries and institutions through agreements between Development Partners and the Royal Government of Cambodia.

The strategic development priorities include Sector Wide Programs which may be funded by one or more Development Partners either through separate accounts, pooled funding or sector budget supports.

## Chapter 2
## Major Principles

### Article 3.

The implementation of MBPI shall be in accordance with the following major principles:

- MBPI is an instrument to implement strategic development priorities involving a limited number of civil servants with highest educational qualifications.
- The implementation of MBPI shall be consistent with the existing public administration and salary systems of the State.
- MBPI incentives are not indicative of future salary policy
- MBPI related conditions shall not affect the unity, stability and sustainability of existing systems.

### Article 4.

All positions supported by MBPI shall be consistent with the priority functions of the line ministry or institution involved.

Each position which is supported by MBPI shall have a written job description and selection and transfer procedures shall be based on work performance, transparency and qualifications.

### Article 5.

Each civil servant who is selected to work in a MBPI scheme shall:

- have an appointment contract that specify objectives, activities, quantitative and qualitative outputs, and mechanisms for monitoring and evaluation;
- be evaluated at least once a year according to the procedures specified in the appointment contract
- benefit from capacity development.

## Chapter 3
## Rates, Payments and Support

### Article 6.

Civil servants who are selected to work on strategic priority development projects of ministries and institutions that are financed by Development Partners shall receive MBPI performance incentives as follows:

| | |
|---|---|
| - Director General | 1,800,000 Riels |
| - Deputy Director General | 1,480,000 Riels |
| - Department Director | 1,280,000 Riels |
| - Deputy Department Director | 1,080,000 Riels |
| - Administration Officer | 1,000,000 Riels |
| - Bureau Chief | 932,000 Riels |
| - Deputy Bureau Chief | 836,000 Riels |
| - Kramka | 772,000 Riels |
| - Secretary | 452,000 Riels |

For ranks below Deputy Department Director, MBPI incentive rates paid by Development Partners include PMG incentive rates.

MBPI incentive rates can be reviewed (annually) and changed if necessary. Changes in MBPI incentive rates shall be made by Sub Decree.

## Article 7.

Civil servants who have high specific technical skills may receive MBPI incentives with eligibility and incentives levels to be determined by separate provisions.

Other positions that are not stipulated in Article 6 may receive MBPI incentives at a level to be determined as an equivalent rank to a position specified in Article 6 through the Memorandum of Understanding.

## Article 8.

Administration officials at the sub national levels occupying the functions shall receive the MBPI incentive rates for the same positions.

## Article 9.

MBPI incentives shall be transferred into the personal account of involved civil servants using the banking system.

## Article 10.

Each ministry and institution that initiates an MBPI scheme shall ensure that Development Partners transfer existing salary supplement funds to support the implementation of the MBPI scheme.

## Article 11.

The Memorandum of Understanding supporting a MBPI scheme between ministries and institutions of the Royal Government and Development Partners shall include an initial contribution by Development Partners equivalent to but not more than ninety percent (90%) towards the payment of incentives in the first year, and their contribution shall be reduced gradually by five percent (5%) a year over the life of individual MBPI schemes.

The Royal Government shall co-finance the MBPI scheme within the framework of counterpart funds of the Royal Government.

### Article 12.

Schemes for salary supplement, for over time or for new contractual arrangement for civil servants which are part of programs or projects of Development Partners shall not be allowed to exist outside MBPI scheme.

## Chapter 4
## Approval Procedure

### Article 13.

Under the procedures for approval of MBPI schemes, ministries and institutions shall submit a proposal to the Council of Ministers of which the General Secretariat of the Council for Administration Reform acts as Secretariat, and the Ministry of Economy and Finance.

Proposals shall briefly explain the coherence between objectives of the proposed MBPI schemes, the strategic development priorities of ministries and institutions, the objectives and support programs of the Development Partners by specifying the number of positions and expenditures and the procedures for monitoring and evaluation.

### Article 14.

After obtaining approval of the proposal in principle provided in Article 13, a Memorandum of Understanding shall be developed by concerned parties including a manual for the implementation of the scheme approved by the line Ministry or Institution.

Departure from the principles and procedures which are stipulated in the general manual for implementation shall be specifically justified.

