

Appendix 19:
Minutes of Scope of Work and Steering Committee

SCOPE OF WORK
FOR
THE FEASIBILITY STUDY
ON ESTABLISHMENT OF OPEN PADDY MARKET
IN CAMBODIA

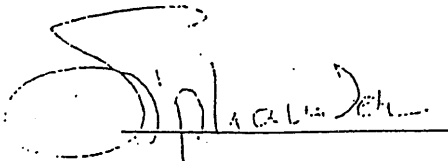
AGREED UPON BETWEEN

ROYAL GOVERNMENT OF CAMBODIA

AND

JAPAN INTERNATIONAL COOPERATION AGENCY

Phnom Penh, 24th March, 2003

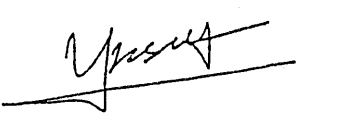


H.E. Sok Siphana

Secretary of State

Ministry of Commerce

Royal Government of Cambodia



H.E. Chan Tong Yves

Secretary of State

Ministry of Agriculture, Forestry
and Fisheries

Royal Government of Cambodia



Mr. Mitsuhiro Ota

Leader of Preparatory Study Team

Japan International Cooperation

Agency

I. INTRODUCTION

In response to a request from the Royal Government of Cambodia (hereinafter referred to as the "RGC"), the Government of Japan (hereinafter referred to as the "GOJ") has decided to conduct The Feasibility Study on Establishment of an Open Paddy Market (hereinafter referred to as "the Study") in accordance with the relevant laws and regulations in force in Japan.

Accordingly, the Japan International Cooperation Agency (hereinafter referred to as "JICA"), the official agency responsible for the implementation of the technical cooperation program of the GOJ, will undertake the Study in close cooperation with the authorities concerned of the RGC.

This document sets forth the scope of work with regard to the Study.

II. COUNTERPART AGENCY

The Ministry of Commerce (hereinafter referred to as the "MOC") and the Ministry of Agriculture, Forestry and Fisheries (hereinafter referred to as the "MAFF") shall act as the counterpart agencies.

III. OBJECTIVES OF THE STUDY

The objectives of the Study are to achieve the following items;

- (1) Reasonable price mechanism under a modern business system,
- (2) Stable regional supply of rice by providing market information,
- (3) Improvement of post-harvest technology and quality control of rice, and
- (4) Improvement of conditions for rice border trade,

and thus to contribute to increasing income for poverty alleviation in rural areas.

In order to attain the objectives mentioned above, the following activities shall be implemented;

- (1) Formulation of an operation plan for the establishment of an open paddy market
- (2) Capacity building of Cambodian counterpart personnel as well as the staff of the operation agency for the open paddy market

IV. STUDY AREA

The Study area covers the provinces of Battambang, Banteay Mean Chey, Siem Reap, Kampong Cham, Kampong Thom, Pursat, Kandal, Prey Veang, Kampong Chhnang, Svay Rieng, Kampot, Kampong Speu and Takeo. The location map is attached as ANNEX-1.

V. SCOPE OF THE STUDY

The Study will consist of three phases that cover the following study items. The Study shall be conducted while making the best use of the data collected in the previous study, "Improvement of the Marketing System and Post-harvest Quality Control of Rice".

PHASE I:

- 1-1 Collection of existing data/information and research on relevant studies, projects and plans implemented in Cambodia
- 1-2 Collection of data focusing on the following aspects;
 - (1) Natural conditions
 - (2) Socio-cultural and socio-economic conditions
 - (3) Agricultural conditions
 - (4) National and provincial development policies, laws and regulations
 - (5) Existing activities of organizations and /or institutions based on communities
 - (6) Technical support systems for inhabitants in the communities
 - (7) Public assistance and /or self reliance systems
 - (8) Marketing system and infrastructure for rice
 - (9) Post-harvest technology and quality control of rice
 - (10) Human resources of the governmental institutes and communities
 - (11) Cross-cutting issues (environment aspects, gender issues, etc.)
 - (12) Others
- 1-3 Collection of data for the establishment of an open paddy market as below;
 - (1) Actual condition of rice distribution in the respective districts in the study area

- (2) Condition of public warehouses for the market place
- (3) Needs and opinions of farmers, brokers and millers toward the concept of the open paddy market
- (4) Ability of NGOs, the private sector and governmental organizations for open paddy market operation
- (5) Others

1-4 Conducting feasibility study in three (3) prioritized provinces, from the following aspects;

- (1) Market operation system
- (2) Varieties, qualities, quantities, paddy distribution system, marketing infrastructure, marketing information system and so on.
- (3) Market services such as credit, storage and so on, which attract farmers and brokers to participate in the open paddy market
- (4) Role of government for market operation
- (5) The number of market users
- (6) Scale of the open paddy market
- (7) Rice quality and inspection standard
- (8) Cost estimation
- (9) Economic evaluation, financial evaluation and environmental evaluation
- (10) Others

1-5 Formulation of a tentative operation plan for the establishment of an open paddy market in three provinces based on the results of the feasibility study.

