

# **Document Best Practices of Farmer Organisations**

“Project for Agricultural Development and Economic  
Empowerment (PADEE)”

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## Contents

<b>Abbreviations</b>	<b>3</b>
<b>Acknowledgements</b>	<b>4</b>
<b>1. Background and Introduction to Case Studies</b>	<b>5</b>
<b>2. Key Findings and Lessons Learned</b>	<b>5</b>
<b>3. Conclusions and Recommendations</b>	<b>7</b>
<b>4. Case Studies Illustration</b>	<b>8</b>
<b>Kandal Province</b>	
Case 1: Cambodian Sedge Mats Business Association (CSM)	<b>10</b>
Case 2: Kampong Lourng Silver Association	<b>14</b>
Case 3: Agricultural Cooperative in Kampong Prassat (ACKP)	<b>17</b>
<b>Takeo Province</b>	
Case 4: Kasekor Rik Chamreun Association	<b>20</b>
Case 5: Baksei Rikreay Cooperative	<b>24</b>
Case 6: Tipath Ponlork Thmey Agricultural Cooperative	<b>27</b>
<b>Kampot Province</b>	
Case 7: Sameki Chey Chumneis Group	<b>31</b>
Case 8: Kampot Pepper Promotion Association (KPPA)	<b>35</b>
Case 9: Revolving Fund Group	<b>39</b>
<b>Prey Veng Province</b>	
Case 10: Sameki Meanrith Phum Snuol Khang Lech Association	<b>43</b>
Case 11: Ponlork Tmey Handicraft Group	<b>46</b>
Case 12: Agricultural Development Cooperative in Chres Commune	<b>50</b>
<b>Svay Rieng Province</b>	
Case 13: Family Economic Development of Kampong Chamlong Commune Association (FEDA)	<b>54</b>
Case 14: Svay Rieng Agro-products Cooperative	<b>57</b>
Case 15: Chamreun Phal Svay Chrum Association	<b>60</b>
<b>Annex 1: List and Overview of the 15 Case Studies</b>	<b>62</b>
<b>Annex 2: List Of Government Agencies, NGOs and Private Sectors Interviewed</b>	<b>66</b>
<b>Annex 3: List of Farmers Interviewed</b>	<b>67</b>

## Abbreviations

AC	Agricultural Cooperative
ACKP	Agricultural Cooperative Kampong Prassat
AFP	Agence Francaise de Development
AVSF	Agronomes et Vétérinaires Sans Frontières
CAC	Co-operative Association of Cambodia
CAVAC	Cambodia Agricultural Value Chain Program
CBO	Community Based Organisation
CC	Commune Council
CCC	Cambodia Craft Cooperation
CEDAC	Centre d'Etude et de Développement Agricole Cambodgien
CEW	Commune Extension Worker
CIRD	Cambodian Institute for Research and Rural Development
CORAA	Cambodia Organic Agricultural Association
CSM	Cambodia Sedge Mats Business Association
DPA	Development and Partnership in Action
EMAF	Export Market Access Fund
FAEC	Federation of Farmer Associations Promoting Family Agricultural Enterprises in Cambodia
FA	Farmer Association
FCFD	Federation of Cambodian Farmer Organisations for Development
FEDA	Family Economic Development Association
FFS	Farmer Field School
FO	Farmer Organisation
GI	Geographical Indication
GIZ	Gesellschaft für Internationale Zusammenarbeit
GNA	Group Network Alliance
ICA	International Christian Assembly
ICD	Integrated Community Development
IDE	International Development Enterprise
IDPoor	Identification of Poor-Household Program
IFAD	International Fund for Agricultural Development
IVY	International Volunteer Center Yamagata
KFG	Khmer Farming Garden
KPPA	Kampot Pepper Promotion Association
MAFF	Ministry of Agricultural, Forestry and Fisheries
MCC	Mennonite Central Committee
MoC	Ministry of Commerce
MST	Mobile Support Team
NGO	Non-Governmental Organisation
ODOV	Organisation to Develop Our Villages
PADEE	Project for Agricultural Development and Economic Empowerment
PC	Project Committee
PDA	Provincial Department of Agriculture
PDRD	Provincial Department of Rural Development
PDWA	Provincial Department of Women's Affairs
PSE	Pour un Sourire d'Enfant
RDB	Rural Development Bank
SAC	Svay Rieng Agro-products Cooperative
SCW	Save Cambodia's Wildlife
SRI	System of Rice Intensification
VDC	Village Development Council

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## 1. Background and Introduction to Case Studies

The farmer organisation (FO) / collective action approach, which aims to secure economic, social and wider benefits to farmers through expanding their social capital and building the capacity of local communities has been practised in Cambodia since the 1990s, and has increased in popularity through the 2000s until the present. In 2003, the Royal Government of Cambodia passed the Decree on the Establishment and Functioning of Agricultural Cooperatives. The farmer organisations in the study areas occur in three forms: cooperative, association and group. In each province, we selected three case studies of farmer organisations. In total, there are 15 case studies: five cooperatives, seven associations and three farmer groups. Agricultural activities dominate farmer organisations in our study areas, while there are only a few in handicrafts. The main livelihood strategy of farmer organisation members is rice production, following by backyard poultry production, vegetable production and handicrafts as subsidiary income sources. Although there are a few processing activities, no processing group has been identified because they tend to operate as individuals. Farmer federations are not included in this study because they are not run and operated by farmers, but serves as technical and support teams to farmer organisations.

- *Agricultural Cooperatives (ACs)*: these evolved from several farmer groups / farmer associations established to achieve economic benefit. ACs are managed by elected committees (chief, deputy, treasurer and secretary) and registered at the Provincial Department of Agriculture (PDA). They involve commercial activities including rice, seed, fertilizer and animal feed trading. ACs sell shares to members to earn capital for the operation, and members receive annual dividends. The price of shares varies from one AC to other AC depending on members' incomes, and range from 5,000 riel (USD 1.25) to 20,000 riel<sup>1</sup> (USD 5) or more.
- *Associations*: These are either formal or informal, and have evolved from various farmer groups with a common interest in achieving social and economic benefits. Formal groups are registered at the ministry, while informal groups are recognised by local authorities. There are two types of association: farmer associations and business associations. Farmer associations (FAs) share similar characteristics with ACs in terms of commercial and trading activities. Additionally, FA provides some agricultural input supply services and engages in social activities such as savings and credit programmes, gender-based violence training, sanitation and hygiene programmes, and agricultural extension programmes and so on. Business associations are more likely to be operated as small business firms in which a group of local people with financial capital operate as a joint venture. Business associations employ local producers on a daily rate to work on materials provided either for home-based work or at a provided workplace.
- *Farmer Groups (FGs)*: These are informal collectives of farmers and may or may not be recognised by local authorities. They function at a village-based level. Although FGs do not have any commercial activities, they are organised for a particular purpose: savings and credit, strengthening bargaining power and expanding market opportunities. The number of members starts from seven and can be as much as 50 or more.

### 1.1 Objectives:

- To document best practices and lessons learned from the successful experiences of various forms of farmer organisations in the five provinces: Svay Rieng, Prey Veng, Kandal, Takeo and Kampot province.
- To contribute to knowledge development for the Project for Agricultural Development and Economic Empowerment (PADEE).

## 2. Key Findings and Lessons Learned

### Key Findings

**Approach to farmer organisations implemented in similar forms:** The development actors and government agencies are the driving force behind establishing farmer organisations. The process simply starts from co-operation with local authorities to disseminate the concept and advantages of collective work. The development actors and local authorities then mobilise the selected villagers to elect their leaders and establish the rules as the first stage of creating a farmer organisation. The following stage is the provision of training on management and finance to enable the functioning of the farmer organisation, followed by training on production skills to

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<sup>1</sup> 1 USD = 4000 riel

improve farmers' productivity. Some development actors provide technical and financial support, while others are restricted to the provision of technical assistance.

**Farmer organisations enhance the ability of smallholders to improve productivity and product quality, and to access market information and inputs, while small-scale farmers save money to accumulate capital and collectively run economic activities:** All the farmer organisations attended a number of training workshops on production as well as management skills. The training workshops have improved farmers' ability to diversify their livelihoods. Out of the 15 case studies, 10 case studies have collectively saved money to accumulate group capital which is used to provide loans to members at lower interest rates, while 10 cases have accumulated capital from selling shares and savings schemes to run economic activities; for example credit schemes, fertilizer supply and other services. Also, four cases have been able to trade their products to wider markets.

**Farmers gain significant economic benefits:** Members have increased their productivity and their products are of higher quality, and therefore generate greater income from sales in a high value market. For example, farms sold pepper at USD 4 per kilogram before the association was established, but they now get USD 10 for black pepper. Organic rice farmers obtained USD 0.4 per kilogram of organic rice, whereas normal rice is around USD 0.25 per kilogram. The Cambodian Sedge Mats Business Association has created job opportunities for local producers, generating USD 2.5 /per day. Sedge mat entrepreneurs sell sedge mats for export at USD 12, while local sedge mats are just USD 6.25 for the same size. Tipath Ponlor Tmey Agricultural Cooperative provided members with a dividend of USD 7.25 for each share. The Svay Rieng Agro-Product Cooperative has created jobs for small-scale vegetable farmers as well as linking their products to a high-value market.

**Farmers extend networks and experience stronger social cohesion and relationships through collective work:** Often, farmers' ability to make connections within and beyond their local area has been coordinated through participating in meetings, workshops, exhibitions and field visits. Thus, some farmer organisations have engaged in new market opportunities and some have partnered with the private sector to supply fertilizer to members. Regular weekly, monthly or annual group meetings have brought them together not only to discuss their group's work, but also to provide a place for them to share experience and knowledge. This has helped them to get to know each other better.

**Other benefits gained by members of farmer organisations:** People's participation in farmer organisations helps them to gain management skills as well as experience in conflict resolution and public speaking. Overall, it increases the capability and self-confidence of farmers to articulate their interests.

## **Lessons Learned and Key Factors that Impact on the Success of Farmer Organisations**

**Management committees and members tend to be old and have attained only low education:** Farmers who join farmer organisations tend to be old or middle aged, and have achieved only low education levels. For example, all the members aged more than 35 years had attended only primary or secondary school. Importantly, they have less experience working in groups and engaging in the market. Consequently, it requires considerable time and effort to build their capacity. Often, it takes development actors from two to five years, or more, until farmer organisations can become independent. Coaching and monitoring for the first three years is needed for the sustainability of farmer organisations. For example, Kampong Lournng Silver Association and Chamreurn Phal Svay Chrum Association were dissolved after the withdrawing of external supporters who failed to provide coaching and monitoring mechanisms. On the other hand, Kasekor Rik Chamreurn Association and Sameki Chey Chumnes group have been successful in terms of savings and credit schemes despite the old age and low education levels of their members.

**Risk of financial and material provision and duplication of external support for groups' sustainability:** As found in the studies, many farmer organisations are able to leverage some forms of financial provision from development actors. The funds are vital to farmer organisations, yet there might be a risk to a group's sustainability if they are not well managed. The financial support should not be the driving force for farmers' participation since it might result in low commitment and interest in taking part. Some farmer organisations have received external support from more than one source either during the same period or over different times. The duplication of external support to a group can increase farmers' dependence on external support. Interestingly, some farmer organisations continue to look for financial support instead of finding a way to become self-sufficient. For instance, Kampong Lournng Silver

Association and Chamreurn Phal Svay Chrum Association have been supported by more than one development agency and are now inactive after donor withdrawal. FEDA and ACKP are uncertain about their future after financial support is withdrawn.

**Low productivity:** The surplus produced for the market in agricultural production remains relatively low despite the agricultural extension programme. Some farmers do not adopt the new technology properly, while others lack the resources including capital and labour needed to apply new agricultural practices. On the other hand, some agricultural techniques are not proven to be effective in increasing productivity, especially in the area of animal production. Moreover, the irrigation infrastructure that supports production is limited. This is evident in all cases related to the agricultural sector. Although the Kampot Pepper Promotion Association and Svay Rieng Agro-Product Cooperation have traded their produce on the market, both of them experience low volume of supply by farmers. Low productivity keeps farmers in a position of disadvantage in terms of their ability to exploit market opportunities.

**Lack of access to financial credit at low interest:** Capital accumulated from savings and the shares of members is not sufficient for members to scale up production and the farmer organisation's economic activities. Their ability to save and buy shares is limited due to their low income, and financial institutions only offer credit at high interest. These are significant challenges to them expanding their business and adapting to industrial evolution. All cases make use of their available capital except for CSM and FEDA, which have accessed a rural development bank and CFAD funds.

**The voluntary work of management committees limits their full engagement:** Working as a management committee or governing committee is voluntary in almost all of the case studies. The groups running economic activities receive some incentive, yet this is relative low and insufficient to support their livelihoods. The committee engages in some other work to generate income. This is linked to their time constraints to engage in meaningful work towards the progress of the group. However, this is exceptional for business associations.

**The level of women in leadership is comparatively low:** Despite targeting women as beneficiaries as part of empowering women, women's participation at management level is quite low or is limited to them being assigned as secretary or treasurer with little role in decision-making. Exceptions to this are the Sameki Chey Chumneis Group, which is a women's only group, the Agricultural Development Cooperative in Chres commune and SAC. Targeting women as beneficiaries will not automatically empower and benefit women if they have not been able to express their interest and make decisions.

**Lack of rotational leadership:** All the farmer organisations set their rules and elect committees every two or three years, though many committees have been re-elected several times. This is evident in all the case studies. The farmer organisations should have been encouraged to have rotational leadership, which would allow other members to gain leadership experience, so they could take up leadership positions in the event of the resignation of committee members. Development actors should ensure that their mechanisms have equipped and prepared other members to become leaders in their group.

**Lack of inclusiveness in decision-making to enhance accountable management remains a struggle:** The farmer organisations have been formed in a way that ensures transparency and the inclusiveness of members in their decision-making; for example, major decisions should be made by the majority voice. Instead, however, members become listeners and then agree to committees' proposals rather articulating their interests, entrusting everything to the committees. This is common for farmer organisations running semester or annual meetings. Members being passive participants at meetings perhaps contributes to their limited engagement in group activities. Moreover, they do not perceive themselves as having a voice in decision-making.

### 3. Conclusions and Recommendations

Development actors and government agencies increasingly invest in farmer organisations to enhance rural livelihoods, address social issues and especially to increase farmers' incomes. They also empower farmers and promote sustainability. Farmer organisations provide many advantages for diversifying and improving the livelihoods of smallholder farmers. These include improving stallholders' market position and wider market linkages, and the delivery of capacity building training, inputs, and credit.

Organising as a group has helped farmers to increase their productivity, and gain access to markets and information. Although improvements to agricultural productivity can tackle food

insecurity, surplus produce for trading remains a struggle. Their poverty, low productivity, low capacity in networking, marketing and management, and limited mobility outside their areas limits their ability to engage in the wider market. As a result, only a few agricultural farmer organisations are able to engage in high-value markets, with the remainder concentrating on savings and credit schemes and coordinating knowledge transfer within the communities.