Comprehensive procedures shall be developed by each Ministry or Institution that implement MBPI scheme indicating in detail procedures for the implementation.

## Chapter 5
## Conditionality for Implementation

### Article 15.

The number of positions of a MBPI scheme shall be limited to those core positions necessary to achieve the strategic priorities of each Ministry or Institution.

## Article 16.

Ministries or institutions obtaining approval for a MBPI scheme shall be responsible for implementing the scheme in accordance with the Memorandum of Understanding and approved manuals.

The Council of Ministers, which the General Secretariat of the Council for Administration Reform acts as the Secretariat shall be responsible for approving the schemes, coordinating, and monitoring the implementation of MBPI schemes.

All ministries and institutions that implement a MPBI scheme shall prepare technical reports to the Council of Ministers of which the General Secretariat of the Council for Administration Reform acts as a secretariat, and reports of expenditure to the Ministry of Economy and Finance.

## Article 17.

Transfer of civil servant who received MBPI shall be made through Prakas of the concerned ministry or institution in a transparent manner and the number of civil servant under the scheme shall remain the same and a copy of the Prakas shall be provided to the Council of Ministers.

## Article 18.

MBPI schemes shall end when the financing from the Development Partners terminates or the project closes.

# Chapter 6
# Transitional Provisions

## Article 19.

All salary supplement schemes of Development Partners that are inconsistent with the provisions of this Sub Decree shall end or be transferred to the MBPI scheme in accordance with the provisions of this Sub Decree no later than one year after this Sub Decree comes into effect.

# Chapter 7
# Final Provisions

## Article 20.

Sub Decree No. 98, dated August 05, 2005 on the implementation of MBPI and Sub Decree No. 38, dated May 03, 2006 on amendment of the implementation of MBPI shall be abrogated.

## Article 21.

Minister in charge of the Office of the Council of Ministers, the Minister of Economy and Finance, the Chairman of the Council for Administrative Reform, Ministers and Secretaries of State of all Ministries and Institutions shall implement this Sub Decree from the date of execution.

Phnom Penh, date…………, 2008
Prime Minister

**SAMDECH AKKAK MOHA SENA PADEI TECHO HUN SEN**

**Proposed to the Prime Minister by**
**The Deputy Prime Minister and**
**Chairman of the Council of**
**Administration Reform**

**Sok An**
**CC:**

- Ministry of Royal Palace
- General Secretariat of Constitutional Council
- General Secretariat of Senate
- General Secretariat of the National Assembly
- General Secretariat of the Royal Government
- Cabinet of Samdech Prime Minister
- General Secretariat of the Supreme Council of the State Reform
- As mentioned in Article 21
- The Royal Gazette
- Archives

**Royal Government of Cambodia**
**No. 62 ANK**

# Sub-Decree
# On
# The Establishment and Operations of Priority Mission Group
# 55555

## Royal Government

- Having seen the Constitution of the Kingdom of Cambodia;
- Having seen Royal Decree N° NS/RKT/0908/1055 dated 25 September 2008 on the Appointment of the Royal Government of Cambodia;
- Having seen Royal Kram N° 02/NS/94 dated 20 July 1994 Promulgating the Law on the Organization and Functioning of the Council of Ministers;
- Having seen Royal Kram N° 06/NS/94 dated 30 October 1994 Promulgating the Law Joint Statute of Civil Servants of the Kingdom of Cambodia;
- Having seen Royal Decree N° CS/RKT/1297/273 dated 01 December 1997 on Common Principles of the Establishment of Public Functions of the State;
- Having seen Royal Decree N° NS/RTK/0904/284 dated 27 March 2004 on the Establishment of the Supreme Council for State Reform;
- Having seen Royal Decree N° NS/RTK/1201/450 dated 01 December 2001 on Basic Salary and Allowances of Civil Servants;
- Having seen Sub-decree N° 51 ANK dated 10 June 1999 on the Establishment of the Council for Administrative Reform;
- As per request of the Chairman of Council for Administrative Reform

**HEREBY DECIDES**

### Chapter 1
### General Provisions

**Article 1**

Being established and put into operations in ministries or institutions with the purpose to enhance the effectiveness of work performance and accountability for the successful implementation of priority tasks of ministries and institution of the Royal Government.