1-6 Selection of province(s) for operating the pilot open paddy market(s)

1-7 Explanation of the tentative operation plan for the open paddy market to people concerned, especially brokers and millers

PHASE- II

2-1 Preparation for the pilot open paddy market(s)

- (1) Establishment of necessary regulations for the operation of the open paddy market
- (2) Setting up criteria for selection of an operation agency
- (3) Selection of an operation agency
- (4) Collection of baseline data to be used for evaluation of the effects of the pilot open paddy market
- (5) Promotion of the market activities for farmers and brokers to participate in the market
- (6) Others

2-2 Operation of the pilot open paddy market

- (1) Personnel training for the operation agency and counterpart organizations to operate the market
- (2) Formulation of an operation manual for the market
- (3) Monitoring of the progress of the operation
- (4) Evaluation of the operation
- (5) Others

PHASE-III

Formulation of an operation plan for the establishment of an open paddy market with feedback from the lessons of pilot open paddy market(s).

VI. STUDY SCHEDULE

A tentative study schedule is attached as Annex 2

VII. REPORTING

JICA shall prepare and submit the following reports to the RGC

Inception Report: Forty (40) copies in English

Progress Report (1):	Twenty (20) copies in English
Interim Report (1):	Forty (40) copies in English
Monitoring Report (1):	Twenty (20) copies in English
Mid-term Evaluation Report:	Twenty (20) copies in English
Interim Report (2):	Forty (40) copies in English
Monitoring Report (2):	Twenty (20) copies in English
Progress Report (2):	Twenty (20) copies in English
Draft Final Report:	Twenty (20) copies in English at the end of fieldwork; the RGC shall submit written comments on the DF/R to JICA within one (1) month of its receipt of the report
Final Report:	Sixty (60) copies in English and Two (2) sets of CD-ROM in English within two (2) months of JICA's receipt of the RGC's comments

VIII. UNDERTAKINGS OF THE RGC

1. To facilitate the smooth conduct of the Study, the RGC shall take necessary measures;
 - (1) To permit the members of the Japanese study team to enter, leave and sojourn in Cambodia for the duration of their assignments therein and exempt them from foreign registration requirements and consular fees,
 - (2) To exempt the members of the Japanese study team from taxes, duties and any other charges on equipment, machinery and other material brought into Cambodia for the implementation of the Study,
 - (3) To exempt the members of the Japanese study team from income tax and charges of any kind imposed on or in connection with any emoluments or allowances paid to the members of the Japanese study team for their services in connection with the implementation of the Study,
 - (4) To provide necessary facilities to the Japanese study team for the remittance as well as utilization of the funds introduced into Cambodia from Japan in connection with the implementation of the study,

2. The RGC shall bear claims, if any arises, against the members of the Japanese study team resulting from, occurring in the course of, or otherwise connected with, the discharge of their duties in the implementation of the Study, except when such claims arise from gross negligence or willful misconduct on the part of the Japanese study team.
3. The MOC and the MAFF shall, at their own expense, provide the Japanese study team with the following, in cooperation with other organizations concerned:
 - (1) Security-related information on as well as measures to ensure the safety of the Japanese study team,
 - (2) Information on as well as support in obtaining medical service;
 - (3) Available data and information related to the Study;
 - (4) Counterpart personnel;
 - (5) Suitable office space; and
 - (6) Credentials or identification cards

IX. UNDERTAKINGS OF JICA

For the implementation of the Study, JICA shall take the following measures:

- (1) To dispatch, at its own expense, the Study team to Cambodia; and
- (2) To pursue technology transfer to Cambodian counterpart personnel in the course of the Study

X. CONSULTATION

JICA and the RGC shall consult with each other in respect of any matter that may arise from or in connection with the Study.

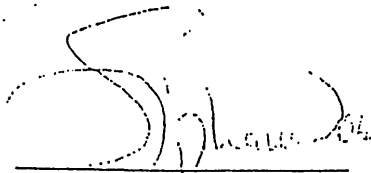
MINUTES OF MEETINGS
ON
SCOPE OF WORK
FOR
THE FEASIBILITY STUDY ON
ESTABLISHMENT OF OPEN PADDY MARKET
IN CAMBODIA

AGREED UPON BETWEEN
ROYAL GOVERNMENT OF CAMBODIA

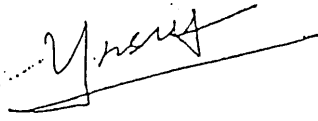
AND

THE JAPAN INTERNATIONAL COOPERATION AGENCY

Phnom Penh, 24th March, 2003



H.E. Sok Siphara
Secretary of State
Ministry of Commerce
Royal Government of Cambodia