The most prominent activity of farmer organisations is the savings and credit programmes that serve as capital for members to invest and expand both their agricultural and non-agricultural production. Many agricultural cooperatives, farmer associations and farmer groups consist of savings and credit schemes, which they regard as their core work. The second major activity in FO is technology and knowledge transfer, either via NGOs, government agencies or FO committee members who have been trained by those development agencies. In an effort to generate income for their operation, AC and FA engage in rice trading and credit scheme activities, for example, providing rice, fertilizer, seed, and breed supplies to its members using credit systems or hand on payment at better prices.

In short, farmer organisations are seen as an entry point for rural livelihood development. The sustainability and impact of farmer organisations are affected by the way the key intervention strategies are designed and implemented, and particularly by the way farmers manage farmer organisations. Evidence from the case studies suggests that there is no “one size fits all” approach. The most successful approach to farmer organisations should be varied to adapt to the local context of the group, its potential and to local resources. More importantly, the strategies should support the groups towards achieving self-sufficiency and autonomy, meaning pooling their available local capital, social capital and natural resources to strengthen their livelihoods. Therefore, more emphasis should be put on capacity building to address committees’ limited capacity, which is the main constraint to their success.

**To improve the effective functioning and sustainability of farmer organisations, development agencies shall:**

- Improve the coordination of external support and avoid duplication of support
- Provide technical support to build the capacity of farmer organisations over an extended period to ensure they are capable of independent operation
- The financial support should not be the driving force to farmers’ participation
- Promote inclusiveness and collective decision-making to enhance transparency of management and empower farmers
- Provide regular coaching and monitoring on management and financial as well as production skills over an extended period
- Develop mechanisms that encourage rotational leadership
- Promote the vital role of women’s participation in leadership
- Analyse household dynamics, power dynamics, gender issues and barriers to marginalised groups promoting inclusive development and women’s empowerment.

**To generate greater impact and promote the benefits of farmer organisations, development actors shall:**

- Identify potential and high value produce of the group that can be linked to markets
- Support farmer organisations’ engagement in diverse markets
- Build on the existing farmer organisations to develop economic activities
- Promote diversified relationships between the association and the private sector
- Link the group to financial institutions that can provide low interest
- Influence national policy to support and protect smallholders.

#### **4. Case Studies Illustration**

The following are the 15 case studies selected from five provinces: Kandal, Takeo, Kampot, Preng Veng and Svay Rieng.

# Kandal Province

## Uncover the Potential of Collective Business Action: Preserving Local Indigenous Knowledge and Linking Local Products to the International Market

Cambodian Sedge Mats Business Association (CSM)



### Summary

The Cambodian Sedge Mats Business Association (CSM) has been widely recognised for its brand, produced in Kandal province, for the high quality and diverse hand weaving of its sedge mat products. Previously, Cambodian sedge mats were only known and used locally as floor mats. CSM works collectively to produce, build branding, and market sedge mat products internationally and to access credit, service and information, offering economies of scale, knowledge sharing and increasing bargaining power. CSM has promoted its sedge mat products and exported to many developed countries. External support together with capable management by members has built its success.

### Background

Cambodian people have long been traditional weavers of sedge mats to use for a variety of purposes, especially used as rugs. Sedge mats come in both traditional and contemporary varieties, with the latter geared toward western tastes. The traditional mats have simple patterns, while the contemporary ones need a greater variety of colours and are more elegant. Sedge mats are now becoming works of art with increasing varieties of products rather than simply mats. Kandal province is popular for producing sedge mats, yet the production is a cottage industry, with female producers dominating.

CSM was established in 2007 under GTZ coordination, now known as Gesellschaft für Internationale Zusammenarbeit (GIZ). In 2007, CSM was a joint venture of 17 sedge mat entrepreneurs in Kandal province, in which each entrepreneur subcontracted to between 50 to 200 local small-scale weavers and sedge farmers. In total, there were more than 2,000 producers, 70 per cent of them employed by CSM. Since 2008 CSM has undergone a significant fall in sedge mat consumption for the domestic market, as a result of the availability of imported synthetic mats from neighbouring countries at an attractive price. The number of sedge mat weavers and sedge farmers has shrunk significantly. CSM was inactive between 2007 and 2009 and resumed with around five joint ventures in 2010 to take advantage of international market opportunities. CSM employs fewer than 300 sedge mat producers. Taking advantage of market globalisation through fair trade, CSM is outward looking and expanding overseas markets through product diversification and improvements to quality as ways of sustaining their business. The overseas market has become the main market with secure increases in product orders to more than 15 countries; meanwhile CSM is also looking for opportunities to expand its

domestic market. Between 2012 and early 2013, CSM exported around five containers to overseas markets.

## How CSM Starts Up and Sustains its Growth?

In recent years, market deregulation has affected small-scale producers with mixed results. Market deregulation means that small-scale entrepreneurs have to compete with cheaper imported products. Conversely, many market opportunities are also emerging from globalisation. CSM experiences both. In an effort to compete with cheaper mat products from neighbouring countries, sedge mats producers in Kadal province have sought to overcome this challenge by forming a collective association.

### **Collective joint venture of local entrepreneurs:**

In 2007, GIZ coordinated to establish the association with 17 local entrepreneurs as members. A committee with a head, deputy treasurer and secretary was elected to run the association. However, the association was inactive until 2009 because there was a decline in domestic sedge mat consumption and the German market linkage facilitated by GIZ failed. A significant drop in the market led to many entrepreneurs, weavers and sedge farmers abandoning the work. In late 2009, CSM, using a new structure, resumed its business with a joint venture of five local entrepreneurs in the hope of searching for new market opportunities. The new structure consists of a head, deputy, treasurer and marketing manager. Each entrepreneur employs around 50 to 100 small-scale producers. When there is a product order, the head of the association discusses it with members to distribute the order among the five members. The distribution of the product order should be based on the production capacity of each member and an even distribution agreed to by all members.

CSM works co-operatively to seek new overseas market opportunities and exploit the benefits of the free trade movement. Their effort has achieved steady and fruitful results, with technical, financial and market linkage support from governments and development agencies. Yet their achievement is also heavily subject to CSM capacity to extend social networks and take advantage of the market. CSM is the collective of local small-scale sedge mat producers who are knowledgeable in production, but inexperienced in new market trading. To address market constraints, CSM has hired a marketing manager who firstly worked in a voluntary capacity and later received a commission fee through market facilitation.

**Market linkages through exhibitions and networks:** CSM has better trading opportunities because it is an organised association. CSM has been engaged in many national and international exhibitions coordinated by the Ministry of Commerce (MoC). This enables a friendly business environment in which CSM can meet potential business partners to build more business networks. On the international market, foreigners do not understand the concept of using sedge mats. Exhibitions are important to introduce and promote the concept of sedge mat products made in Cambodia. CSM has also expanded its market through some agencies, for example the Cambodia Export Market Access Fund. CSM has exported its products to various European countries, as well as the United States, Canada, Japan, Korea and Australia. On the other hand, additional markets are needed to sustain business and secure jobs for the weavers and sedge farmers. Domestic sedge mat consumption remains relatively low, which continues to negatively impact on sedge mat weavers.

**Financial service access:** The collective enterprise opens up an opportunity to access credit at lower interest rates. In 2010, the Rural Development Bank (RDB) provided a loan to CSM of USD



50,000 at an interest rate of 1.8 per cent. The loan is the main capital used to build the workplace station, warehouse and stock sedge. Presently, CSMA has two warehouses and one workplace station accommodating 30 looms and 60 weavers. Despite the loan from RDB, financial shortage remains a major problem for the long-term plan to upgrade and catch up with industrial evolution.

“Our commitment to preserve indigenous knowledge motivate us to work collectively,” said Ly Enag

### **Product diversification and quality improvement:**

Diversifying products and upgrading product quality is required to compete in international markets. CSM’s product development has been technically supported by several development agencies including GIZ, Herrick Foundation and EMAF. Training in sedge sorting, design, and colouring is provided to producers. Sedge mats for export are more elegant, of high quality hand-weaving. Currently, sedge is being used in a number of products, including mats. These include table runners, table sets, floor runners, handbags, pillows, stationery, wall displays, souvenirs as well as other items.

## **Key Achievements**

### **Employment opportunities for small-scale producers, particularly women, in flexible informal work:**

CSM offers jobs to around 500 villagers, who work as weavers, sedge farmers, colour-mixers and quality controllers. Weaving a mat takes around six to seven hours and requires the combined efforts of two people to operate a loom. Women usually do this task. A weaver receives a daily rate of 10,000 riel (USD 2.5) for weaving one mat. The sedge maker receives a daily wage of 10,000 riel. Colour mixing is considered hard and highly skilled work and a colour mixer is paid around USD 300 /month. Employment in sedge mat production provides income in addition to that derived from their agricultural activities. For women, especially vulnerable women, who bear the household burden and lack of opportunity to diversify their livelihoods, sedge mat weaving is essential. Working in CSM is flexible in terms of work hours and workplace. Weavers can decide when to weave and work at home if they have a loom. This allows women to manage their domestic work and childcare. In most cases, weavers undertake the task for half of the day, from early morning to noon, and in the afternoon do farming and household work. Compared to garment factory workers, though, the daily wage is considerably lower. Many sedge mat weavers decide to work in garment factories. More importantly, job security is limited because this work is done on a daily basis, without any long-term contract. Job availability is subject to product orders, which often fluctuate.

### **Preserving local indigenous knowledge and product promotion, resulting in higher prices:**

A collective business association plays an important role in preserving local indigenous knowledge, keeping the sedge mat enterprise going, whereas there is a dramatic decrease in sedge mat producers. With emerging demand on the overseas market in addition to capacity building in technical product development, CSM has become innovative in creating sedge mat works of art, producing more varieties of sedge product of a quality that is internationally recognised. The higher quality results in a higher price; for example, a local sedge mat is sold at USD 6.25, while an exported sedge mat costs up to USD 12 for the same size.

**Capacity building:** Adding to their existing indigenous knowledge, workers and weavers have received ongoing training from CSM on modern design, sedge sorting and colour mixing to catch up with market trends and to guarantee the highest quality of Kandal province’s sedge mat products.

**Fair share of benefits:** The price is set by the entrepreneur and facilitated through the marketing manager. When there is an overseas order, CSM provides quotes to the marketing manager who adds some marginal costs to the commission fee. The marketing manager then sends the final quote to customers. The system of price setting is to ensure that entrepreneurs receive an even distribution of benefit and a reasonable profit in the chain. Although entrepreneurs set the price, this is market based to increase product competitiveness. The informal workers for CSM receive a daily wage or month salary depending on the type of employment.

## **Lessons Learned and Recommendations**

**Ensure the sustainability of CSM:** *External actors should work with CSM to expand and diversify markets as well as secure market demand. This can be done through raising awareness of the importance of local products to the public. This leads to employment security for workers. It is also important to secure CSM independent access to the financial resources required to sustain their*

engagement in a diverse market. Ongoing business and product development training should be encouraged to maintain the highest competitiveness in the market.

**Improve national policies in support of small-scale business associations:** *The legal principles of equality of benefits from cooperation and other forms of association are needed to support effective business associations. Policy support and the promotion of local products should be encouraged. Where these already exist, they need to be widely promoted to increase local awareness. Policy-makers need to consider supporting small business associations with cost reductions and simplification of export procedures. Where possible, social protection should be provided to workers where women dominate, and mechanisms developed to ensure that benefits are shared fairly among informal weavers and sedge farmers.*

**Utilise new technology to scale up production:** *Modern technology might lower production costs and increase productivity. Where possible, long-term business plans should be developed to scale up production. Development actors should enable private sector engagement to provide financing to introduce modern technology, as capital is the main constraint. Training should also be provided to ensure effective use of technology.*

### Female Worker in CSM: Ms Prim Khim Hout

Ms Prim Khim Hout, 45 years old, is a widow with five children who has been regularly employed by CSM since 2007 to do product cleaning and cut sedge mats. As a widow, she is the breadwinner and has to bear all household burdens.



Before joining CSM, Khim Hout was a local sedge mat producer, weaving traditional sedge mats at home. Like many other local weavers, Khim Hout faced a dramatic decline in local consumption. Her traditional sedge mat production became unprofitable due to an increase in the price of sedge and imported competing cheaper synthetic mats. With her expertise in sedge mat production, she has been recruited to work for CSM. She earns 10,000 riel/day (UDS 2.5). *"Although the wage is lower than for garment factory workers, I choose to work for CSM, appreciating that I enjoy flexible working hours. I can take one hour during working time to shop and cook food for my kids and catch up later on", said Khim Hout.* She also acknowledges that the wage from her work is essential for family. It is used to buy food and support her children's study. Some of the money is invested in rice farming and sugarcane plantation.

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## Collective Business Action in a Trouble Situation

### Kampong Lournng Silver Association



### Summary

Kampong Lournng Silver Association was established in 1999 with the support of the Cambodian Craft Cooperation (CCC) to access training, technology, inputs and a wider market for moulded silver and copper sculptures. After the CCC withdrew its support in 2007, the association's co-operative activities lapsed and the association's shop located in Kampong Lournng, which was provided by the CCC, closed. Meanwhile, there has been an expansion in private shops selling those silver and copper products as a result of the growing number of tourists in the area.

### Background

Kampong Lournng District has long been known for its tradition of producing the finest art works by silver and copper smiths. Many Cambodian silver and copper sculptures are from cottage industries in Kampong Lournng. Traditionally, the silver sculptures were for royalty and presented at weddings. The metal is imported from China, Russia, Malaysia and Singapore, then made into sheets and moulded before being engraved. Firstly, the silver and copper are melted down and worked into sheets, before being cut, beaten, engraved and moulded into animal and fruit figures. The products are then coated and are ready for sale. Silversmith production is hand production jointly done by women and men, where men melt down and mould, and women engrave and sculpt. Although there are many families in Kampong Lournng producing silver and copper sculptures, the majority of them sell their labour to entrepreneurs who provide raw materials. The payment is based on whether it is silver or copper that is sculpted. A silversmith charges USD 200 as a wage to process one kilogram of silver while a producer of copper statues takes 70 USD. There are no work stations provided to silversmiths, who



are usually home based workers. There are several entrepreneurs trading the products as individuals in the area despite the existence of the association.

With the potential and popularity of silver and copper production, the Cambodian Craft Cooperation (CCC) supported silversmiths to form an association in 1999, called the Kampong Lournng Silver Association. The association has 72 families (around 220 persons) as members and each family pays 4,000 riel (USD 1) as a membership fee. CCC was founded in 1999 with financial support from Handwerkskammer Koblenz, the German Chamber of Trade. CCC financially and technically supported the association for around five to six years. The technical support includes marketing linkages via participation in trade fairs and exhibitions, and training on modern technology, design innovation and management. CCC also provided a coating machine and built a shop where local producers could collectively display and sell their products in Kampong Lournng.

However, collective selling no longer happens and the shop has been closed. The association remains in name only, without any collective activities, and silversmiths tend to produce and sell individually.

### **Why the Collective Action of the Kampong Lournng Silver Association Did Not Last**

The main problem with the association was that it was formed without a wider concept of collective business action; rather, it was formed as a group for the purposes of receiving inputs support, technology and training ranging from production skills to marketing and management. Organising as an association to cooperatively produce and market the products was completely absent. It is clear that the sense of a cooperative business association was not integrated when the association was started. Forming as a group was seen as a means to access external support and credit, while a shared sense understanding of a collective business and joint action did not develop.