**Article 2**

PMG is a group of selected civil servants who shall successfully implement operational priorities and are accountable to the head of the ministry or institution.

## Chapter II
## Establishment of Priority Mission Group

**Article 3**

Ministries or institutions shall identify the priority missions based on the National Strategic Development Plan and the Governance Action Plan. PMGs are established to complement and reinforce other performance instruments such as Special Operating Agencies and Merit Based Performance Incentives.

**Article 4**

Ministries or institutions shall submit proposal on the establishment of PMG to the Performance and Accountability Committee to approve in principle.

The proposal on the establishment of PMG shall indicate:

- Mission statements
- Expected results
- Number of positions
- Budget for members
- Management contract and personal service contract

**Article 5**

After obtaining approval in principle from the Performance and Accountability Committee, ministries and institutions shall prepare framework documents as described in the Guide on the Establishment and Management of PMGs. They shall also establish procedures and processes for the transparent selection civil servants and submit the list of appointees to the Performance and Accountability Committee for review and final approval.

**Article 6**

After obtaining final approval from the Committee, ministries and institutions shall establish the PMG as follow:

When the PMG is financed, in part, by development partners, as part of a joint venture, ministries and institutions shall sign a Memorandum of Understanding with their partners and shall issue a Prakas to name appointees and to endorse the manual to manage implementation and operations of the PMG.

When a PMG is financed solely by the national budget, the Minister in charge of the Office of the Council of Ministers shall issue a Prakas nominating appointees and endorsing the manual to manage the implementation and operations of the PMG.

The manual shall detail procedures and operations of individual PMGs according to the Guide on Implementing and Managing Priority Mission Groups.

**Article 7**

The establishment of the Performance and Accountability Committee shall be determined by a separate Sub-decree.

## Chapter III
## Size and Selection of PMG Members

**Article 8**

PMGs shall be organized around positions deemed necessary to achieve agreed objectives. When PMGs positions are established as complement to MBPI positions, their establishment will be based on work supporting the establishment of MBPI positions.

PMG members shall be selected from civil servants in relevant ministries and institutions within cadre of **A, B,** and **C** categories.

The selection of PMG members shall be based on merits, experiences in light of the position requirements.

**Article 9**

The selection process for PMG appointees shall be based on a thorough and transparent evaluation. The selection shall be based on the requirements of the positions and wide dissemination within the parent ministry or institutions.

**Article 10**

Civil servants who are appointed to PMG shall sign a Personal Service Contract. PMG appointees who fail to follow the terms of the contract shall be terminated from PMG memberships.

**Article 11**

The size and composition of each PMG shall be based on operational and functional priority needs to meet the as defined in mission and financial capabilities from the national budget and development partners to cover the costs of performance incentives to be paid to appointees.

Each PMG position shall be supported by a position description that specifies role, duties and required competencies.

## Chapter 4
## Benefits of PMG Members

**Article 12**

PMG members shall receive benefits of two types:

- Monthly performance incentives as stipulated in Article 13 and 14.
- Appointees will have priority access to training opportunities to enhance the PMG and individual capacity.

PMG members continue to receive benefits available to civil servants as set out in policies and programs of the Royal Government.

Appointees shall not be entitled to receive salary supplementation from other sources.

**Article 13**

PMG members who fulfill all conditions of their personal service contract shall receive monthly incentive as follows:

Category **A**: 520,000 Riels per month
Category **B**: 450,000 Riels per month
Category **C**: 350,000 Riels per month

**Article 14**

Managers of PMGs shall receive monthly incentive of 600,000 Riels and could not received incentive as stipulate in article 13.

Staff in ministries and institutions managing the establishment, management and monitoring of PMG schemes within their jurisdiction shall receive performance incentives according to the terms of this Sub-decree or the terms of the Sub-Decree on the Establishment and Management of Merit Based Performance Incentives.

**Article 15**

When a PMG is financed exclusively through the National Budget, the payment of performance incentives to PMG appointees shall be made through the government's ICT-based payroll.