H.E. Chan Tong Yves
Secretary of State
Ministry of Agriculture, Forestry
and Fisheries
Royal Government of Cambodia



Mr. Mitsuhiro Ota
Leader of Preparatory Study Team
Japan International Cooperation
Agency

I. INTRODUCTION

In response to the request of the Royal Government of Cambodia, the Preparatory Study Team (hereinafter referred to as "the Team") headed by Mr. Mitsuhiro OTA, was sent to Cambodia by the Government of Japan through the Japan International Cooperation Agency (hereinafter referred to as "JICA"), from March 16th to 26th, 2003 for the purpose of discussing and confirming the Scope of Work for the Feasibility Study on Establishment of Open Paddy Market (hereinafter referred to as "the Study").

The Team held a series of discussions with officials from the Ministry of Commerce (hereinafter referred to as the "MOC") and the Ministry of Agriculture, Forestry and Fisheries (hereinafter referred to as the "MAFF").

As a result of the discussions, the Cambodian side and the Team agreed upon the Scope of Work for the Study.

The followings are main issues discussed and agreed upon by both sides in relation to the Scope of Work. A list of participants in the series of meetings is attached as Annex.

II. RESULTS OF DISCUSSION

1. Title of the Study

Both sides agreed that the title of the study should be changed from "Feasibility study on improvement for post-harvest technology and marketing of paddy" to "The Feasibility study on establishment of open paddy market in Cambodia".

2. Objectives of the study

Regarding the article II "OBJECTIVE OF THE STUDY" of the document of the Scope of Work, the Cambodian side emphasized the importance of improvement of post-harvest technology such as rice processing for achieving good quality of rice and requested the Team to modify the objective number (3), "Improvement of post-harvest quality control of rice", to cover the post-harvest technology transfer.

Both sides agreed that the objective (3) should be changed to "Improvement of post-harvest technology and quality control of rice".

3. Study area

The Cambodian side requested the Team to add Kampong Speu province to study area for understanding of the rice distribution.

Both sides agreed that the study should cover thirteen (13) provinces.

4. Counterpart Personnel

Both sides agreed that Counterpart Agency should assign necessary qualified counterpart personnel for the Japanese Study Team prior to the start of the Study.

5. Pilot Open Paddy Market

Both sides agreed that the number of the sites for pilot open paddy market would be decided with consideration of the results of the feasibility study in three prioritized provinces.

6. Steering Committee and Task Force

For the smooth and efficient implementation of the study, both sides agreed that it is essential to establish a steering committee co-chaired by the secretary of state of the MOC and the MAFF, and task force which consists of members from both Ministries. The members of each committee were nominated as follows:

Steering Committee

- H.E. Sok Siphanna (Co-chairman): The secretary of state of the MOC
- H.E. Chan Tong Yves (Co-chairman): The secretary of state of the MAFF
- H.E. Mao Thora: Director General of the MOC
- H.E. Koum Saron: Director General of the MAFF
- Mr. Prak Nork: Director of Export Promotion Department of the MOC
- Mr. Kith Seng: Director of Department of Planning, Statistic and International Co-operation of the MAFF
- Mr. Phat Leng: Director of Department of Agro-Industry of the MAFF
- Mr. Un Bun Tha: Deputy Director of Domestic Trade Department of the MOC
- Resident Representative of JICA
- The leader of the Japanese study team

Task Force

The MOC side

- Mr. Un Bun Tha: Deputy Director of Domestic Trade Department
- Ms. Pol Neary Tann: Deputy Director of Export Promotion Department
- Mr. Ou Prom Virak: Deputy Chief of Information Office of Export Promotion Department
- Mr. Khim Mom: Chief of Agro-Industry Product Office, Domestic Trade Department
- Mr. Chea Puthea Kalpak: Official of Export Promotion Department

- Mr. Mey Samnang: Official of Domestic Trade Department
- Mr. Sun Somaly: Official of Domestic Trade Department
- Mr. Pong Sakhun: Official of Green Trade Company

The MAFF side

- Mr. Kith Seng: Director of Department of Planning, Statistic and International Co-operation
- Mr. Kong Pheach: Deputy Director of Department of Agro-Industry
- Mr. Srey Vuthy: Chief of Agricultural Marketing Office, Department of Planning, Statistic and International Co-operation
- Mr. Kong Sam Oeun: Vice Chief of Food Crop Office, Department of Agronomy and Land Improvement
- Mr. Lim Saody: Vice Chief of Agricultural Marketing Office, Department of Planning, Statistic and International Co-operation
- Mr. Jeng Sovanara: Vice Chief of Farming System and Economics Office, Department of Agricultural Extension
- Ms. Sakhan Sophany: Vice Chief of Plant Breeding, CARDI
- Mr. Thong Aun: Staff of Agricultural Marketing Office, Department of Planning, Statistic and International Co-operation
- Mr. Ly Sereyrih: Staff of Department of Agro-Industry

7. Supervision body

Both sides agreed that supervision body shall be established in provincial level. The MOC and the MAFF shall take responsibility to appoint the members of the supervision body.