In 2003, CCC built the association a shop located in Po Toch village, Kampong Lournng commune, Ponhea Leu District, Kandal province. The idea of the shop was to expand the local market and promote products. Members of the association could display their products for sale at their set price. The head of the association worked as a voluntary shop manager, but would get 10 per cent as a commission fee per item. This concept of promoting genuine collective sales does not work without a sense of co-operation. The shop was run for less than two years and is still closed, without any possibility of reopening. Their joint sale activity was deeply reliant on a narrow local single market in Kampong Lournng commune where their trading took place. A local shop model in this context does not demonstrate the ideal of joint business action. Despite linkages to overseas markets, the group was not motivated to undertake collective trading to a wider market and they traded their products individually.



**Association shop**

Additionally, the association's structure does not promote the concept of collective business action. The association consists only of a head and deputy and the rest are members. The role of head and deputy in facilitating co-operative business activity and promoting markets to members is not seen in the association's regulations. Some fundamentals of collective business action do not exist. For example, there is no combined capital or savings activities to operate the association's business. The concept of association branding on members' products is not encouraged. On other hand, members are likely to produce and market their product individually with their own branding. The association only plays a role in facilitating knowledge sharing and providing access to support.

CCC actively diversified market opportunities and engaged the association with trade fairs and exhibitions locally and internationally, yet market linkages benefited individuals rather than the association as a whole. The head and deputy got the chance to attend those exhibitions, while members rarely had these opportunities. The business network and partners advantaged individuals because there was no joint trading or production activity.

## Achievements

Despite collective business action being invisible, the association, through the support of the CCC contributes to the growth of local silver enterprise and the promotion of the silver and copper sculptures of Kampong Lournng commune. Recently, silver and copper sculpture shops located in Kampong Lournng commune, not far from the association's shop, started being privately run by a local entrepreneur. The place has become a tourist destination and received a hundred foreigner visitors every month. Previously, the production site was unknown to customers. This directly supports the growth of local enterprises. Ms Den Mas, deputy of the association, is planning to open a personal silver shop in Kampong Lournng due to the increasing number of visitors in the area. Gaining experience from the Kampong Lournng Silver Association, she is currently in the process of forming another association, the Silver Sculpture Village Association under the coordination of the Ministry of Women's Affairs.

CCC's support in engaging the association to attend exhibitions has contributed to expanding the overseas market for silver and copper sculpture products. The products have been exported to China, Thailand and Canada. As mentioned, this seems to benefit individuals instead of the collective enterprise.

Moreover, being organised as an association has allowed them to pool resources to acquire external support services. Members of the association received capacity building in production and modern design skills through technical training organised by CCC. Furthermore, CCC provided a coating service that was cheaper than that of the private coating service provider. CCC charged USD 25 per kilogram for members and USD 30 for non-members, while private service providers charged USD 45. Currently, this service is not available because the machine is broken.

## Lessons Learned and Recommendations

**Be clear on value-added and specific strategies that should be in place:** Being formed as an association in this context is effective in delivery of support mechanisms such as training, modern technology, materials and inputs, but less tangible as a function for pooling local resources and capital to genuinely have a sense of collective action.

*When designing interventions, be clear on what adds value and goals to the group, and especially how it will contribute to promoting collective enterprise and the engagement of local producers. More importantly, goals and specific strategies to enhance collective enterprises should be in place when starting to form the group.*

**Ensure equal benefits among the group:** While there is no joint venture and cooperative production, selecting some members to receive training, attend exhibitions, and to receive other support might benefit only those members if there is no mechanism to enable a fair share of benefits, knowledge and information sharing. *It is crucial to enable this kind of system to contribute to the association sustainability.*

**Encourage joint business action where possible:** While joint business action provides many benefits, it is not being implemented here.

*Encourage local entrepreneurs with financial capital to join the venture, or encourage a savings programme. Work as collective entrepreneurs to assist in providing access to credit, improve quality as a way of upgrading and engage in high-value overseas markets. In doing so, capable and transparent management is required.*

**Collective branding and quality certification:** Many customers, both national and international, have experienced fake silver products being traded on the market, which leads to a decrease in demand. This has a significant negative impact on the silversmiths and copper producers.

*The entrepreneurs should work corporately to build product branding and the certified quality of Kampong Lournng. External technical and coordination support is needed, while financial support is not encouraged to achieve this.*

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## Understanding Multi-Functions of an Agricultural Cooperative in Kampong Prassat (ACKP)

### Summary

The Agricultural Cooperative Kampong Prassat (ACKP) not only engages in agricultural services, but is also currently supplying and providing clean water for household consumption, drinking water, latrines and free primary education services to villagers living in Prassat village, Kandal province. Some of its activities have been financially sponsored by different development agencies, while the cooperative runs some economic activities to earn profit for its operation. Yet the income is less than the expenditure, leaving the future uncertain without external financial support.

### Background

Villagers in Kampong Prassat village, Svay Ampea commune, Kandal province underwent a shortage of water for consumption for between three and four months during the dry season. In addressing the water shortage, the Ministry of Agriculture, Forestry and Fisheries (MAFF) and the French foundation (DRC) firstly gathered villagers to organise as a cooperative, and then funded the cooperative to build water supply infrastructure in 2005. In addition to the water supply, ACKP runs a credit scheme and provides agricultural input supply services such as fertilizer and seed in the form of credit or handed-on money. In 2005, there were a total of 44 members in the cooperative, which gradually increased to 205 members in 2013. ACKP is currently delivering water, agricultural inputs, a savings and credit scheme, education and latrines.

### Service Deliveries and External Supports

**Water supply:** ACKP plays an important role in supplying villagers with clean water for household consumption at a reasonable price in the absence of a public water supply. Meanwhile, ACKP has obtained considerable support to deliver these services. For instance, MAFF funded ACKP 10 million riel (USD 2,500) in 2005 to install water supply infrastructure. Furthermore, ACKP also received support from a French foundation (DRC) with USD 13,500 to build water storage tanks of 27 m<sup>3</sup>. There are two types of clean water supplied: drinking water and water for household consumption. For the drinking water supply, ACKP received financial support from 1001 Fontaines with an amount of USD 20,000 to build a warehouse and for machinery. ACKP contributed USD 600. ACKP generates income from its services for the operation. Drinking water is sold at 1,300 riel (USD 0.33) per bottle (20 litres). Water supplied to members for household consumption costs 1,400 riel (USD 0.35) per m<sup>3</sup> for members and 2,000 riel (USD 0.5) per m<sup>3</sup> for non-members.

**Savings and credit:** ACKP received 2 million riel from MAFF to run a credit programme in 2005. To increase its capital, members are required to buy at least one share at a cost of 20,000 riel/share. One member can borrow only 400,000 riel (USD 100) and only seven members are allowed to be loan recipients at a time because ACKP's capital is still limited. Only members can access an ACKP loan at an interest rate of 3 per cent /month. The loan and return is done every six months at a meeting. In 2013, ACKP initiated a savings group due to its currently limited credit schemes. There are two savings groups: 1). a savings group of teachers, which saves 20,000 riel (USD 5) per month; and 2). a savings group of members, which saves 5,000 riel (USD 1.24) per month. At this stage, the total capital of ACKP is 6 million riel (USD 1,500).

**Seed seed:** ACKP buys rice seed from PDA, and from AQIP Seed Company, and then sells it to members. Normally, ACKP earns 100 riel from 1 kg of rice seed. With the technical support of PDA, ACKP offers rice field demonstrations to members. However, this is just a start; farmers have not yet applied these techniques. ACKP encourages members to grow vegetables by providing financial support, seed, fertilizers and discounting.

**Biogas:** Biogas started in 2007. In collaboration with the Provincial Department of Rural Development (PDRD) of Kandal province in terms of technique, ACKP assisted nine households to build biogas.

**Latrines:** Production and sale of latrines started in 2011 with technical support from International Development Enterprise (IDE). ACKP is now able



to produce and sell the latrines to members as well as other villagers at a price of 170,000 riel (USD 42.5) for one set.

**Education:** Children's education started in 2011 with financial support from Pour un Sourire d'Enfant (PSE). Education was provided to children of members, from kindergarten to elementary school (grade 6), for free. Teachers are members and retired teachers.

### How Was It Formed and Operated?

MAFF in coordination with the local authorities gathered villagers in Kampong Prassat village to publicise the concept of farmer organisations to address the water shortage. Members were to be voluntary, be experiencing water shortage and resident in the village. Members then set their rules and elected their governing councils. The governing councils have a five-year mandate and include a head, deputy head, treasurer, secretary and member representatives. In the education sector, there are around 20 staff: a director, deputy director, and teachers.



The governing councils hold regular meetings with members every six months. During the semester meeting, they present annual plans and budget plans, and seek approval from members. Buying shares, taking out loans and repaying them also take place during the semester meetings. In contrast, the savings group meets on a monthly basis to save and take out loans. Members benefit from interest on their income and economic activities based on the number of shares they have bought. Their share is distributed every semester.

### Outcomes/Achievements

**Benefit for members:** Members of the cooperative borrow money at a lower interest rate than is available from micro-finance or village lenders. They also earn a dividend (60 per cent of income from the loan) from their savings and shares. It creates jobs for retired teachers who have been employed as teachers at the cooperative's school. Through the cooperative's economic activities, members also get good quality rice seed, fertilizer, and latrines at a reasonable price. Also, members have access to drinking water and clean water at a low price. They gain a greater understanding of the environment and the importance of sanitation through the use of latrines.

**Benefit for the community:** Forty per cent of the interest earned from saving activities is used for constructing or repairing the road within the village. Children of the poor are able to study at the cooperative's school. They are given breakfast, snacks, drinking water and stationery on school days. In addition, non-members can also access the cooperative's services: clean water, good quality rice seed and latrines. Even more, the cooperative is a place that members can use for meetings and religious ceremonies.

### Lessons Learned and Recommendations

The multiple functions of ACKP have helped villagers to address many challenges. While those services are important to villagers, it is important to assess ACKP's available resources, both financial and human capital, and especially the sustainability of its service delivery. Critically, the current multi-functions do not run self-sufficiently but rely heavily on external support. The cooperative has been implementing numerous diverse activities, which are to some extent beyond their capability in terms of both financial and human resources. For example, income they could get from services provided to members, that is, water supply, is less than the amount they have spent. The drinking water supply is inactive due to a lack of capable resources to operate it. With regard to the education sector, they are very dependent on a grant from external donors to implement this activity.

*Despite its multiple functions, the cooperative should be clear about its core values, vision and goals. More importantly, the cooperative should develop a long-term plan towards the cooperative being sustainably self-sufficient rather than continuing to depend heavily on external financial support.*

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# Takeo Province

## Making A Change Through Collective Action: Farmer Collective Action in Agriculture

Kasekor Rik Chamreurn Association



### Summary

Kasekor Rik Chamreurn Association is one of the successful associations organised by Rachana for the purpose of improving farmers' livelihoods through collective action. The association has been trained by Rachana to become a village-led microfinance scheme in which farmers' savings accumulate to form the village fund to be used in the form of loans to members. The association has reached total savings of 215 million riel, benefiting 85 members in the village. At the same time, farmers acquire new skills and knowledge that help them to diversify their livelihoods. Transparent management is a way for members to collectively decide on their savings and credit scheme, and committed committees are behind this success.

### Background

The main livelihood strategies of rural Cambodian people are farming, livestock and aquaculture. Reciprocal action is a traditional practice, especially during the harvesting and transplanting seasons in which a group of farmers helps each other in the farming activities. An emerging form of collective action in rural Cambodia is farmer organisations promoted by government agencies, NGOs and the private sector. Rachana, a local NGO in Takeo province, has been supporting the local community to form an association for around 10 years. Currently, 28 farmer associations are running in Takeo. Kasekor Rik Chamreurn Association is one of their successful cases.

Kasekor Rik Chamreurn Association is a village-based association that was established in 2008 with 45 members (capital: 49,000 riel) and a current membership of 87 (female: 25). The association is not registered at PDA, but is recognised by village and commune chiefs. One of its successful activities is a savings programme, which had a budget of around 49,000 riel in 2008 and reached 215 million riel in 2013, including shares. The association earns income from its credit programme, fertilizer credit, rice trading and cow banking programme. The association also plays an important role in facilitating knowledge and agricultural skills transfer to its members.

## Improving Farmers' Access to Capital and Production Services

The savings and credit scheme run by the association plays a role as a financial service provider to the farmers. It has become a village bank in which members can easily save and access monthly loans without collateral, then pay back at an interest rate of 3 per cent per month when harvesting happens. Given the constraints on poor farmers accessing micro-finance, this is a significant contribution to the decrease in farmers taking out loan from traders and micro-institutions. It creates a culture of collective saving which is an important resource for their community development. Additionally, members receive annual dividends from their savings and shares in the association. A share costs 10,000 riel (USD 2.5).

Through organising as an association, farmers can achieve economies of scale when accessing agricultural inputs, especially fertilizer. Input supply companies usually offer cheaper prices with warranty of quality and quantity and free transportation when buying in large quantities. This enables the association to offer a fertilizer credit scheme to members at a lower interest rate than that of traders. The interest rate is 10,000 riel for a bag of fertilizer over a three-month loan period. This provides the poor with access to agricultural inputs.

Other recognisable benefits of being members are getting capacity building and training in agricultural production skills and modern techniques including farming, livestock production and aquaculture, which are run by Rachana. Technical training is given twice a year in the first three years of support to all members of association. Another benefit is that members are able to share their experience, especially in terms of agricultural techniques, and learn from each other during annual meetings. It is noticeable that there is a significant increase in the number of villagers raising fish in ponds, while this was not often seen before Rachana introduced aquaculture techniques. Management committee is additionally trained on finance and management skills twice a year in the first three years of the association's establishment.

Further, working as an association has led to an increase in collective bargaining power in selling their rice. The association collects rice from its members and sells it to middlemen at a better price than would be achieved through individual sale. This helps to reduce price fluctuation due to the greater bargaining power of middlemen, especially exploiting poor people who are experiencing financial constraints.

## Key Intervention Strategies

The local development agency, Rachana, has been actively promoting the development of farmer organisations in a way that brings greater benefits to farmer organisation members. The Kasekor Rik Chamreurn Association has received extensive support from Rachana, especially during the first three years of establishment. The support is only technical support and capacity building in management, while financial support is not provided. The support includes:

**Mobilising local resources to form an association:** Rachana took the initiative in mobilising the process of forming the association. They first held meetings with local authorities to introduce their development plan. With the assistance of local authorities in coordinating meetings, Rachana conducted the first meeting with all the interested villagers to introduce and normalise the concept and benefits of farmer organisations. However, introducing a new concept into villagers' minds



*"Money from members' saving becomes the main capital source for investing in agricultural production," said Ms Put Duern, secretary of the Association.*

*"Field visits are an effective tool for convincing farmers to organise as a group," said Rachana*

cannot be easily done at a meeting. Rachana used a "field visit approach" to convince villagers. Rachana took some interested villagers to visit a successful model association within their province. Rachana learned from previous experience that farmers are not very convinced by visits to different geographical areas because they believe that variations in the local context can shape different possibilities and successes.