When a PMG is financed partly by development partners, the respective share of government and development partners will be set, on a case by case basis, in the framework documents establishing the PMG. In such instances, the payment of performance incentives to PMG appointees shall be made to the personal bank account of appointees drawn on a special account funded by the Royal Government and development partners for this purpose.

**Article 16**

Performance incentives as stipulated in Articles 13 and 14 of this sub-decree can be adjusted following agreement between the Royal Government and development partners.

**Article 17**

Civil servants who receive functional allowances as stipulated in Article 16 of Royal Decree No. NS/RTK/1201/450 dated 01 December 2001 on Basic Salary and Allowances of Civil Servants and Article 3 of Sub-decree No. 34 RNK.BK, dated 23 April, 2002 on Adjustment to Functional Allowances of Civil Servants, Pedagogy Fee, and Relevant Standards shall have obligations to enhance PMG processes as directed by head of the institution. The civil servants of this category shall not be entitled to receive PMG incentives operation except the head of PMG scheme as stipulated in Article 14 of this Sub-decree.

## Chapter V
## PMG Management

**Article 18**

PMGs which are established by a ministry or institution shall be under the direct management responsibility of the ministry or institution.

Ministries or institutions establishing PMGs within their jurisdiction shall be responsible for ensuring that adequate operational financing is available to the PMGs.

**Article 19**

The Performance and Accountability Committee will provide technical support as necessary to ministries and institutions and shall be entitled to monitor, evaluate, and inspect PMG operations.

**Article 20**

Ministries or institutions shall appoint a senior manager as Head of PMGs to direct, coordinate, and monitor the establishment and management of PMGs in their respective jurisdiction.

**Article 21**

The responsibilities and authorities of the Head of PMG shall be determined in the framework documents establishing individual PMGs per the Guide for the Establishment and Management of PMGs.

**Article 22**

The Council for Administrative Reform shall be responsible for coordinating the establishment, management and monitoring of PMGs in ministries or institutions.

Although individual PMGs are not subjected to time limits, periodic, at least annual, evaluations involving key stakeholders will be carried out to assess their performance, whether they shall continue and whether corrective measures should be applied to improve performance.

## Chapter 6
## Sources of Budget for PMG scheme

**Article 23**

Sources of budget for PMG scheme are:

- National budget
- Financing from development partners.

Respective contributions from the National Budget and from development partners towards the financing of individual PMGs will be determined in a Memorandum of Understanding between the Royal Government and development partners following mutual agreement.

## Chapter 7
## Transitional Provisions

**Article 24**

PMGs being currently implemented by ministries and institutions shall continue as provided in the decision establishing them. Performance incentives payments to PMG appointees shall conform to the terms of this Sub-decree when it comes into effect.

Individual existing PMGs scheduled to be evaluated and reviewed may be extended if they conform with this Sub- decree and their extension is approved by the Performance and Accountability Committee.

## Chapter 8
## Final Provisions

**Article 25**

Sub-decree No. 83 ANK/BK dated 13 August 2002 on the Establishment and Operation of PMG scheme, and Sub-decree No. 207 ANK/BK dated 28 December 2007 on the Adjustment of Incentives for PMG members shall be abrogated.

**Article 26**

The Minister in charge of the Office of the Council of Ministers, Minister of Economy and Finance, the Secretary of State of the State Secretariat for Public Functions, the Chairman of the Council for Administrative Reform, ministers, secretaries of state, and all relevant ministries and institutions shall effectively implement this sub-decree from the date it is signed.

Phnom Penh,....................

Prime Minister

**Samdech Akak Moha Sena Padei Decho Hun Sen**

Having submitted to Samdech AKKAK MOHA SENA PADEI TECHO Hun Sen, the Prime Minister of the Kingdom of Cambodia for Signature

**Deputy Prime Minister, Minister in charge of the Office of the Council of Ministers, and Chairman of the Council for Administrative Reform**

**Sok An**

**CC:**

- Ministry of Royal Palace;
- Secretariat General of Constitutional Council;
- Secretariat General of Senate;
- Secretariat General of the National Assembly;
- General Secretariat of the Royal Government;
- Cabinet of Samdech Prime Minister
- Cabinets of Deputy Prime Ministers
- As said in Article 27;
- Official Gazette;
- Documentation- chronology.