8. Necessary Equipment and Facilities for the Study

The MOC and the MAFF promised to provide the Study Team with suitable office space in Phnom Penh.

The Cambodian side requested JICA to provide the following:

- Necessary vehicle(s), a photocopier, personal computer(s), telephone with exclusive use of line and facsimile;
- Travel expenses for counterpart personnel

The Team promised to convey the request to JICA headquarters in Tokyo.

9. Training of Counterpart Personnel

The Cambodian side requested the counterpart training in Japan for effective technology transfer to two (2) officers, one from the MOC and another from the MAFF.

The Team promised to convey the request to JICA headquarters in Tokyo.

10. Report

Both sides agreed that the number of the following reports should be changed from;

- Inception report twenty (20) to forty (40)
- Interim report 1 twenty (20) to forty (40)
- Interim report 2 twenty (20) to forty (40)
- Final report forty (40) to sixty (60)

The Cambodian side requested that reports mentioned above should be made in English and Khmer considering popularization.

Both sides agreed that the final report of the Study would be made open to the public.

Annex

LIST OF PARTICIPANTS

Cambodian Side

Ministry of Commerce

H.E. Mao Thora	General Director	
Mr. Prak Nork	Director	EPD
Mr. Un Buntha	Deputy Director	DTD
Ms. Pol Nearytann	Deputy Director	EPD
Mr. Eng Sour		GTC
Mr. Yoshishige Sekimoto	JICA Expert	

Ministry of Agriculture, Forestry and Fisheries

H.E. Chan Tong Yves	Secretary of State	
H.E. Koum Saron	General Director	
Mr. Kith Seng	Director	DPSIC
Mr. Nuth Sakhan	Director	DAALI
Mr. Men Sarom	Director	CARDI
Mr. Phat Leng	Director	DAJ
Mr. Kong Pheach	Deputy Director	DAJ
Mr. Mak Sceun	Deputy Director	DPSIC
Mr. So Khanrithykon	Deputy Director	DAE
Ms. Chan Phaloeun	Deputy Director	CARDI
Mr. Srey Vuthy	Chief	AMO
Mr. Lim Saody	Vice Chief	AMO
Mr. Chhin Seng Ho	Officer	International Cooperation Office
Mr. Mitsutarō Fujisada	JICA Expert	DPSIC

Japanese Side

Preparatory Study Team

Mr. Mitsuhiro Ota	Leader	
Dr. Yoshihiko Nishimura	Rural Society	
Mr. Shigeki Hamaguchi	Agro-Economy	
Mr. Nobuaki Oizumi	Project Coordinator, Preliminary Evaluation	

JICA Cambodia Office

Mr. Jiro Takeichi	Project Formulation Adviser
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ANNEX 2

TENTATIVE SCHEDULE

MONTH	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36		
PHASE	Phase 1																																					
WORK IN CAMBODIA	[Hatched bar]																																					
WORK IN JAPAN	[Empty box]																																					
REPORT	IC/R				P/R			IC/R(1)				M/R(1)					M-E/R								M/R(2)								P/R(2)				IC/R	F/R

- Note: IC/R: Inception Report
P/R: Progress Report(s)
IC/R: Interim Report(s)
M/R: Monitoring Report(s)
M-E/R: Mid-term Evaluation Report
DI/R: Draft Final Report
F/R: Final Report
⊙: Comment on DI/R by Cambodian Side

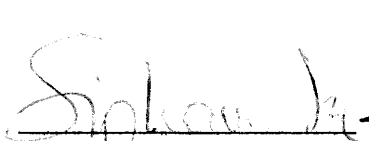
MINUTES OF MEETING
ON
INCEPTION REPORT FOR THE FEASIBILITY STUDY
ON
ESTABLISHMENT OF OPEN PADDY MARKET IN CAMBODIA

In response of the request of the Royal Government of Cambodia, the Government of Japan decided to conduct the Feasibility Study on Establishment of Open Paddy Market in Cambodia (hereinafter referred to as "the Study") and entrust the Study to Japan International Cooperation Agency (hereinafter referred to as "JICA").

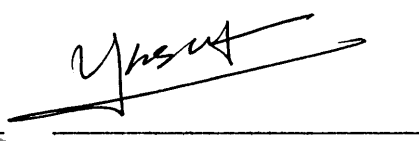
The Scope of Work concerning the Study was agreed on the 24th of March 2003 with the Ministry of Commerce (hereinafter referred to as "MOC") and the Ministry of Agriculture, Forestry and Fisheries (hereinafter referred to as "MAFF") and JICA. Accordingly, JICA sent a Study Team (hereinafter referred to as "the Team") to Cambodia on the 19th day of January 2004 to conduct the Study.