**Targeting voluntary and hardworking farmers:** In selecting members, Rachana worked closely with the village chief and elders who knew best the behaviour and characteristics of their villagers. The main criteria for membership are that people's participation is voluntary, and that they are hardworking, honest and resident in the village.

**Financial training and material provision:** To ensure that elected committee is able to function, the elected committee was trained on financial management two or three times a year over the three years. Because of their limited capacity in financial management, close coaching was required at the beginning to ensure effective operation. Rachana also provided some necessary materials such as financial accounting books. After three years of support in capacity building, the association should have been able to function autonomously; yet Rachana continues its occasional monitoring of the association's progress either by phone or quick field visits. However, the committee claims that they require more capacity building on keeping financial accounts. The role of Rachana to occasionally monitor them is a key to building greater trust by members in the effective functioning of the association.

**Provision of agricultural technique training:** The committee members were trained in modern agricultural practices including in the System of Rice Intensification (SRI) programme, livestock production and aquaculture. Committee members are responsible for transferring of knowledge and experience to their members. Rachana would serve as a technical support team to the association if any problem occurs.

## Lessons Learned

**Be transparent in management:** The committee consists of a head, deputy and treasurer. Their roles are to facilitate rather than manage and make decisions, meaning that all major decision-making takes place in the monthly meeting. For instance, to ensure high transparency, savings and loan transactions take place once a month during the association's monthly meeting, which should be attended by more than 60 per cent of members. Financial transactions are also presented to members during the meeting. All the financial account books and transactions are accessible to all members.

**Committed and honest committees are the key to success:** Electing the right person is of course fundamental to the effective operation and functioning of the association. Many farmer organisations fail because of incompetent management committees. Working on a committee is a voluntary job, and this requires committed people. Rachana consults closely with local authorities in selecting members.

**Engaging members in decision-making:** All major decisions are made in consultation and discussion with members. The decisions are made based on the majority voice. This is to build members' ownership over the association and to ensure inclusiveness.

**Diversifying livelihood strategies:** By establishing farmer associations, Rachana has ensured that members are able to diversify their livelihood strategies and increase agricultural productivity, ultimately increasing their income and household welfare. This has been done through the provision of training in agricultural techniques. But the agricultural technical training is only provided to committee members who are responsible for transferring it to the members.

## Challenges and Recommendations

### **Providing agricultural technique training to all members, not just committee:**

As mentioned, diversifying livelihood strategies has brought many advantages to members; however, many members are not able to adopt and apply new agricultural techniques efficiently.

*Development actors should conduct agriculture training for all members. In particular, field demonstrations and close monitoring at every step of farmers' agricultural production is required to ensure that farmers adopt the right processes. This is important to ensure that the introduced techniques are effective and can build farmers' trust in development actors.*

**Promote diversified relationship between the association and the private sector:**

Rice collected by the association is sold to local traders or middlemen. The association relies heavily on a few local traders who can control the price.

*The association should be supported to establish diverse market linkages of rice to potential buyers since rice is a potential product the government promote for export. Engaging some committee members in new market environments in order to strengthen their marketing capacities would be valuable.*

**Rotational leadership:**

Although the association regulates that an election shall be held every three years, the same people have continually been re-elected.

*Key positions such as head, deputy, treasurer and secretary should change every two years. Chairing regular monthly meetings should be rotated each month. This gives an opportunity to other members to experience and build their leadership skills. The previous key positions should work as advisers and support the newly elected committee. This also requires all members to learn financial bookkeeping.*

## Securing Capital and Markets for the Poor Through Farmer Collective Work

### Baksei Rikreay Cooperative



### Summary

Baksei Rikreay Cooperative was developed from a Farmer Association for Agriculture Development, established in 2004 with the initiative and technical support of the Centre d'Etude et de Développement Agricole Cambodgien (CEDAC). The cooperative runs several activities but the most successful ones are the women's savings group and the organic rice producing group. The cooperative has proven to be successful because of its increasing membership, capital, and changes of members and their living conditions. Lying behind this success are the strength, commitment, and transparency of the management committee in managing and leading the cooperative.

### Background

Baksei Rikreay Cooperative is located in Ang Baksei village, Cheang Turng commune, Tramkok district, Takeo province. The cooperative was once named the Farmer Association for Agriculture Development but changed to Basei Rikreay Cooperative when formally registered in PDA of Takeo in November 2011. It is considered successful because of the positive changes to farmers' household incomes and their health as a result of adopting organic farming practices. Basei Rikreay Cooperative was established to modify and enhance agricultural production, improve market position and build social networks by working in a group or organisation. The association has several different groups: a women's savings and credit group, organic rice farmer group (SRI), child savings group and an adult group.

### Key Intervention Strategies

**Engage with local authorities in identifying beneficiaries:** CEDAC staff cooperated with local authorities to promote organic rice farming to local rice producers. The members were then selected on the basis of being volunteers, their interest in SRI, local residence and owning a plot of rice land. They are not necessarily poor or rich; their commitment is more important. The names of both husband and wife are listed as a single membership. The cooperative's committee was selected through election. The number of members has significantly risen from 24 (female: 11) in 2004 to 163 members, 84 of them women, in 2013.

**Technical assistance provision:** CEDAC has provided agricultural extension programs such as SRI, organic rice farming, livestock and vegetable production, saving and good governance. That training equips farmers to be able to lead their groups, and allows farmers to diversify their livelihoods and increase their income. The cooperative also received funding support of 1.5 million

riel, in addition to knowledge about credit processes and recording from PDA through the Value Chain Programme (CAVAC). The cooperative described the important role of such supporting agencies in enabling their effective operation to increase farmers' agricultural productivity.

**Create a market for farmers' produce:** CEDAC buys the organic rice from members, the price of which is determined by the market and has to be consented to by members. Member representatives, usually from six to eight members who are knowledgeable and articulate, are sent to attend the price discussions at the CEDAC office in Phnom Penh. The determined price is then acknowledged by members. Although women are encouraged to take part, their engagement has declined due to family constraints and being uneasy about travelling far from home.

## Establishing Effective Leadership

The cooperative is led by a management committee with a three-year mandate. The committee comprises of five people acting as head, deputy head, treasurer, secretary and member. Each committee member has the role and responsibility as stated in the regulations. However, in practice their roles are mixed up and they help each other in all the work to ensure the success.

**Accountable leadership:** One of the most important key points is ensuring transparency at management committee level. For example, the amount of money put into savings and taken out in the form of loans is properly recorded at members' meetings. Equal economic benefit sharing at committee level is ensured.

**Engaging women in management:** As a principle, and recognising the vital role of women in development, at least one woman must be selected at committee level. Women should be chosen for election on the basis of their education/knowledge/ ability to perform the assigned task, their characteristics, and willingness and devotion to spend time and effort to serve the cooperative for the sake of all. As a result, a woman was elected as treasurer and another one was secretary.

**Enable regular meetings:** Regular meetings are crucial to exchange information, share knowledge and experience, raise and resolve any problem that might have come up for any member within the cooperative. Meetings at committee level are regularly held twice a month, and with members one time a month.

**Collective decision-making:** Decisions are made with the involvement of members and the management committee. There are two important decisions made: credit and the price of rice. They hold regular monthly meetings in which member can make deposits and take out loans. The amount of the loan obtained might depend on the number of borrowers and the proposed amount of money they wish to borrow. This is the only day they can access a loan. The group sets an interest rate of 2.7 per cent per month. In the process of getting a loan, a member must come along, husband and wife if they have a joint membership, with their book given by the cooperative.

**Incentive provision to committee:** A rule states that the benefit from the 2.7 per cent interest rate on the loan is divided into three components: 2 per cent is the dividend for savings members; 0.3 per cent is used to support the management committee; and 0.4 per cent is used as a capital reserve to protect against any unforeseen risk that might happen in the cooperative. This money can be used as compensation when any member does not repay their loan.

## Achievements

**Significant growth of farmer saving fund:** The amount saved reached 263 million riel (USD 65,750) in 2013. This resulted in the elimination of high interest loans from outside institutions/agencies.

**Building local communities' management skills:** There has been an increase in the knowledge of members and management committee on agricultural techniques, management and leadership, and decision-making compared to the past when the cooperative had just started.

**Strengthening group solidarity:** Members and committees share information and experience since they have more time to meet and communicate. Moreover, domestic violence declined by about 50 per cent as a result of the association's civil education programme.

**Improve their livelihood:** Members who adopt the SRI reduce production costs and receive higher yield at a better price for organic rice. Previously, farmers got only around 1 ton/ha, but now get up to 3 ton/ha. In 2013, members sold their organic paddy rice at about 1,600 riel/kg (USD 0.4/kg). Farmers as well as villagers live in a better and healthier environment since chemical fertilizers and pesticides are no longer used and soil is free of chemical/toxic substances.

## Lessons Learned and Recommendations

**Encourage leadership rotation:** Despite its effective functioning, there is no mechanism that builds members' capacity to stand as candidates for election. Consequently, the existing committees have been re-elected many times.

*A mechanism should be established to enable other members to stand for election. This can be done through training members in management and by engaging potential members in the management work. The previous committee should play advisory roles and monitor the group's implementation of tasks.*

**Promote the vital role of women in leadership:** Women have been elected as secretary or treasurer, which are assisting roles.

*Strengthening the role of women in leadership is vital and contributes to the sustainability of the cooperative because women dominate in agricultural work.*

**Identify potential business opportunities:** The cooperative relies heavily on single incomes derived from loan schemes.

*Next, efforts should also concentrate on understanding the potential of the area and the available resources that can be built on to diversify the cooperative's income as well as to provide greater benefit to farmers. This requires development actors to work closely with the cooperative to determine a plan for the future. For example, they might expand their organic rice production.*

**Keep them updated on modern agricultural practices:** Ongoing training on agricultural practices should be provided to farmers, especially related to adaption to climate change.

### Female SRI Farmer: Mrs Ou Mom

**Mrs Ou Mom**, a 39-year-old married woman with four children, is one of the members who experienced a remarkable livelihood improvement after becoming a member of the cooperative in 2004. Mom has dynamically engaged in the savings and SRI group in which she learned how to cultivate rice using modern practices, and she has access to low interest loans to invest in her rice production.



In 2004, Mom owned 7 acres of land planted with rice, but now has 1.2 hectares. She attributes this success to higher yields and better rice prices. By adopting SRI, she has reduced the amount of rice seed, inputs, time and the labour force needed and has gained higher yields resulting in saving money and time and a higher income. With SRI, Mom can get between 2.5 and 3 tons/ha, leaving her a rice surplus to sell. This year (2013) she sold 300 kg of organic rice to CEDAC at a price 1,600 riel/kg (USD 0.40/kg), and 200 kg of normal rice to markets at a price of 1,000 to 1,100 riel/kg (USD 0.25–0.28/kg). Income received from selling rice is used for saving in the group, re-invested in rice farming, paying for her four children's education, buying bikes for her children and investing in family-scale chicken and duck raising.

Moreover, she now knows more people and is more confident in speaking out and expressing her opinion during meetings. Being a member of the cooperative has helped her improve her living standard, knowledge, understanding, solidarity and confidence.

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# Transformational Change From Farmer Group to Business-Oriented Agricultural Cooperative

Tipath Ponlork Thmey Agricultural Cooperative

## Summary

Tipath Ponlork Thmey Agricultural Cooperative evolved from the Tipath Association, which was established in 2003. The association changed to an agricultural cooperative to become a business-oriented farmer organisation. Unlike when it was an association, the cooperative is taking up more economic activities, among them rice and fertilizer trading. Its capital is derived from selling shares to members. The cooperative is considered a success in the sense that members combine their capital to collectively buy rice from farmers and supply it to the high-value market in Phnom Penh. Members derive benefits from having a secure rice market, increase collective negotiating power with traders and receive dividends. The cooperative operates effectively because of its strong and good leadership.

## Background and Evolution

In 2011, Tipath Ponlork Thmey Agricultural Cooperative was transformed from Tipath Association to become a business-oriented farmer organisation engaging farmers in the market. Tipath cooperative, using farmers' capital and acting as a farmers' representative, took up a role as a trader to buy farmers' rice, supply farmers with fertilizer and seed, generating annual profits that were shared among farmer members. Currently, the cooperative has 45 members, 128 shares and 12.8 million riel in capital.

Before the existence of Tipath Association, it was a SRI group consisting of only three members in 2001. The group was formed by CEDAC as a pilot project for disseminating SRI techniques aiming to increase farmers' rice productivity. With the success of the pilot project, in which three farmer models had higher yields, more farmers became interested in adopting SRI. The number of group members steadily increased to 17 persons in 2003 when the group changed to an association at the villagers' initiative with coordination support from CEDAC. After it became an association, seven sub-groups were created: a savings group, chicken and fish raising group, compost producer group, organic rice producer group (SRI), extension farmer group, women's group, and a men's group. By 2011, membership of Tipath Association reached 97 due to its effective role in delivering benefits to farmers.

In 2012, a majority of members proposed transforming into an agricultural cooperative with the aim of exploiting rice market opportunities, aligning with the government's rice export policy. With support from CIRD, Tipath successfully changed to Tipath Ponlork Thmey Agricultural Cooperative registered with PDA of Takeo. The group sets its bylaws and elects its committee to lead the cooperative. According to the regulations, members are required to buy shares from the cooperative and each share costs 100,000 riel (USD 25). There are now only 45 members because some cannot afford to purchase a share. Using capital from shares, the cooperative concentrates on more economic activities, including trading of agricultural supplies/equipment, rice and rice milling. Nevertheless, the most successful and active activities are trading of paddy rice and milled rice (normal and organic), trade in fertilizers (chemical and organic), and agricultural credit. The cooperative became joint owner with another cooperative, Trapaeng Sra Ngae Cooperative, of a rice mill with total capital of USD 6,000, of which USD 3,500 is from the Tipath Ponlork Thmey Cooperative and USD 2,500 is from Trapaeng Sra Ngae Cooperative. The cooperatives are also partners with the Cambodia Organic Agricultural Association (CORAA), which certifies their organic rice.



## Strong and Good Management

Tipath Ponlork Thmey Cooperative is managed by a council and a monitoring committee. The council and monitoring committee are selected through an election process that all members in the general meeting participate in. The cooperative council consists of five persons: head, deputy head, member, treasurer, and secretary, all of them men.

**Good leadership:** Good leadership is central to the cooperative's advancement. The cooperative has enabled an environment where trust is built among members. For example, the council is the body that developed the cooperative's overall business plan. This business plan needs to be agreed to by members before it is implemented. For decisions made at council level, agreements are reached with a two-thirds majority. If a vote is tied, the head of the council has the task of making the final decision. Moreover, in order to guarantee the transparency of a decision, the cooperative has a monitoring committee to check it.