# MEMORANDUM OF UNDERSTANDING

**BETWEEN**

**THE GOVERNMENT OF AUSTRALIA**

**AND**

**THE ROYAL GOVERNMENT OF THE KINGDOM OF CAMBODIA**

12. **Taxes on incomes**

The Royal Government of the Kingdom of Cambodia will exempt Australian firms and Australian personnel from income taxes or other similar taxes on income or profits, salaries, wages and other similar remuneration derived from activities performed in the Kingdom of Cambodia to which this Memorandum of Understanding applies.

13. **Project Supplies and Professional and Technical Material**

1. Unless otherwise decided by the two governments, ownership of project supplies rests with the Royal Government of the Kingdom of Cambodia.

2. In respect of project supplies and professional and technical material imported from outside or procured within the Kingdom of Cambodia under this Memorandum of Understanding the Royal Government of the Kingdom of Cambodia will:

   (a) exempt them from payment of taxes, levies, duties, fees and other charges;

   (b) expedite their clearance through customs;

   (c) facilitate their movement by providing appropriate customs and wharfage facilities in the port closest to the project site;

   (d) unless provided otherwise by mutual arrangement between the two governments provide for their expeditious transport to the site of the project; and

   (e) exempt from or be responsible for inspection fees and storage charges and all other taxes, levies, duties, fees or charges on these project supplies purchased in or imported into the Kingdom of Cambodia.

3. Project supplies provided for a specific project to which this Memorandum of Understanding applies, will be available only for the purposes of development activities and will not be withdrawn from that use without the mutual consent of the appropriate coordinating agencies of Australia and the Kingdom of Cambodia. The Australian Team Leader will exercise administrative control over such supplies for the duration of the project or until both coordinating agencies consent that they may be released from the project. All matters relating to project supplies which have ceased to be used for the purposes of the project will be governed by a subsidiary arrangement.

4. Professional and technical material which has ceased to be of use for the purposes of the project will be subject to the duties, taxes, levies, duties, fees or other charges from which they were exempt unless:

(a) re-exported; or

(b) disposed of to persons enjoying similar exemptions.

## 14. Import of Personal and Household Effects

In respect of personal and household effects, except motor vehicles, imported into the Kingdom of Cambodia for the personal use of Australian personnel the Royal Government of the Kingdom of Cambodia will:

(a) exempt Australian personnel upon their first arrival in the Kingdom of Cambodia and for a period of six months thereafter, from taxes, levies, duties, fees and other charges on personal effects;

(b) exempt Australian personnel assigned to work in the Kingdom of Cambodia within six months from their first arrival in the Kingdom of Cambodia from taxes, levies, duties, fees and other charges on household effects;

(c) expedite their clearance through customs.

## 15. Export of Professional and Technical Material and of Personal and Household Effects

In respect of the export from the Kingdom of Cambodia of professional and technical material and of personal and household effects at the end of the assignment of Australian personnel, the Royal Government of the Kingdom of Cambodia will:

(a) exempt them from export duty or any charge levied; and

(b) expedite their clearance through customs and other export controls.

## 16. Taxes, Levies, Duties, Fees and other charges for Australian Personnel

1. The Royal Government of the Kingdom of Cambodia will facilitate the recruitment and employment by the Government of Australia or its

coordinating agency or representative, of personnel required for the projects to which the Memorandum of Understanding applies, by:

(a) granting exemption from income or other taxes on salaries and allowances in accordance with paragraph 12;

(b) granting exemption from import duties and any other charges on personal and household effects imported at the time of first taking up duty in the Kingdom of Cambodia or within six months in accordance with paragraph 14;

(c) granting to Australian project personnel all "rights" and entitlements accorded to the aid personnel of any other country;

(d) expediting the issue of all documentation required for entry of and performance of work by project personnel;

(e) granting exemption from import duty or any charge levied on one motor vehicle per person if that vehicle is imported or purchased within six months of taking up duty in the Kingdom of Cambodia. If that motor vehicle thus imported is disposed of otherwise than to a person entitled to the same import privileges, appropriate duty shall be paid thereon. In case of such disposal, prior permission of the Cambodia customs authorities will have been obtained.