The Team had discussion and exchanged views on the Inception Report of the Study with the members of the Steering Committee and the Task Force from MOC and MAFF. As the result, the Steering Committee and the Task Force agreed upon the contents of the Inception Report, adding the official comments/ main issues discussed, and a list of the attendants of both sides are stated on the attached three (3) sheets.

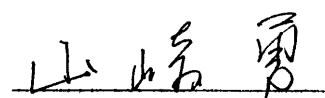
Phnom Penh, the 23rd day of January 2004



H.E. Sok Siphana,
Secretary of State,
Ministry of Commerce

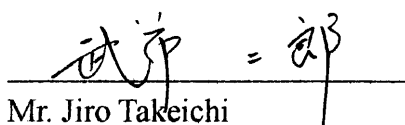


H.E. Chan Tong Yves,
Secretary of State,
Ministry of Agriculture,
Forestry and Fisheries



Mr. Isamu Yamazaki
Team Leader of
the Study Team

Witness:



Mr. Jiro Takeichi
Project Formulation Advisor
Japan International Cooperation Agency
Cambodia Office

I. Official comments and main issues discussed on the Inception Report are followings:

General comments and issues

1. The contents of the Inception Report were accepted by the Steering Committee and the Task Force.
2. In case of contradiction between reports in English and Khmer, English one rules in the contents.
3. The member list of the Steering Committee and the Task Force was given to the Team as per attached Appendix A. The Task Force was organized under control of the Steering Committee.
4. In case of necessity to establish special working group(s), the Team shall request to the Steering Committee.

Responsibilities of Cambodian side

5. MOC and MAFF agreed to provide office room for the Team at each ministry.
6. MOC and MAFF agreed to arrange a telephone line for the Team at each office.
7. The information for the Study shall be publicized not only through existing media but also through web site of MOC and/or MAFF, if available.
8. Some available data/information related to the questionnaire attached to the Inception Report shall be submitted to the Team by the middle of February 2004.

Methodology of the Study

9. The criteria for selection of 3 provinces for Feasibility Study on pilot project shall be the paddy marketing characteristics in addition to the balance of demand/supply and milling capacity.
10. Based on the result of above Feasibility Study, the main criteria for selection of sites for pilot project shall be availability of warehouse facility, farmers' group and qualified operation agency.
11. The operation agency(s) shall be selected on the base of neutrality, technical capability, human resources, financial capability and sustainability in business.

II. List of Attendants

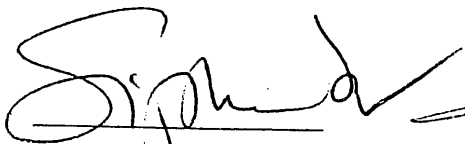
<u>Name</u>	<u>Position</u>
Ministry of Agriculture, Forestry and Fisheries	
H.E. Mr. Chan Tong Yves	Secretary of State
H.E. Koum Saron	General Director
Mr. Phat Leng	Director of Department of Agro. Industry (DAI)
Mr. Tout Saravuth	Deputy Director of DPSIC
Mr. Kong Pheach	Deputy Director of Agro. Industry (DAI)
Mr. Srey Vuthy	Chief of Agricultural Marketing Office (DPSIC)
Mr. Lim Saody	Vice Chief of Agricultural Marketing Office (DPSIC)
Mr. Ly Sereyrieth	Official of Department of Agro. Industry (DAI)
Ms Sakhan Sophany	Plant Breeding Program (CARDI)
Mr. Thong Aun	Official of Agricultural Marketing Office (DPSIC)
Mr. Khean Sovannara	Vice Chief of Farming System and Economic Office (DAE)
Ministry of Commerce	
Mr. Prak Nork	Director of Export Promotion Department (EPD)
Mr. Un Bun Tha	Deputy Director of DTD
Ms Pol Neary Tann	Deputy Director of EPD
Study Team	
Mr. Isamu Yamazaki	Team Leader/Marketing Policy
Mr. Masakazu Kanamoto	Marketing Infrastructure/ Cost Estimation/ Site Management
Mr. Shinichi Arai	Marketing System/ Project Evaluation (1)
Mr. Sakae Tamura	Agriculture/ Post-harvest Processing (1)
Mr. Kazumi Ueno	Coordinator
JICA Cambodia Office	
Mr. Jiro Takeichi	Project Formulation Adviser

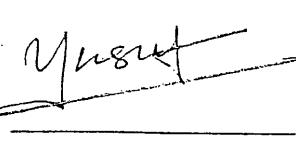
**Cambodian Members of the Steering Committee and the Task Force
for the Feasibility Study on Establishment of Open Paddy Market in Cambodia**