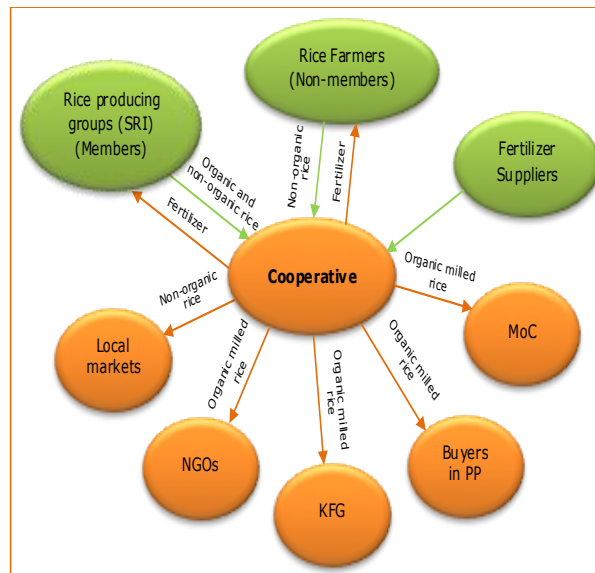
**Strong leadership:** Strong leadership has added to the environment that enables the creation of a more mature group in which members build trust. Mr Chan Sothea, the president of the cooperative, has used strong leadership to achieve this. He is also a first vice-president of the Federation of Farmer Associations Promoting Family Agriculture Enterprises in Cambodia (FAEC). With the opportunity to extensively engage with FAEC, Sothea has built business networks, and acquired the new knowledge and information that are necessary for him to introduce new initiatives to the cooperative. This also acknowledges his education and ability to use modern technology for communication and to access information. However, other committee members require more capacity building.

**Incentive:** Incentives are provided to governing councils to motivate them. Five per cent of total profit is used as the council's wage for its work. Members who collect rice from farmers get 10 riel per kilogram as their commission fee. Members working for the cooperative's mill rice are paid 50 riel/kg of milled rice.

## Outcome/Achievement

**Strengthen social cohesion and networks:** The main achievement of the cooperative is seen through the improvement in members' incomes and living conditions, the cooperation of members, the increase of cooperative capital, and social networks. Tipath Ponlork Thmey Agricultural Cooperative is a role model which proves that farmers can build trust and relationships to run collective businesses successfully.

**Strengthen bargaining power:** Members benefit from the cooperative through various activities. In terms of rice trade, the cooperative buys two different types of paddy rice – normal rice and organic rice – from members. Members decide for themselves whether to sell their normal rice to traders in markets or to the cooperative. The price offered for normal rice is competitive with the market price. However, organic rice members are required to sell their organic rice to the cooperative at a higher price (50 riel/kg higher) compared to that offered by the market. This is a good strategy to secure organic rice market for farmer. Alternatively, members can sell the organic rice to the market when the cooperative does not have the capital to buy it. For example, in 2012 the cooperative planned to buy 17 tons of rice, but could manage to buy only 9 tons. The cooperative sells organic rice to the Khmer Farming Garden (KFG) in Phnom Penh. The organic milled rice is also sold to the Ministry of Commerce (MoC), NGOs and other individual customers.



**Access to fertilizer and agricultural credit:** Members enjoy many benefits in the trading of fertilizers and agricultural credit. Members buy fertilizers in cash at lower than market price. If members do not have enough money, they can buy it on credit at an interest rate of 2 per cent per month. Non-members can buy fertilizers in cash at a price of 3,000 riel per sack more than for

members. On the other hand, they can buy fertilizers on credit at an interest rate of 3.5 per cent per month.

**Dividend:** Besides receiving the above benefits, members earn more profit from their share. In 2012, one share could get 14,000 riel from the fertilizer trade; 7,812 riel from credit; and 7,287 riel from the rice mill. Therefore, the total dividend from a share is 29,000 riel per year. There is also benefit given to the council and the monitoring committee for their services, which is 5 per cent of net profit from the business activities.

## Lessons Learnt and Recommendations

**Access to financial institutions:** One of the main challenges is limited capital, which is attributed to the limited number of members to invest or buy more shares. As a result, the cooperative will not have capital for its economic activities. Because of this limited capital, the cooperative was not able to buy paddy rice and fertilizers on a large scale.

*The development actors should provide coordination support to help the cooperative access financial institutions or the Rural Development Bank at a low interest rate.*

**Engage women in leadership:** Women's involvement at management and leadership level is very important to ensure that women's needs are taken into account.

*The barriers to women taking on leadership roles should be removed. Development actors shall identify those barriers and provide direct support to women to overcome it.*

**Business training provision:** Provide business training to enhance committees' ability to develop a long-term business plan, networking and communicating skills, marketing and management so they can compete in the modern market.

**Strengthen the agricultural extension program:** Many members have limited education, so their ability to acquire new techniques is limited and this therefore requires considerable time, patience and effort.

*Development workers should provide coaching mechanisms to ensure that farmers have understood and correctly adopted modern practices.*

# Kampot Province

## **Saving for Changes: Realising the Potential of a Collective Savings group**

Sameki Chey Chumneis Group



### **Summary**

The Sameki Chey Chumneis group is a micro savings group, which was initiated by Save Cambodia's Wildlife (SCW) in 2010. SCW provides support in identifying members (primarily women); members then elect their management, define the group's rules and decide co-operatively on their savings and loans. SCW does not provide any financial capital to the group as a way to build the principal of self-sufficiency and group autonomy. The group is able to function independently and grow as it now has USD 12,500 in savings capital and 50 members. As a result, members are creating the habit of collective saving which becomes the financial capital that improves their livelihoods.

### **Background**

Culturally, women are the money keepers because women are perceived as better at saving than men. Women therefore outnumber men in participation in the saving for changes programme funded by Oxfam America and implemented by SCW in Kampot province. Saving for change is a microfinance savings programme that organises farmers, mainly women, in a group to save, lend and pay dividends. Currently, 826 groups (approximately 14,152 persons of whom 2,578 are men) have been formed, and they operate under the coordination of SCW.

Sameki Chey Chumneis Group is one of the successful savings groups based in Sre village, Sangkat Treuy Koh, Kampot town, Kampot province. The number of members and the amount of savings has dramatically increased, from 16 members with 8 million riel (USD 2,000) to 50 members with savings of 50 million riel (USD 12,500) within two years. The savings group aims to change traditional saving habits, which are considered to be inefficient and a waste of money, to modern saving methods. It also enables knowledge sharing in the community. Rural Cambodian people traditionally save money in pillows, in ceilings, under the bed, in rice stock and so on, and the money can be lost or easily wasted through destruction from mice and being misplaced. The value of their money is not invested. In modern saving, members accumulate funds to create loans that the group can make use of rotationally to invest in assets, agricultural production and emergency needs. The money left from lending is kept in a safety box, managed by committee and recorded by all members. Members receive annual dividends from lending their money to other members.

## How It Was Started

Sameki Chey Chumneis Group was formed in May 2010 and has been able to effectively function, grow and duplicate in the past three years. It first started at the initiative of SCW in coordinating with local authorities to mainstream the new concept of modern saving. SCW worked closely with selected village key informants to do a socioeconomic survey and promote the advantages of collective group saving to villagers. Participation in the group was voluntary. The group started with small numbers, a maximum of between 10 and 25 persons, and expansion should be done after the group becomes self-sufficient.

### External Support

SCW's support of a group's formation is limited to the provision of technical and coordination support, while financial support is not provided. This is to build an ethic of self-sufficiency from a sense of ownership and independence. In the first month, all members received intensive training on management and simple accounting to manage their income, expenditure and credit and loans scheme. When the group started saving and providing credit, SCW continued to closely coach and monitor the group to improve their financial skills and management. The duration of coaching varies from one group to another, depending on the group's capacity. Refresher courses on financing were also provided. SCW offered the group training in financial book keeping to record income and expenditure. SCW did not offer any daily allowance, food or snacks during the training because this was regarded as financial support. This creates a culture of self-reliance to encourage a replication model for a self-formation group.

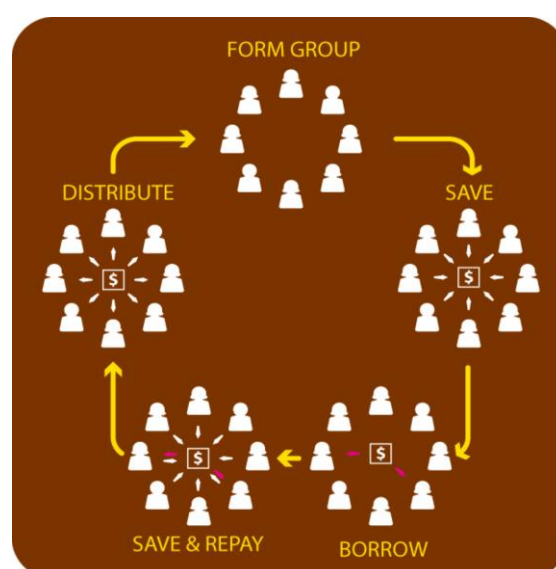
## How to Function Effectively

### The right approach to selecting beneficiaries is important:

In selecting target villages, SCW takes into account population density, livelihood strategies, village income and expenditure and geographical location. In addition, members' characteristics are the key to group sustainability. Members should show characteristics of honesty, willingness to work hard, and commitment. There can be more than one savings group in each village. Groups should be composed of individuals who have similar occupations, incomes and expenditure levels and especially that reside in the same block. Selecting members living on the same block is crucial, as it relates to the convenience of their attending the weekly group meetings.

### Enable the inclusion of members in management:

the savings group has a simple group structure consisting of a head, key keeper of the money safety-box, treasurer or keeper of the money safety-box and secretary. The group management team acts as facilitator, and is not in a position to make decisions. The members and committee work together to set their bylaws and decide collectively on the savings and credit scheme. All savings and credit transactions take place only at the group's weekly meeting at which members collectively decide who to lend to and the amount of lending and saving. The weekly meeting requires the attendance of a majority of members. This is to ensure inclusiveness, creating a sense of ownership and transparency. According to members, the weekly meeting does not cost them in terms of energy, time and money. They live close to each other and the meetings take only one hour at noon.



**Minimising the gap in savings and loans between members:** Each member can save between 2,000 riel (USD 0.5) and 10,000 riel (USD 2.5) per week, and take out a maximum loan of 1 million riel (USD 250) a time and return with interest within a period not exceeding six months. This is to avoid domination by any individual in the group and to ensure fair distribution of benefits.

**Management rotation:** The group practises a management system that changes every year as a result of democratic election. This means that members get the chance to acquire management experience. More importantly, it reduces the chance of one member dominating because they have been managing for an extended period. This is also quite a challenge sometimes because of the lack of capable members.

**Engaging local authorities:** The group is not formally registered with the government, but local authorities recognise it. The engagement of local authorities is central, firstly in the process of forming the group and more importantly during conflict resolution.

**Group Network Alliance (GNA):** Currently, SCW is in the process of establishing a GNA that will support the savings groups when SCW ends the project. Members of GNA will be selected from savings groups in each village and trained intensively in financial, coordination, conflict resolution and management skills. GNA will act as a technical support team, and replicate the saving for change model to form new groups. This is a pilot programme.

## What Changes Are Created?

**Changes in traditional savings habits:** Members start the habit of collective saving with what they can afford and create a group fund that can be used as loans for members. Each loan adds income to the groups.

**Change in solidarity and mutual assistance:** Through the group's collective savings and weekly lending meeting, women establish better relationships, leading to better solidarity and mutual assistance among their team members.

**Improve self-confidence and management skills:** Their participation in a savings group helps women to gain financial and management skills, conflict solving experience and public speaking experience. Overall, it increases the ability and confidence of women to express themselves at household and community level.

**Improve livelihoods:** Loans are used to invest in household production, businesses, children's education, and to buy assets and food. Some take out loans for emergency needs, for example ill health. Loans contribute to improving their livelihoods.

**Potential for replication:** Ms Pak Pove, secretary of the group, has replicated this saving model to form a new group. *"This saving model is replicable due to its simplicity and greater benefits," said Pove.*

## Lessons Learned and Recommendations

**Gain men's support for women's participation:** *Men's support is needed to ensure the active participation of women in the group. Some women have difficulties in engaging with the group because of social and cultural constraints. Raising the awareness of men about the role of women should be done.*

**Analysing household dynamics:** *A household is not a single and homogenous unit. Analyse the gender roles, gender and power relationships within households because ultimately this will help to empower women. Targeting women as beneficiaries does not automatically benefit women. If there is no mechanism to ensure that the loan will benefit women, the loan might be invested in men's business or be used by men. Women will then be the ones who pay the debt for men.*

**Build on this existing savings group to develop economic activities:** The savings group exclusively concentrated on the savings programme.

*To ensure the loan is used productively, some other complementary programs to develop economic activities should be facilitated to achieve greater impact. Training should be provided to diversify and strengthen their production and business; for example, modern agricultural training and business planning. This also helps to reduce migration.*

### **Woman in the Collective Savings Group: Ms Meas Sopheak**

Ms Meas Sopheak, 34 year old, is seen as one of the successful members who are able to generate profit from taking out a loan from the saving for changes group. She is married and has three daughters. Her main livelihood generation strategies are rice farming, backyard poultry production and pig raising.

Witnessing other groups' successful experiences as well as promotion from SCW encouraged Sopheak to join the savings group when it started. She began saving between 2,000 and 10,000 riel each week in the first year, then added from 5,000 to 25,000 riel per week in the second and third year. She took out loans of approximately 1,250,000 riel from the group to invest in her production. The saving for change scheme has helped her to improve her livelihood through the loan, which is used to invest in production. Her pig production has increase from two pigs to 10 pigs.

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## Making a Difference Through Brand Building And Quality Certification

Kampot Pepper Promotion Association (KPPA)



### Summary

The potential of Kampot pepper has been unlocked from being a low-value product to seize free trade opportunities in a high-value market by obtaining protected geographical indication (GI), covering six districts in Kampot and Kep. It started with external support in organising as an association to apply for GI, then to collectively produce, market, and get access to additional external technical and financial support. The Kampot Pepper Promotion Association (KPPA) was established in 2008 to facilitate and manage GI, while the Kampot Pepper Cooperative acts as a middleman to link it to the high-value market, provide credit to poor farmers and strengthening farmers' market position through collective trading. As a result, local farmers benefit from the considerably higher prices (USD 1 to USD 10 per kilogram) of GI-labelled products. External support and enabling government policy plus the potential of local produce and strong and accountable leadership contribute to the success.

### Background

Kampot province has long been locally recognised for its pepper plantations. Farmers from several generations of planters grew pepper using traditional techniques and sold it to local middlemen for a lower price until in 2008 KPPA was established, and obtained the protected geographical indication (GI) in 2010. It was the first Cambodia product to attain the internationally accepted standard. The GI protects the intellectual property right of a product from a specific geographical region. KPPA is responsible for defining the book of requirements, validating the land plots, implementing the internal controls, inspecting the promotion and ensuring the correct use of branding in compliance with GI requirements. The association has 174 families and 15 companies as members, covering over 90 hectares and six districts.



In 2009, the Kampot Pepper Cooperative was established, with the aim to seize larger market opportunities in the growing demand for pepper, driving positive change in their market position. Kampot Pepper Cooperative is a joint venture of 74 local pepper producers, purchasing shares to form the cooperative's financial capital. Each share costs 10,000 riel (USD 25) and members can buy them as many as they can afford them. In total, the cooperative holds 270 shares.