2. Australian personnel and Australian firms will not engage in any form of employment in the Kingdom of Cambodia other than that provided for by the terms of their contracts. Dependants of Australian personnel will not engage in any form of regular employment in the Kingdom of Cambodia without the prior written approval of the Royal Government of the Kingdom of Cambodia.

**Addition to ANNEX 6: Outline Terms of Reference for Key Management Structures/Positions**

**Monitoring and Evaluation (M&E) Manager**

**Title:** Monitoring and Evaluation Manager (international) – part-time (2 months per year)

**Term:** Five months spread over the period January 2010 to June 2012 with an option to extend for another four months spread over the period July 2012 to June 2014, subject to the project being continued following the outcome of the mid-term review.

**Timing:** The M&E Manager will be required to provide inputs in Phnom Penh at least twice a year, with each input extending for a maximum of one month. It is suggested that inputs be aligned with Annual Work Plan (October) and Six Monthly Progress Report (July and January) preparation. However, the actual timing will be agreed between the Team Leader and the Operational Contractor.

**Location:** Based in Phnom Penh, but requiring travel within Cambodia as required by the Program.

**Purpose:** The M&E Manager will ensure that CAVAC's M&E systems:

(i) Guide the program in selecting activities, contribute to understanding factors facilitating and hindering success and extract lessons learned for future activities;
(ii) Collect information to report on log frame indicators and targets;
(iii) Produce evidence of CAVAC's impact related to reduced poverty, accelerated growth in the value of agricultural production and smallholder income in target provinces and the sustainability of the system supporting this.
(iv) Produce lessons for the wider development community in Cambodia and align and integrate with the Strategy for Agriculture and Water and its associated M&E processes.
(v) Mainstream analysis of sustainability and gender, environmental and anti-corruption impacts.
(vi) Meet the needs of CAVAC's National Steering Committee, Sector Monitoring Group and Mid Term Review in assessing CAVAC's progress and impact.

**Reporting:** The M&E Manager reports to the CAVAC Team Leader for all technical issues and to the Operational Contractor for all contract and personnel issues.

**Background to Monitoring and Evaluation within CAVAC:**
Efficient and effective M&E will be central to CAVAC's success. CAVAC's draft M&E Framework identifies: the broad logic of the program; indicators and targets (including annual targets); data collection instruments, roles and responsibilities; and key risks confronting the Program. In line with the flexible and demand-driven nature of some program elements, the logframe has been specified down to the outcome/output level only. During CAVAC's inception phase, the draft M&E Framework will be used as the foundation for discussion with stakeholders to finalise performance indicators and targets, validate data and clarify tools, database and storage requirements, and roles and responsibilities for on-going M&E within the Program. At the end of the Inception Phase, the Team Leader will present the final M&E Framework for approval by the National Steering Committee as part of the Inception Report.

CAVAC's M&E system will have multiple purposes, including:

- Guiding the program in selecting activities, understanding factors facilitating and hindering success and extracting lessons learned for future activities. To achieve this, CAVAC's M&E arrangements must be mainstreamed within CAVAC's implementation and management procedures.

- Collecting information to report on log frame indicators and targets. The main mechanism for reporting achievements against specified outcomes and outputs will be the six-monthly progress reports. Activities designed to achieve these outcomes and outputs will be identified as a routine part of the Annual Work Plan (AWP) process. Corresponding activity progress indicators will be incorporated into the AWPs and reported against in the 6-monthly Progress Reports. To ensure sufficient flexibility is maintained, the AWP will also provide an opportunity to review the M&E Framework.

- Producing evidence of impact related to reduced poverty, accelerated growth in the value of agricultural production and smallholder income in target provinces and the sustainability of the system supporting this.

- Contributing lessons for the wider development community in Cambodia. In order to do this, it will be important for CAVAC's M&E processes to align and integrate with the Strategy for Agriculture and Water and its associated M&E processes. As the SAW's M&E Framework is developed, CAVAC's M&E at the goal, objective and intermediate objectives levels should ideally become well integrated with the SAW. At the same time, CAVAC will look to identify opportunities to help to shape the SAW M&E system.