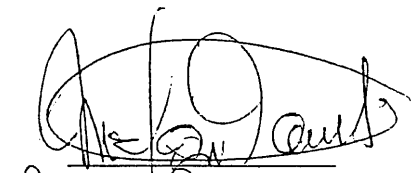
Ministry of Commerce				Ministry of Agriculture, Forestry and Fisheries			
I. Steering Committee Member							
Name	Position in MOC	Position in Steering Committee	Name	Position in MAFF	Position in Steering Committee		
H.E. Sok Siphana	Secretary of State, MOC	Co-chairman	H.E. Chan Tong Yves	Secretary of State, MAFF	Co-chairman		
H.E. Mao Thora	Director General, MOC	Member	H.E. Koum Saron	Director General, MAFF	Member		
Mr. Prak Nork	Director, EPD	Member	Mr. Kith Seng	Director, DPSIC	Member		
Mr. Un Bun Tha	Deputy Director, DTD	Member	Mr. Phat Leng	Director, DAI	Member		
II. Task Force Member							
Name	Position in MOC	Study Field	Name	Position in MAFF	Study Field		
Mr. Un Bun Tha	Deputy Director, DTD	Marketing Policy/ Marketing System (2)	Mr. Kith Seng	Director, DPSIC	Marketing Policy		
Ms. Pol Neary Tann	Deputy Director, EPD	Rural Society	Mr. Kong Pheach	Deputy Director, DAI	Market Infrastructure/ Cost Estimate/ Site Management		
Mr. Ou Prom Virak	Deputy Chief, Information Office, EPD	Marketing Policy & Rural Society	Mr. Srey Vuthy	Chief, Agricultural Marketing Office, DPSIC	Marketing System / Project Evaluation		
Mr. Khim Mom	Chief, Agro-Industry Product Office, DTD	Marketing System/ Project Evaluation (1)	Mr. Kong Sam Oeun	Vice Chief, Food Crop Office, DALI	Agriculture / Post-harvest processing (2)		
Ms. Lay Sophall	Official, EPD	Marketing System/ Project Evaluation (1) Agriculture / Post-harvest processing (1)	Mr. Lim Saody	Vice Chief, Agricultural Marketing Office, DPSIC	Agricultural Marketing System/ Coordinator		
Mr. Mey Samnang	Official, DTD	Marketing Infrastructure/ Cost Estimation/ Site Management/ Coordinator	Mr. Ieng Sovanara	Vice Chief, Farming System and Economic Office, DAE	Rural Society		
Mr. Mey Bunly	Deputy chief, DTD	Marketing System/ Project Evaluation (2) Agriculture / Post-harvest processing (2)	Ms. Sakhian Sophary	Vice Chief, Plant Breeding, CARDI	Agriculture / Post-harvest processing (1)		
Mr. Pong Sakhun	Official, GTC	Marketing Infrastructure/ Cost Estimation/ Site Management	Mr. Thong Aun	Staff, Agricultural Marketing Office, DPSIC	Marketing System / Project Evaluation		
Mr. Ie Or Rithy	Office, EPD	Agriculture / Post-harvest Processing (1)/ Coordinator	Mr. Ly Sereytrith	Staff, DAI	Agriculture / Post-harvest processing (2)		

MINUTES OF MEETING
ON
INTERIM REPORT (1)
FOR
THE FEASIBILITY STUDY
ON
ESTABLISHMENT OF OPEN PADDY MARKET
IN CAMBODIA

Phnom Penh, the 24th day of August 2004


H.E Sok Siphana
Secretary of State,
Ministry of Commerce


H.E Chan Tong Yves
Secretary of State
Ministry of Agriculture,
Forestry and Fisheries


for Mr. Isamu Yamazaki
Team Leader of
the Study Team

Witness:


Mr. Jiro Takeichi
Project Formulation Advisor
Japan International Cooperation Agency
Cambodia Office

In response of the request of the Royal Government of Cambodia, the Government of Japan decided to conduct the Feasibility Study on the Establishment of Open Paddy Market in Cambodia (hereinafter referred to as "the Study") and entrust the Study to Japan International Cooperation Agency (hereinafter referred to as "JICA").

The JICA Study Team (hereinafter referred to as "The Study Team") has conducted the Study since January 2004 based on the Minutes of Meeting on Inception Report agreed on the 23rd day of January 2004 between the Ministry of Commerce (hereinafter referred to as "MOC") and the Ministry of Agriculture, Forestry and Fisheries (hereinafter referred to as "MAFF") and JICA.

The Steering Committee Meeting on Interim Report (1) for the Feasibility Study on Establishment of Open Paddy Market in Cambodia was held at MAFF meeting room on 24th August 2004. The meeting was chaired by H.E. Chan Tong Yves, Secretary of State of MAFF and Co-chairman of the Steering Committee.