### How Was the KPPA Organised and Developed?

KPPA was created under the initiative of the French who took the first step to discuss exploring opportunities to increase pepper production and productivity with local communities. Mr Nguon Lay (Director of KPPA) then took the lead in organising a village pepper producers' group and the French searched for external support. The association has been supported by MoC and the Ministry of MAFF with technical support from GREAT and CIRD, and was financially sponsored by Agence Francaise de Development (AFP). MoC ran a roundtable discussion with stakeholders to understand the potential of Kampot pepper and the way forward for applying for GI. An interim committee was responsible for defining the book of requirement for Kampot pepper and was appointed to disseminate the idea of GI to producers. The working group, with support from GREAT and CIRD, drafted rules and regulations beforehand and a committee election was then held with all members. The Kampot Pepper Cooperative was established four months after the association. The cooperative uses capital from shares to trade. AFD and MAFF provided a total amount of USD 2,000 to enable the cooperative's operation. The cooperative was created in the form of a collective business, while KPPA is responsible for managing GI. Both the association and the cooperative can be formed smoothly due to significant external support.

Pepper producers who are interested in becoming members can apply. The members must reside in the six districts of GI and have at least 100 bundles of pepper plants. The association committee will assess whether their plantation meets the book of requirement. Currently, there are 130 pepper farmers in certain areas who have not yet become members. Members of the cooperative must be able to buy at least one share and this is not restricted to outsiders.

### Good Internal Governance and Strong Leadership

Strong leadership and the support of external development actors help to maintain and strengthen the prestige of Kampot pepper locally and internationally. Pepper bearing the Kampot Pepper name is completely certified by the external control body to comply with the GI code of practice. Elected operational committee runs the association under the guidelines of the advisory council and are inspected by auditors. The advisory board consists of resource persons from NGOs and government agencies, and assistance and advice from the operational committee on technical matters, but has no right to intervene in internal decision-making. The auditor plays a role in ensuring the accountability of the operational committee. The operational committee is members elected as head, deputies, financial officer, treasurer, inspection team and production team. The association hires two assistants to support the overall work of the association. Committee is exclusively male and work voluntarily to achieve the annual plan that has been set. Selecting the right candidate to stand for election to the committee is done carefully because it is crucial to the success of the association. The committee must be honest, capable and especially committed as the work is voluntary. The association charges 2,000 riel (USD 0.5) per kilogram of members' pepper sold to a company or middlemen. This is to support operational costs, for example quality certification (USD 6,000 per year), stationery, travel, meetings and workshops, assistant's salary and so on.

Kampot Pepper Cooperative is supervised by a head, deputy, accountant, treasurer, purchasing and sales committee and a members' representative and is inspected by auditors. The cooperative acts as a middleman who contracts the company a certain amount of pepper, then subcontracts to local producers at the agreed price that is set annually. As always practised, the cooperative adds a marginal cost of between USD 0.5–1 per kilogram for its service. KPPA and the cooperative have different management structures, but are managed by a few people holding a number of positions. Mr Lay added that: *"The cooperative is formed*



*primarily to strengthen the collective bargaining power that benefits all, while generating profit is the secondary purpose."*

Good leadership has also been critical to their advancement. The association and cooperative hold annual meetings to reflect on activities not going according to plan, to table their financial report, to divide dividends among shareholders, and to present the following year's plan. The changes to any rule or price setting are also discussed at the annual meeting, where members can express their views. The association and cooperative rely on a majority voice for any major decision-making, but some decisions are made within the operational committee. However, *"as the director, [I] have a more powerful voice to influence the decision-making"*, added Mr Lay.

## External Supports Add to the Enabling Environment

As mentioned, both the association and the cooperative received extensive external technical, coordination and financial support. In the first step, development agencies actively supported the group to form and receive GI. They then provided capital of around USD 2,000 to the cooperative. Between 2010 and 2011, EU funded a pepper drying station at a cost of around USD 10,000. This was a significant help to the cooperative in increasing its processing capacity.

Market shortage is central to the low price of pepper. Support in establishing the KPPA's website, articles about Kampot pepper placed in newspapers and especially opportunities to attend trade fairs and other relevant workshops are tools to broaden the market effectively. The coordination of external support to link Kampot to high-value markets is seen as crucial. In this context, local producers have limited capability and resources to create external linkages themselves, particularly in terms of using modern technology for networking. The majority of them are middle aged or older and have limited education. "External support is essential to attaining our goal," said Mr Lay.

## Key Achievements

**Engage in high-value markets and strengthen market position:** Before the establishment of the association and cooperative, pepper farmers sold their product in the form of mixed black, red and white peppercorns, to local middlemen at a price of USD 1 per kilogram. In 2008 when the association was established, farmers were able to sell black pepper at USD 4 per kilogram, whereas they now sell it at USD 11 /kilogram for black, USD 19 for red and USD 17 for white pepper. In addition to the local market, Kampot pepper has been exported to around 24 countries.

**Improve the living standards of producers and increase pepper production:** GI helps pepper farmers to increase their incomes by producing for high-value markets. That helps them to improve quality, get certification and increase market power. Farmers use profits to expand their pepper production, buy food and new assets, invest in their children's education and renovate their houses and so on. It is also observed that pepper plantations have increased significantly over the past few years, as a result of investment by local people and largely by outside investors.

*"Without the KPPA, the future of Kampot pepper will be in uncertainty"*

**Promote the prestige of the product:** Kampot province has become popular for producing higher quality pepper. Pepper is another symbol of Kampot, adding to its durian and seafood.

**Help smallholders get access to financial credit:** The cooperative helps farmers who have financial constraints to getting access to financial credit. The credit incurs no interest rate, yet the farmer is then contracted to sell its produce to the cooperative at the agreed price. Farmers can take out loans from the cooperative of between 20 per cent and 30 per cent of the total value of their expected product harvest. This is reported to have enabled the production of smallholders and poor farmers who often experience financial constraints to investing in seasonal and long-term harvest production.

## Lessons Learned and Recommendations

**Potential private sector engagement:** Although development agencies' financial assistance is important to the association, providing them with access to financial credit services and other technology is more urgent.

*Development actors should provide coordination support to engage the KPPA and cooperative to private or public credit service providers who can offer low interest rates. More importantly, modern technology might lower production costs and add value to products. Where possible, a long-term business plan should be developed to scale up production by encouraging private sector engagement to provide modern technology. This will ensure long-term sustainability, growth and independence.*

**Influence on policy to protect smallholders:** With the growing high-value market for Kampot pepper, private investment in pepper plantations has risen considerably in the area.

*Development actors should work with the government agencies to create an enabling environment and social protection for smallholder pepper farmers. This is to avoid large investment takeover of the small-scale producers.*

**Engage marginalised producers, especially women:** The criteria for membership do not encourage marginalised producers. At the production level, women and men act jointly in planning, cultivation and harvest; yet men dominate pepper trading.

*Development actors should work with communities and provide direct support to reduce barriers and include women in the benefits. Where women are also producers, regulations and mechanisms should encourage women's participation at management level.*

### Pepper Farmers: Ms Nouv Koun



Ms Koun, a 59-year-old married woman with seven children, planted the pepper using traditional methods as her main livelihood strategy for many decades. She mainly engages in the cultivating and harvesting stages. Her husband, 79, cannot help her much in the plantation. Her son and hired labour do some of the plantation work.

Her family joined KPPA in 2008 in the hope of getting a higher price for her produce. She and her husband own two shares. Before the establishment of the association and cooperative, she sold pepper to local middlemen at a price of 4,000 riel (USD 1) per kilogram. Like many other members, she now earns USD 10 /kilogram. Last season, she earned USD 1,800, harvesting from 250 pepper trees. The higher income from the pepper plantation not only supports her family's daily consumption needs, but has also allowed her to enlarge her plantation from 250 trees to 400 trees, which will be able to be harvested next year.

**Contact address:** Angkor Chey 1 village, Damnak Kantuot Khang Tbaung commune, Kampong Trach district, Kampot province. Tel: 092 752 572



them about gender issues, domestic violence, and how to use food and water in their daily lives in a healthy way.

**Financial capital provision:** Once the group completes all the training courses, they are provided funds of USD 4,000 in the first year as capital to start their loan activities. Members who are interested in taking out a loan have to come up with a business plan explaining how they are going to use the money. Since the total number of members is 50 persons, it is calculated that one share equals 10,000 riel (USD 2.50). Because the total numbers of members is 50 persons, each member has 32 shares in the group and this share will be counted when the group shares its profit among members each year. If the group functions well, meaning that members repay their loan within a one year cycle, they will be funded a further USD 4,000 in the second and third years. Since the group received the funds, there have been no savings activities.

**Engaging finance agency:** External service providers have been hired to assist the group who have limited capacity to record their financial transactions. The service providers are responsible for training the group on the finance and bookkeeping systems.

### How the Group Works

An improved group revolving fund in Prey Khley village is managed by the governing councils elected by all members. The group councils have seven people – head, deputy head, a secretary who is literate, a treasurer who is able to do calculations, and members – two of whom are female, working as secretary and treasurer. The role and responsibilities of the governing councils are defined in the group's regulations. Usually, the head is responsible for the overall work and the deputy head assists the head's work. The secretary is responsible for taking notes, while the treasurer processes the group's financial transactions. Providing incentives to governing councils is considered as important to encourage them to work effectively. Therefore, as stated, 17 per cent of income from the loans is used as incentives for governing councils, 3 per cent for the group's administration costs such as on pens, books and other documents, 3 per cent for operational costs, 3 per cent for group capital and the remainder for dividends.



Only members can access loans at interest of 2.2 per cent per month. To be eligible for a loan, they must have a clear business plan and four people (as members) as guarantors. Once they meet the requirements, they can submit their proposal to the governing councils who will decide and approve the request. The loan is restricted to investment purposes only.

### Achievement

The immediate benefits that farmers received are both economic and non-economic. In the first year, the group received USD 4,000, so each member could borrow up to USD 80. It took the group around eight months from the process of forming until they were able to obtain grant support. The loan period should not exceed one year, but the interest rate must be paid monthly. So far, 48 members have taken out loans from the group, accounting for USD 3,600. The money has been used mainly for investing in agricultural inputs. The remaining money is deposited at AMK bank, earning an interest rate of 2.5 per cent per year. The group capital in the bank, including interest, is 1,952,800 riel (USD 488).

Adding to the financial benefit, all members have received training courses in agricultural techniques, management and finances, gender, food nutrition, and business planning for their production. As a result, members are able to create business plans and take out loans from the programme.

## Lessons Learned and Recommendations

**Convey a clear message and build group ownership:** it is understood that the poor need financial support to be able to invest in their production, so the project provides financial capital in the form of revolving funds. But farmers might misunderstand the message, and not feel that they are the owners of that money.

*Local extension workers should ensure that they give a clear message to the group and enable group's ownership of the fund. Attention should be paid to the farmers' perspective on this kind of revolving fund to make sure they feel a sense of belonging to it. More importantly, saving should be encouraged. Members should have started saving money before being given the financial capital support. This can help to build their sense of ownership.*

**Provide agricultural extension programmes according to farmers' interests:** As mentioned, members have to attend all training courses, which takes 18 weeks. For example, even if some members are not interested in poultry, they still have to attend the training on poultry. This is a waste of farmers' time because they are not interested and they attend only to fulfil the requirements. Also, they are not able to catch up properly in a short time through the intensive courses in many diverse topics. This leads to farmers not being able to adopt the new technology properly.

*It is important to analyse members' livelihood strategies and then do training needs assessment of the members. Different members might be interested in different topics depending on their main livelihood. Because of the difficulty farmers have in acquiring new technology, regular close coaching and on- and off-site monitoring over a period of time should follow the training.*

**Provide regular coaching and monitoring to the management team:** Similarly, the governing council has little experience in managing and financing, which limits their ability to deliver services to members.

*In the first and second year of the group's operation, development workers should regularly coach and monitor on management and finance system of the group adding to training provided.*

**Promote collective decision-making:** The governing councils decide on and approve the members' loans, but other members might not be informed of how the fund is used.

*Loans and returns should take place during group meetings where members and governing councils collectively make decisions and approve loans. This promotes accountable leadership where members are well informed of the income and expenses of the group. Collective decision-making creates a sense of responsibility, ownership and group cohesion over the fund, which leads to sustainability.*

**Provide direct support to marginalised group and women:** Although it targets the poor and women, local development workers find it difficult to select members who are 100 per cent to the criteria. More moderately well off families have been selected as group members and the poor are left behind.

*Development workers should design processes to identify barriers to the poor participating, and should also assess the needs of different social groups. After this, provide direct support to marginalised women and households to help overcome those barriers and benefit the project.*

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# Prey Veng Province

## Collective Action to Create Food Security

Sameki Meanrith Phum Snuol Khang Lech Association



### Summary

Sameki Meanrith Phum Snuol Khang Lech Association evolved from the village rice bank, providing rice credit to improve food security. Alongside the rice credit scheme, there are savings, poultry and fishpond raising groups, organised together under the association's umbrella to attain food security and improve livelihoods. Agronomes et Vétérinaires Sans Frontières (AVSF) initiated and supported the association. The association's role is to facilitate a savings and credit scheme, rice banking, and knowledge transfer and sharing among the group. Its main aim is to address rice shortage – a staple food that can diversify and increase livelihood activities. This enables members to secure a year-round food supply.

### Background

During the 1990s, food insecurity was one of the main challenges in Snuol Lech village, Speu commune, Baphnom district, Prey Veng province. Many farmer households only had enough rice stock to last them for five to eight months of the year. They were short of rice from June to December. AVSF responded to their most urgent and primary need by establishing a village rice bank in 1998. Before the village rice bank started, farmers took out loans of rice from local traders who charged them 100 per cent of the total loaned amount. Many male farmers migrated or worked in low paid jobs to repay the debt.

Sameki Meanrith Phum Snuol Khang Lech Association was first organised as a village rice bank to address food insecurity. In 2008, it evolved into an association to include more collective actions: savings, poultry and fishponds. Membership of the village rice bank has grown from 61 to 105 persons. The amount saved has grown from 27,000 riel (USD 6.75) in the first month of saving to more than 17 million riel (USD 4,250) in 2013. The association is not registered with any provincial department, but was recognised by local authorities.



The association was formed using a democratic system in which the members elect their committee, set their bylaws and cooperatively decide on the rice and credit savings and lending. The committees consist of just four members: head, deputy, secretary and rice stock supervisor. Despite adopting a

re-election system, the same committees have been elected each time. This is because of the lack of capable and committed people to work in voluntary roles.

### Village Rice Bank in Tackling Food Insecurity

The shortage of rice, a staple food, for year-round consumption was identified as the main challenge in the area; AVSF technically and financially supported the villagers to organise a village bank to receive support. AVSF, in consultation with local authorities, identified families facing food shortage to voluntary form as a group and benefit from its programme. The committees were trained in rice bank management. The group first needed to construct the rice warehouse that the materials were shared by AVSF and members. AVSF then funded around nine tons to the group to start their rice credit scheme. While implementing the rice credit, a warranty group was set up to make sure the rice was returned after harvesting. To ensure its effectiveness, the committees reinforce their bylaws strictly, allowing only a certain period of time for borrowing and returning the loan with interest. The committees inform members of the day that they will open for lending, usually in July. The repayment must be made in the last week of December and the first week of January. There is limited tolerance for delay in the return, as a way of implementing good practices. But exceptions are made for special cases. Only members are entitled to receive the rice credit. The rice bank charges 15 per cent interest. The return plus interest is accumulated as the bank's capital to operate in the following year. The rice bank now has more than 14 tons in stock, benefiting 105 villagers, of which 53 are women. Each committee receives 100 kg of rice per year as an incentive for their work.