Mainstreaming analysis of sustainability and gender, environmental and anti-corruption impacts into CAVAC's M&E system is an integral part of all these functions. In terms of *sustainability*, CAVAC's M&E system needs to be able to provide information on incentives to implement and fund activities necessary to sustain increased agricultural productivity. In terms of *gender impacts*, CAVAC's M&E needs to be conducted on a gender-disaggregated basis and the M&E system must be able to measure the extent and assess how both women and men have benefited from CAVAC and the impact this has had on gender equity. In terms of *environmental impacts*, CAVAC's M&E system needs to be able to measure the extent and assess how all major irrigation scheme and market infrastructure rehabilitation programs and major off-farm value chain investments (for example, investment in improved input supply or output processing facilities) facilitated by the program have an impact on the environment. In terms of *anti-corruption impacts*, CAVAC's M&E system must be able to assess the extent and how CAVAC has been able to build constituencies for anti-corruption reform; reduce opportunities for corruption; and change incentives for corrupt behaviour.

Despite long and serious efforts, most M&E systems for market led and process oriented value chain programs have not gone beyond measuring outputs or, at best, outcomes. Not many systems have also been successful in solving the issue of attribution. Impact systems using quasi experimental designs have proven successful for less complex interventions, but have serious drawbacks in market led and process oriented value chain programs. These problems include: less useful as a management tool; difficult and often impossible to construct; complex and costly and dependant on limited local survey capacity. A useful alternative approach, though still under development, is a system based on impact logics or impact chains. This system is supported by the Secretariat of the Donor Committee for Enterprise Development (DCED). CAVAC will explore the application of this methodology to measure the impact of CAVAC's interventions.

**Responsibilities:**
The M&E Manager will be responsible for the following tasks:

1. Analysing and monitoring the M&E systems used by other value chain programs to extract lessons to inform the development and implementation of CAVAC's M&E system.

2. Finalising the M&E Framework in a participatory manner during CAVAC's inception phase (noting that some work will already have been conducted before OC mobilisation).

3. Training both CAVAC Program Staff and the staff of Implementing Partners in the use of the framework and the tools identified.

4. Conducting follow-up visits at least every 6 months to:

   a. Assist the Team Leader, Program Staff and Implementing Partners to:
      i. Collect, store, use and report on CAVAC performance in line with the M&E Framework;
      ii. Assess the quality of the data collected, the analysis undertaken and the reports produced, in order to ensure that quality, consistency and accuracy are maintained;
      iii. Ensure that the M&E Framework is monitoring the implementation of CAVAC's sustainability, gender, environmental management and anti-corruption strategies in an efficient and effective manner;
      iv. Liaise with Program Staff and Implementing Partners to assess the continuing efficacy and effectiveness of the processes outlined in the M&E Framework;
      v. Improve the ability of CAVAC's M&E system to meet the needs of the National Steering Committee, Sector Monitoring Group and Mid Term Review in assessing CAVAC's progress and impact;
      vi. Identify opportunities, complexity, or redundancy in the M&E Framework and adjusting the processes accordingly;
      vii. Update the M&E Framework (including targets and risks) as needed to reflect operational challenges and realities of the Program; and
      viii. Undertake ongoing training to ensure all staff are competent in their M&E roles.

   b. Assist CAVAC Program Staff with whatever field research, data analysis and reporting is necessary for the preparation of the Annual Work Plan and Six-Monthly Progress Reports.

**Competencies and Experience:**

*Essential*

- Strong academic qualifications (Masters level or higher) and at least 5 years international experience related to designing and implementing M&E Frameworks for agricultural or value chain development programs.
- Excellent skills in effective coordination and oral, written and interpersonal communication, including in cross-cultural and multi-disciplinary teams and environments and significant experience in building the capacity of others.
- Good working knowledge of word processing, spread sheets and presentation software (e.g. Microsoft Office Word, Excel, PowerPoint or similar).

*Desirable*

- Previous work experience in Cambodia or the Mekong region.
- Experience in integrating cross-cutting issues, including gender, environmental and anti-corruption impacts into M&E Frameworks.
- Experience in aligning and integrating a Program's M&E Framework with broader sectoral M&E Frameworks and processes.
- Experience with M&E techniques applicable to market led and process oriented value chain programs, including systems based on impact logics or impact chains.