The Study Team had discussion and exchanged views on the progress of study with the members of the Steering Committee and the Task Force from MOC and MAFF. As the result, the Steering Committee and the Task Force agreed upon the contents of the Interim Report (1), adding the official comments/ main issues discussed, and a list of the attendants of both sides is stated as below:

I. Official comments and main issues discussed on the Interim Report (1) are followings:

General comments

1. Interim report (1) review for results of the second year (Phase II) study
The Steering Committee fully agreed the contents of Interim Report (1), results of the study for the first year, and the contents and schedules of the study for the second year.
2. Special Working Group for the pilot project at Svay Antor (hereinafter called "The SWG") shall be participated by the Steering Committee members or representative of the Steering Committee member, and Directors/Deputy Directors of PDAFF/PDOC. The Steering Committee shall assign members of the SWG by the 30th day of August 2004.

Finalized decision of Steering Committee Meeting for main issues

1. A selected site for pilot project of Open Paddy Market was agreed to make up at Svay Antor for the second year of the study. The Study Team will continue to study in Battambang and its surrounding areas for the next site of pilot project.
2. Legislation for Open Paddy Market initiation and operation rule shall be made by Ministry of Commerce, Ministry of Agriculture, Forestry and Fisheries through the SWG consideration. Moreover, Operation Manual for each Open Paddy Market shall be considered by the SWG.
3. The Steering Committee agreed to seek for the possibility for using the counterpart fund of 2KR for paddy pledging system of Open Paddy Market.
4. The Steering Committee requested that the status of Open Paddy Market should be the Cambodian Government during the pilot project period. Accordingly, Operation Agency for the first period of pilot project at Svay Antor should be carried on by the Cambodian Government. The Cambodian Side and Japanese Side mutually agreed to continuously discuss the style (public/profit-oriented/other) of Operation Agency and managing cost for Open Paddy Market through the SWG.
5. MOC shall arrange a legal procedure for using the warehouses at Svay Antor for the pilot project based on the official request of the Steering Committee.
6. The Steering Committee and the Study Team agreed to continue to discuss all the issues during the second year of the study.

II. List of Attendants

<u>Name</u>	<u>Position</u>
Ministry of Agriculture, Forestry and Fisheries	
H.E. Chan Tong Yves	Secretary of State, Co-chairman of Steering Committee
Mr. Kith Seng	Director of Department of Planning, Statistic and International Co-operation (DPSIC), Steering Committee Member
Mr. Phat Leng	Director of DAI, Steering Committee Member
Mr. Srey Vuthy	Chief of Agricultural Marketing Office (AMO), DPSIC, Task Force Member
Mr. Lim Saody	Vice Chief, Agricultural Marketing Office, DPSIC, Task Force Member
Mr. Thong Aun	Staff, Agricultural Marketing Office, DPSIC, Task Force Member
Mr. Seng Lay Heng	CARDI, Member of Special Working Group on Rice Standardization
Mr. Meach Yady	Vice Chief (AMO), Member of Special Working Group on Rice Standardization
Ministry of Commerce	
Mr. Prak Nork	Director of Domestic Trade Department (DTD), Steering Committee Member
Mr. Un Bun Tha	Deputy Director (DTD), Steering Committee Member
Ms. Lay Sophall	Official of Export Promotion Department (EPD), Task Force Member
Mr. Ie Or Rithy	Office, EPD
Mr. Shigeru Ebihara	JICA Expert
Study Team	
Mr. Masakazu Kanamoto	Marketing Infrastructure/ Cost Estimation/ Site Management
Mr. Shinichi Arai	Marketing System/ Project Evaluation (1)
Mr. Sakae Tamura	Agriculture/ Post -harvest Processing (1)
Mr. Takahiro Amano	Agriculture/ Post -harvest Processing (2)
JICA Cambodia Office	
Mr. TAKEICHI Jiro	Project Formulation Advisor

MINUTES OF DISCUSSION
ON
DRAFT FINAL REPORT
FOR
THE FEASIBILITY STUDY ON ESTABLISHMENT
OF OPEN PADDY MARKET IN CAMBODIA
AGREED UPON BETWEEN
THE MINISTRY OF COMMERCE AND
THE MINISTRY OF AGRICULTURE, FORESTRY AND FISHERIES
AND
JAPAN INTERNATIONAL COOPERATION AGENCY

In response of the request of the Royal Government of Cambodia, the Government of Japan decided to conduct the Feasibility Study on the Establishment of Open Paddy Market in Cambodia (hereinafter referred to as “the Study”) and entrust the Study to Japan International Cooperation Agency (hereinafter referred to as “JICA”).

The JICA Study Team (hereinafter referred to as “the Study Team”) has conducted the Study since January 2004 based on the Minutes of Meeting on “SCOPE OF WORK FOR THE FEASIBILITY STUDY ON ESTABLISHMENT OF OPEN PADDY MARKET IN CAMBODIA” agreed upon between the Royal Government of Cambodia and the Japan International Cooperation Agency on 24th March 2003, and the Minutes of Meeting on Inception Report agreed on the 23rd January 2004 between the Ministry of Commerce (hereinafter referred to as “MOC”) and the Ministry of Agriculture, Forestry and Fisheries (hereinafter referred to as “MAFF”) and the Study Team.