### Savings and Credit Scheme as Village Capital

After dealing with food shortages, there was not enough capital for villagers to invest in their production. Building on the successful village rice bank, AVSF, through the Federation of Cambodian Farmers Organisations for Development (FCFD), initiated a savings group, seen as a source of capital for villagers to invest in their agricultural production. Training courses and coaching on management and financing were provided to the committee. There was no external financial capital provided to the savings and lending schemes. The group collectively saved and lent at their monthly meetings.

There is no restriction on minimum savings each time, but it should not be more than 1 million riel, to encourage the poor to save and limit the moderately well off families from taking more benefits. There were 40 savings members in 2006 and it has now reached 62 members, 43 of them women. The interest rate is between 2 and 3 per cent. The dividend for the savings members is paid annually. The savings and credit scheme gives villagers better access to financial capital for their agricultural production needs because it requires no collateral and has a less complicated procedure than microfinance institutions. It also helps the villagers to reduce the amount of borrowing from traders who charge at higher interest rates.

### Poultry Production and Fishponds to Diversify Livelihood Strategies

Alongside this savings and credit scheme, modern techniques, livestock production and fishponds were instrumental in helping farmers to diversify their livelihood strategies. Modern poultry raising techniques introduced by AVSF make poultry relatively resistant to disease, decrease the mortality rate of chicks and chickens and lead to an increased profit for farmers. AVSF promoted fishponds in combination with home vegetable gardens as a means of increasing their food nutrition. There are now 20 members in the poultry raising group and 30 families who are fishpond raisers. AVSF's support enabled farmers to access inputs, and a breed and veterinary service. It has been reported that backyard chicken raising in each family has increased from five hens to 20 or more chickens and farmers who can afford to have started fishponds. More productive chicken farming and additional fishpond production add more food nutrition to the families.

### Challenges

Despite the above, although the programs have improved food security so that villagers' agricultural production is just sufficient for family consumption, there is much to be done to help them produce a surplus for market. The migration rate in search of jobs is high, which adversely impacts the sustainability of the association. Illiteracy and the low education levels among villagers are other challenges limiting the group's initiatives and making them rely heavily on external technical support. It took AVSF around 10 years to reach this point.

### Recommendations

**Identifying an area's potential:** In an effort to increase farmers' incomes, development actors should work closely with the community to identify the area's greatest potential, which can be built

on collectively to expand their livelihood activities. The potential should include both agriculture and non-agriculture activities.

**Rotational leadership:** *Potential members should be equipped with management and financial training to prepare them to engage in management. Management committees should be rotated within members, while previous committee can play an advisory role, coaching the new committee members. This gives other members the opportunity to experience and build leadership skills. However, close monitoring and coaching is needed to ensure effective functioning.*

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## Building on Local Indigenous Knowledge to Improve Rural Livelihood

Ponlork Tmey Handicraft Group



### Summary

A part of farming, handicrafts are considered to be the main livelihood strategy for people living in Sre Rean village, Mesang district, Prey Veng province. Women dominate small-scale handicraft work, producing items such as fishing tools, baskets and other things. But they face many constraints in their production including capital, markets and modern techniques for upgrading their products. The Provincial Department of Women's Affairs (PDWA) collaborating with PDA organised them into a group in 2004 aiming to help them overcome those constraints. As a result of working as a group, they have access to finance, training and markets that help them to increase production, improve quality, and strengthen their market negotiating power.

### Background

Other than rice farming, some rural people, especially women, do handicrafts using indigenous knowledge. In Sre Rean village in Svay Chrum commune, Mesang district, Prey Veng province, many villagers produce usable equipment and fishing tools made from bamboo tree to earn extra income. Handicrafts have now become an important income source for villagers. In 2009, PDWA in cooperation with the PDA, Prey Veng province supported the handicraft producers to organise as group called the Ponlork Tmey Handicraft Group. Being formed as a group, they received financial, technical and capacity building to improve their production. The group consists of 20 members, 18 of them female. The group's management committee comprises three people selected by election. The group's activities are savings and credit, and craft works and business. Members can borrow money from the group to invest for the craft work. They must return the loan with interest to the group in six months.

### The Process of Organising Groups and External Supports

Firstly, PDWA and PDA in consultation with the local authorities selected the target area. Sre Rean village was selected because it had many handicraft producers. Then, all the producers were invited to attend a meeting aiming to introduce the idea of collective action. The criteria for membership selection included being hardworking, committed, honest, and voluntary. Members had to be handicraft producers. Finally, 20 members (female: 18) were selected and members elected committees. The group was recognised and registered at commune level.

PDWA in collaboration with PDA then provided three training courses on craft work from bamboo tree and on business skills to all members. The training lasted for three weeks. Each member was required to pay 5,000 riel (USD 1.25) as a membership fee. In addressing the group's financial constraints, PDWA encouraged members to collectively save money, so each member saved 1,000 riel per month. In 2009, the group's total savings were 652,400 riel (USD 163). In 2011, PDWA and PDA gave the group financial support at a total amount of 8,270,000 riel (USD 2,067.50). The project ended in the same year but the group is still operating and PDWA and PDA continued to help the group indirectly, especially on money returning and borrowing day, the so-called banking day and when there was a problem.

## How the Group Works

Ponlork Tmey Handicraft Group is managed by a management committee composed of a head, deputy head and financier, selected through election process. There are only three people (one female) at committee level because the group is small, having only 20 members. Normally, the group's head is responsible for the overall management and monitoring of all work in the group. The role of deputy head is to assist and act as the head when he is absent. The financier is in charge of keeping financial reports and a limited amount of money.

To enable the group's work, 25 per cent of the income from the loan supports the management committee, administrative costs and social capital and provides incentives. Money as social capital is used for members only in an emergency such as illness, house burning down, and so on. The benefit is divided every six months among the committee. This year it was reported that each committee would get about 70,000 riel every six months. The remaining 75 per cent of income is not given to members, but is added to the group's funds to increase the group capital.

In early 2012, the group decided to stop saving because they thought that they had sufficient capital. In 2013, the total capital of the group, which included savings, grants from PDWA and PDA, and interest income from members was 12,235,000 riel (USD 3,058.75). They are required to complete the group's loan agreement before they get the loan and the loan can be used only in relation to craft work or a limited range of emergencies. Normally, the borrowers must return the money with interest to the group within six months. Members can borrow or return the money to the group only on the banking day. Borrowing or repaying the money can only occur on other days if it is a special situation or an emergency. Those who are not members of the group can also borrow the money, but only when there is some remaining from members' borrowing. The interest rate for non-member is 3 per cent per month and they are required to repay the money with interest to the group within six months.

All members obtained the loan to buy raw materials such as bamboo trees, string and wood to make equipment for sale. The production activities occurred year round, but varied by equipment. The equipment is: chicken cage (*sum morn*), carried scooping basket (*chhneang*), fish cage (*trung dak trey*), plunge basket (*angrot*), oblong trap (*tru*), basket (*kanh chraeng*, *kanh chhe*), fermented fish paste filter (*trorng prahoc*), and rice screen (*raeng angkor*). However, that equipment is made according to the season. There were only a few business activities in the group before they received the grant from PDWA and PDA. Before the grant was provided, members marketed their products individually, and therefore had to go to markets and sell the products themselves. Nevertheless, after the grant was provided, those members sold their products to the deputy head of the group, acting as collectors in the village. On other hands, the deputy head has lent her money to either members or non-members first to buy raw materials so that they would have sold the equipment to her. She has bought the equipment from both members and non-members and resold it to traders in markets, and has earned 200 riel from each. Both members and non-members can choose not to sell their products to the deputy chief but they prefer to.

## Outcome/Achievement

**Improvement of knowledge:** Members are able to share experience and learn from each other as well as from trainers to improve their production skills and techniques. They describe it as an enabling factor to improve their livelihood, allowing them to make better products, which they could sell at a higher price.

**Access to loans:** The group saving in addition to the grant from PDWA builds the group's capital, which all members accessed to buy raw materials for their small-scale handicraft production without collateral. The interest rate is 2 per cent per month, which is lower than is available from micro financial institutions.



**Increase market position and network:** Instead of individual sales, the committee collects and buys members' products at an agreed price and then sells them to local traders. The collective sale has helped them to improve their bargaining power and especially created an environment that enables them to access diverse markets. For example, traders contact the group's representative to place a product order and make purchases, which saves traders' time and costs compared to

purchasing from individual producers. Consequently, the group has more buyers and more product orders. Working as a group and the support of PDWA enables them to expand their network through opportunities to attend workshops and exhibitions.

**Strengthen group cohesion:** People experienced a greater feeling of cohesion and solidarity with each other after they joined the group. The sense of collective saving and action led to a strengthening of group cohesion.

## Lessons Learnt and Recommendations

**Enable the continuation of savings activities:** Despite their success in collective saving to build the group's capital, members decided to stop saving activities in 2012 because they felt that their existing capital was sufficient to serve their production needs. However, when it came to their ability to scale up production, they raised the issue of the challenge that their limited capital represents.

*Development actors should encourage the group to continue their saving activities to increase their capital, which would lead to them being able to scale up their production in the future. Moreover, the members should be provided with some benefit from the money they put into the savings group at acceptable interest in order to encourage their involvement and willingness to put their money into the group. This strategy would also attract other villagers to join the group. Thus, the capital of the savings group could increase rapidly and business opportunities could accordingly be broadened.*

**Product diversification:** Members have only produced a few products, and some products have competition in the form of products imported from neighbouring countries.

*It is important to support the group in diversifying their products through training or organising visits to acquire experience and techniques from other groups who produce high value products.*

**Diverse market linkages:** The group sells its products only to local traders who often add high marginal costs.

*Support should be given to the group to establish diverse market linkages to potential buyers. Engaging some committee members in new market environment should be done to strengthen their marketing capacities. It is crucial to support the group's development of a long-term business plan and the possibility of scaling up production to enable their engagement in diverse markets. To enable their access to diverse markets, there should be networking between them and other handicraft groups in the province, allowing them to exchange business and market information.*

### Mr Sao Men: A Handicraft Producer

**Mr Sao Men**, 37, relies on farming and handicraft work to generate income to support his family. He joined Ponlork Tmey Handicraft group since its formation in 2009 in the hope of gaining access to credit and markets and improving his production skills. He and his wife produce plunge baskets all year round, but they make carried scooping baskets only from May to November. Before the group's formation, Mr Men and his wife could produce only 70 to 80 plunge baskets per month and 100 to 150 carried scooping baskets per month. It was difficult to find markets, and usually traders reduced the price. He was able to get only 2,800 to 3,000 riel (USD 0.70 to 0.75) for one carried scooping basket. Sometimes, he and his peers decided to travel by bicycle to Siem Reap to sell his product, where he could get a much better price.



Mr Men has improved his production and livelihood since joining the group. The loan taken from the group has helped him to secure raw materials for his craft work. The opportunities to attend training enable him to improve the quality of his product as he can now increase production and improve the quality of his equipment. He could make 300 to 400 carried scooping baskets per month at a price of 3,500 to 3,700 riel (USD 0.88 to 0.93) each. The price of the products has stabilised since he joined the group and are not easily reduced in price by the traders as they had been before. *"Now we don't need to ride the bicycles to sell our products anymore because there are many traders coming to the village to buy the products from us,"* He said.

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## Understanding the Inter-Relationship Between Agricultural Cooperative and Village Bank

### Agricultural Development Cooperative in Chres Commune



### Summary

The Agricultural Development Cooperative in Chres Commune, Prey Veng province developed from the village banks that emerged from village savings groups. The village banks were established in order to provide credit services to the villagers, and agricultural cooperatives were organised to monitor and assist the village banks, especially when the external support phases out. The cooperative and village banks not only provide financial access to villagers, but also facilitate knowledge sharing among members.

### Background

Mesang is one of the poorest districts in Prey Veng province. Almost 90 per cent of villagers cultivate rice, but the yield is not always sufficient for year-round household consumption. They do not have rice to eat for three to five months of the year. Agricultural techniques to improve villagers' productivity and diversify their livelihood strategies are therefore important to ensure food security and nutrition, and to increase household incomes so they can support their families. Organisation to Develop Our Villages (ODOV) has been mobilising and supporting farmers to organise village banks and agricultural cooperatives to contribute to addressing food insecurity and increasing productivity.

### Principles for Organising Village Banks

Integrated Community Development (ICD) is one of the four projects being implemented by ODOV. The project is financially supported by a Mennonite Central Committee (MCC) grant. In 2005, recognising the importance of a savings programme as a source of village capital, ODOV mobilised villagers to form a savings group. In the first steps, two groups consisting of 15 to 20 members each were created. Building on the savings group, in 2006 ODOV merged the groups into a village bank, which comprised more members (at least 50 members). The combined savings groups aim to increase the capital so that members can borrow more money. In 2011 an agricultural cooperative at commune level (Chres commune) was created to monitor and support the village bank. At present, 52 village banks and four agricultural cooperatives have been created.

**Consider appropriate numbers of members in the group:** A village bank should have than 50 members because the smaller number can be ungrouped easily. Beoung village bank had 56 members and was selected through IDPoor 1 and 2.

**Engage women:** ODOV considers women's participation to be important, so women have been targeted to make up at least 50 per cent of the members. In Beoung village bank women make up 68 of the 78 members, representing 87 per cent of the total.

**Success starts from selection of a good management committee:** In the process of nominating the applicants for the committees, ODOV consults with the local authorities and members who know best the characteristics and behaviour of villagers. The applicants are elected by the members. The committee has been trained by the ODOV on group formation, conflict solving skills, management and financial management. ODOV provides various materials such as documents, books and calculators.

### Village Bank (Village-Based)

The Beoung village bank was established in 2006 with recognition from commune level to provide a credit service to members. The members increased from 56 to 78 people in 2013. All members were required to save their money at an amount they could afford, usually starting from 1,000 riel (USD 0.25) for each member per month. Credit activities occurred after three months of saving when the bank had enough capital. The total capital of the village bank has grown to 20,000,000 riel (USD 5,000) and the interest rate on a loan is 2 per cent per month. *"The more money lent, the more risk,"* said **Mr Tes Sopheat**. To minimise the risk, two kinds of loans are set: business loans and loans for any purpose. Members who borrow money for any purpose may borrow no more than 400,000 riel (USD 100). For business purposes, loans are from 400,000 to 1,000,000 riel (USD 100 to 250). But business plans are required for investment loans.

Members attended training courses on agricultural techniques including rice cultivation (SRI), vegetable growing, fish and chicken raising, organic fertilizer production and food security and nutrition. More importantly, the training was followed by coaching and monitoring. To make sure they apply the new agricultural practices, ODOV offered vegetable seed, fish fingerlings, chicken varieties, and cement for members to prepare compost lots. Unlike in previous practice, the inputs provided must be returned to the village bank, as part of the effort to increase the group's independence and self-sufficiency.