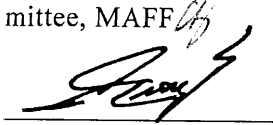
The Steering Committee Meeting on Draft Final Report for the Feasibility Study on Establishment of Open Paddy Market in Cambodia was held at MOC meeting room on 7th and 11th September 2006. H.E. Mao Thora, Undersecretary of State of MOC, member of the Steering Committee, chaired this meeting.

The Study Team had discussion and exchanged views on the results of the Study with the members of the Steering Committee and the Task Force from MOC and MAFF. As the result, the Steering Committee and the Task Force agreed upon the contents of the Draft

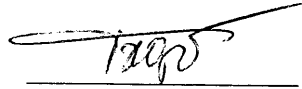
Final Report, adding the official comments/ main issues discussed, and a list of the attendants of both sides is stated as below:

Phnom Penh, 12th September 2006

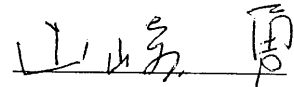
H.E Koum Saron,
Member of Steering Committee, MAFF



H.E. Mao Thora,
Member of Steering Committee, MOC




Mr. Isamu Yamazaki,
Leader of the JICA Study Team



Witness:

Dr. Kunihiro TOKIDA,
Leader of the Monitoring Team for the Study,
Japan International Cooperation Agency



1. Both sides have basically agreed the contents of the Draft Final Report. The Cambodian side will submit the comments on the Draft Final Report before the date of 6th October 2006. Those comments shall be discussed and the results of discussion will be reflected to the Final Report.
2. The Cambodian side confirmed that there is no objection for extension of the study period for submission of the Final Report by 20th November 2006, in reference to “the Minutes of Meeting on Scope of Work”.
3. MOC has requested the establishment of Open Paddy Market at two (2) locations in Takeo and Pursat province for the Japanese Government. MOC shall provide with more detailed information of requested locations by 14th September 2006, so that the Study Team will incorporate it into the Final Report.
4. Based on the result of pilot project in Kanh Chhriech district, it was clarified that autonomous cooperative shipment of paddy by farmers’ group was effectively worked on farmers’ bargaining power. At the same time the cooperative shipment by farmers could collaborate in essential functions for intermediary transaction service of Open Paddy Market in paddy production area.

The Study Team agreed to describe about farmers’ participation in establishment and management of OPM. Provided that MAFF intends to set out the agricultural marketing development project such as strengthening the paddy marketing for agricultural cooperatives or the business capacity in order to access to markets, MAFF shall provide with the promotion plan for agricultural cooperatives including the paddy cooperative shipment in the target areas of Open Paddy Market proposed in the Draft Final Report by 14th September 2006, so that it can be incorporated into the Final Report.

5. Practical procedures for carrying forward each promising location of the establishment for Open Paddy Markets for the both type of production area and wide area, that the Study Team explained in Steering Committee Meeting, shall be described in Chapter 9 “Action Plan of Project on Establishment of Open Paddy Market”, in order to show the ways for the next steps.
6. MOC suggests that NGO Svay Antor OPM may apply for the grant assistance for Grass Roots by Japanese Government for supplementing the OPM operation with funds, in order to keep sustainable operation under fair and equitable trade between sellers and buyers.

List of attendants

The Ministry of Commerce

H.E. Mao Thora	Undersecretary
Mr. Un Buntha	Acting Director, Domestic Trade Department
Mr. Khim Mom	Chief Office, Agricultural and Industrial Domestic Products Office
Mr. Mey Bunly	Deputy Chief Office, Domestic Trade Department
Mr. Heung Chak	Officer, Agricultural and Industrial Domestic Products Office

The Ministry of Agriculture, Forestry and Fisheries

H.E. Koum Saron	Director General
Mr. Kith Seng	Director of Department of Planning and Statistics
Mr. Kong Pheach	Deputy Director, Department of Ago-Industry
Mr. Lim Saody	Chief, Agriculture Marketing Office
Mr. Yasunori ARAKI	JICA Expert

Embassy of Japan

Mr. Kenichi KOBAYASHI	Second Secretary
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JICA Headquarter, Japan

Dr. Kunihiro TOKIDA	Leader of the Monitoring Team for the Study
Mr. Shinjiro AMAMEISHI	Member of the Monitoring Team for the Study

JICA Cambodia Office

Ms. Tomoko TANAKA	Assistant Resident Representative
Mr. Suon Sothea	Program Assistant

JICA Study Team

Mr. Isamu YAMAZAKI	Leader
Mr. Masakazu KANAMOTO	Member