*Training courses on agricultural techniques is only for farmer raising awareness. More, we have to coach, monitor and lead them to apply the techniques on their fields/farms."* said **Mr Tes Sopheat**, ODOV Executive Director.

### Agricultural Cooperative (Commune-Based)

An agricultural cooperative was formed under collaboration between ODOV and the PDA of Prey Veng province. It was formally registered at the PDA with technical and financial support from ODOV. A combination of several village banks makes up an agricultural cooperative. The agricultural cooperative in Chres commune is a made up of 13 village banks with a total of 670 members. To be members, they are required to buy at least one share at a cost of 30,000 riel (USD 7.50) per share. The cooperative now has 704 shares. In 2013, ODOV provided funds of USD 1,500 to the cooperative to increase its capital. The cooperative has total capital of around 27,000,000 riel (USD 6,750). The agricultural cooperative is currently providing credit to the village bank, and trades organic fertilizer and animal feed with its members.

### Inter-Relationship Between Village Bank and Agricultural Cooperative

The cooperative and village bank have different management committees, yet they interlink, with the cooperative providing a role monitoring and assisting the village banks in checking and managing financial matters and solving problems. The cooperative will also take over the role of ODOV to monitor their village bank when ODOV is withdrawn. Typically, a village bank is managed by a committee consisting of a head, secretary, treasurer and member representative with the role of assisting the treasurer. An agricultural cooperative's management structure is a governing council formed by five people: head, deputy head, treasurer, cashier and secretary. The council members are chosen from management committee members from each village bank and elected through a process facilitated by ODOV and PDA.

To ensure the cooperative's effectiveness, it has implemented strategies including:

**Using cheques to enhance transparency:** ODOV has trained the committees and members on how to use the bank system for their credit service and money transactions. The capital of the cooperative is deposited in the bank. The governing council issues cheques to members for their loans to ensure that there is accountability in financial transactions.

**Provide incentives to committees:** Financial support is very important to motivate management committee and council to work effectively. The governing council keeps 20 per cent of the cooperative's income earned each month. Council members each receive an equal amount regardless of their position.

## Outcomes/Achievements

**Benefits from the village bank:** Members have obtained loans to invest in their business or for emergency use at an interest rate of 2 per cent per month with no collateral required. Members have purchased fertilizer and animal feed at lower prices than those available in the markets. A comparison between a savings group and the village bank reveals that members have got more benefit from the village bank than from the savings group in terms of the size of the loan members can borrow.

**Benefits from the agricultural cooperative:** The village bank can borrow money from the agricultural cooperative if the bank has insufficient money to lend its members. The cooperative charges 1 per cent from the village bank, and the village bank charges members interest of 2 per cent. The agricultural cooperative supplies fertilizer and animal feed at a lower price, of good quality and at an appropriate weight, and this has helped reduce members' production costs. Most income received from interest and trade is used to expand the group's capital.

**Sustainability of the community as a whole:** The village bank has now become more independent. The village bank has occasionally increased its capital to lend to members so they can diversify their livelihood activities. Also, members of the village bank as well as the agriculture cooperative meet once a month to share experiences and challenges in their communities.

**Potential for replication:** It is expected that when the project finishes, village bank or agricultural cooperative will be replicated in other communities.

## Lessons Learned and Recommendations

**Link the group to financial institutions:** the villagers' ability to save is limited and the cooperative is not able to meet members' demands.

*It also crucial to search for financial institutions that can offer low interest and link them to the cooperative. For example, in Svay Rieng, CFAP provides financial credit to the cooperative at lower interest. CFAP also offers technical training to the team.*

**Provide market linkage:** The cooperative currently only acts as a service provider to members, but has not yet been able to act as buyer and link members' produce to market.

*Development actors should provide more capacity building on marketing and networking. It is important to support them in identifying their potential and high value produce where it can be built in and linked to the market in the future.*

### Ms Pin Savuon, a Member of the Village Bank

**Mis Pin Savuon**, 45, has belonged to Beoung village bank since 2006 in the hope of improving her farm's productivity. She cultivates rice and vegetables, and raises livestock and fish to make her living. As a member of the village bank, she attended training on agricultural techniques every three days (one course over two months) and compost production and received some vegetable seeds, cement (two sacks), fingerlings, and chickens through village bank. She attended group meetings held once a month to discuss saving money and other problems). She thinks that it is worth to spend time and effort participating in the group because she has diversified and improved her livelihood. In the past, she got only 500–700 kg of rice cultivated on 20A of land. However, the yield has now reached 700–900 kg of rice from the same plot. The number of chickens she raises has also increased. She produces more vegetables and now earns 100,000–200,000 riel (USD 25–50) per planting. This year, she started raising fish with 500 fingerlings.

# Svay Rieng Province

## Building Community People Into Village Development Actors

### Family Economic Development of Kampong Chamlong Commune Association (FEDA)

#### Summary

The Family Economic Development of Kampong Chamlong Commune Association (FEDA) is a model of a community based organisation (CBO), established by Development and Partnership in Action (DPA) to increase local community self-management. FEDA commune-based farmer association, whose executive committee is recruited and paid by PDA, plays a role as development actor to coordinate, support and monitor farmers groups in seven villages of Chamlong commune, Svay Rieng province. The executive committee has been trained to become village development actors, taking over the responsibility of PDA after it is phased out. To reach this point, the DPA gave the association extensive technical and financial support for more than 20 years. Yet the association is uncertain about its future when DAP phases out by 2015.

#### Background

The development of farmer organisations is a typical approach, implemented by both government agencies and development actors to improve farmers' livelihood strategies. Likewise, FEDA is one form of farmer organisation initiated and supported by CIDSE, currently known as Development and Partnership in Action (DPA). The association was at a commune-based level, and was established in 2008 by combining several farmer groups that the PDA formed in 1994 under the integrated community development programme. The association acts as a development actor to facilitate knowledge-sharing, technical and financial support, and access to agricultural input for the members.

The association has 1,002 members, of which 738 are women. The association coordinates and supervises seven villages. It has diverse farmer and producer groups: savings, poultry, rice, vegetables and handicraft groups. The association has diverse activities including capacity development, latrines, rice, cow bank, savings and credit, agricultural extension, health, gender, and so on.



#### How did the FEDA Evolve?

In 1993, DPA in close collaboration with local authorities launched an integrated community development programme. As part of the programme, DPA mobilised local communities to form as groups to be eligible to access DPA's technical assistance, material provision and revolving fund, a credit scheme funded by PDA. Alongside the credit scheme, several subsector groups, including rice, vegetable, and poultry raisers were established under the coordination of DPA to enable them to benefit from the integrated community development programme, which included agricultural extension, health and civil education. However, experience shows that the group revolving fund did not work well, with many groups dissolving because of a lack of ownership and commitment. Another challenge to group sustainability was the limited capacity of the local community to manage their groups. Later, self-help groups were created under the coordination of FEDA.

In the belief that it would be more sustainable and efficient if just one entity were formed at commune level, DPA adopted a community based organisation (CBO) model to anticipate self-management by local community. This was partly their provincial office withdrawal plan by 2005. In 2004, DPA coordinated to form the village committee to oversee each sub-group including by sub-sector producers' groups.

The association's management committee is a CBO representative consisting of a village development council (VDC) secretariat and one elected representative from village volunteer specialists (VVS) and the project committees (PC). Those committees are selected from farmers' groups. CBOs were supported to form as an association with a mandate to take over DPA's responsibilities, providing technical assistance and coordinating the commune development planning

process with stakeholders. To equip them, they were trained in management, proposal writing, and budget management. DPA has taken the lead in establishing and maintaining CBOs until now.

## How FEDA Works

From 2004, FEDA has acted as the CBO to co-ordinate with development agencies, local authority and local government; facilitates the implementation of development initiatives with community and community groups, and with the commune council in facilitating the commune development planning process. The FEDA is managed by committee members: head, deputy and seven village representatives who are recruited and paid a basic monthly salary by DPA. The head is responsible for overall management, while the deputy assists the head. The seven village representatives are obliged to oversee and coach on the implementing of farmer and producer groups in their village. FEDA has no right to intervene in the management system of a sub-sector group; rather, they provide technical support.

## What FEDA Delivers to Farmer Groups and What it Achieves

**Technical assistance provision and capacity building:** To overcome barriers faced by village groups in the process of group formation, the FEDA's committee has provided technical assistance and management and financial training to the groups. They also act as village extension workers in cooperation with stakeholders (CFAD, the provincial department of agriculture, and other development agencies) to facilitate knowledge transfer, especially of modern agricultural practices. The agricultural techniques, including rice, poultry and vegetable practices, resulted in improved productivity. Importantly, they continue to coach the group closely both on the group's management and on the adoption of the modern agricultural techniques that lead to improving their effectiveness.

**Civil education training provision:** Adding to the agricultural extension programme, the committee has provided training on health, hygiene and sanitation, food nutrition and gender as contributions to overall community development.

**Credit scheme provision:** After the DPA was phased out in 2004 they left 80 million riel, used as a loan to credit groups, to FEDA to continue the credit scheme. In 2010, FEDA borrowed 103.5 million from CFAD at an interest rate of 1.3 per cent. Savings and credit group members can access that financial capital at an interest rate of 2.2 per cent. It is reported that the loan programme helped farmers to invest and expand their production.

**Fertilizer credit provision:** Recognising farmers' constraints to accessing agricultural inputs, FEDA in partnership with a private company has provided a fertilizer credit scheme to its members at reasonable interest rates. The fertilizer supplied by FEDA is guaranteed to be comparable to that of other traders in terms of quantity and quality.

## Lessons Learned and Recommendations

**Increase the self-sufficiency of FEDA:** FEDA heavily relies on the financial support of DPA to meet its operational costs. As mentioned, all costs, including office costs, staff salaries, and those incurred for other related operations are funded by DPA. By 2015, DPA will phase out its financial support; consequently, FEDA will bear all those operational costs. Currently, FEDA generates income from only two sources – its financial and fertilizer schemes – which does not cover their operation costs. Thus, the future of FEDA after DPA phases out in 2015 is uncertain.

*It is important to closely consult with FEDA and local community on the way forward for the role of FEDA, whether it will become cooperative, concentrating more on trading, while the role as CBO is less needed after being there for around 10 years. If the role of FEDA remains relevant to community needs and FEDA wants to continue to play this role, then there should be a discussion around funding sources. Efforts can be made through NGOs to strengthen capacity in proposal writing and project management. Also, development actors shall work with FEDA to diversify and increase income. In short, a series of participatory meetings and consultation with local community should be done to assess actual community needs regarding the role of FEDA.*

## Female Committee Member: Ms Seng Soknao



Ms Soknao is one of the most outstanding executive committee members and she also works as a secretary and administrator for FEDA. Because of her poor family situation, she graduated from class 9. In addition to her work with FEDA, she raises chickens and cows and does home vegetable gardening to earn some extra income.

A combination of factors has contributed to the success of Soknao, including her personal qualifications, and her skills. In 1993, Soknao was a credit group member, and was then elected as group leader. She was known for being hard working, and was elected again as village development council (VDC) secretary in 2002. Soknao is known for being a proactive person and open to adopting new ideas. She was recruited by DPA to be one of its executives in 2006. Among the executive members, only Soknao are able to use computer.

Despite being illiterate in English and her low education level, Soknao can use a laptop for her work. "I never thought that I would be able to use a laptop. I kept learning and practising with support from my son, and now I am able to use it."

The opportunity to work for FEDA has helped Soknao to improve her facilitating skills and to gain public speaking experience, enabling her to be able to express ideas better, whether in households or in the community. Agricultural techniques that she has acquired have helped her to increase agricultural productivity, resulting in improvements to family nutrition and earning extra income to invest in her children's education.

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**Contact address:** Tachhey village, Kampong Chamlorng commune, Svay Chhrum district, Svay Rieng province. Tel: 016 358 505, 011 214 818

## Developing a Vegetable Supply Chain for Farmers' Market Engagement

Svay Rieng Agro-products Cooperative (SAC)



### Summary

The Svay Rieng Agro-products Cooperative (SAC) is a model of a vegetable supply chain run by farmers to link their farmers' produce to high-value markets. Farmers produce and supply farmers' produce, especially organic vegetables to the casino's restaurant in Bavet town, Svay Rieng province as well as to its own shop and other shops in Phnom Penh. SAC is well known for its organic vegetables, which are safe and fresh, with quality recognition through the International Volunteer Center Yamagata (IYV) from the Cambodia Organic Agricultural Association (CORAA). Before the establishment of the cooperative, farmers, acting individually, sold vegetables to local traders, with high marginal costs added between producers and traders. SAC is creating supply chains in which farmers actively engage in the market by dealing directly with business partners or final consumers.

### Background

With the growing demand for organic vegetables and the potential of vegetable growing in Svay Rieng province, in 2011, PDA and IVY initiated the establishment of SAC. The main objective of establishing the project was to support farmers' groups to register as farmer cooperatives, then to link them to diverse high-value markets.

SAC evolved from a women's vegetable association and currently has 314 shareholders and 567 SAC vegetable suppliers. Members elected the SAC's executive committee, consisting of 12 people. The cooperative uses capital from the sale of shares to members for its operation. One family may purchase no more than 20 per cent of the total shares. The cooperative is a community based agency, working with 60 villages and with 20 collection sites in Svay Rieng. Farmers in the target areas can apply for membership if they grow vegetables and can pay the 5,000 riel membership fee.



## Stakeholder Support of the Establishment of SAC

With the technical and material support of IVY in cooperation with PDA, a farmer's organisation registered as a cooperative was established in 2011. The cooperative aims to enable local communities to sustain their growing of organic vegetables ultimately to raise farmers' incomes by increasing their vegetable productivity, decreasing marginal costs and expanding markets and networks. In doing so, IVY has assisted SAC by providing training for both committee and members. The training courses include accounting, general administrative work, marketing, operation, management and leadership. IVY has also trained farmers on modern agricultural practices including soil preparation, fertilizers and seed selection, and planting, resulting in increased productivity. The activities have been conducted on- and off-site and continue to support the cooperative till the present day.

In the first stage of establishment, IVY worked closely with SAC to prepare the work plan, look for new business partners, and strengthen committee's capacity. IVY also granted USD 4,000 to SAC and funded the meetings and workshops that are considered critical to the functioning of SAC. In addition, IVY funded materials including a truck and motorbikes for vegetable collection and distribution. Since late 2013, IVY has been steadily decreasing its support to allow SAC to become independent.

## Developing an Organic Vegetable Supply Chain and Distribution System

Local farmers produce 40 types of organic vegetables, which are collected directly by the SAC team. SAC has created a village collection site for farmers' groups as well as individual farmers. The village vegetable collector supplies vegetables to SAC based in Svay Rieng town, which will further distribute to Bavet and shops in Phnom Penh, Figure 1. The cooperative is capable of delivering twice-weekly supplies to hotels and restaurants in Bavet town and four times a week to the shops and its own open-air shop in Phnom Penh, of approximately 16 tons per month. Currently, SAC cannot meet the market demand for vegetables due to low production. Expanding its chain requires more active households producing more organic vegetables. In the meantime, expanding the supply chain is a challenge because organic vegetable production is low.



## How SAC Functions

Executive committee manages the cooperative. The committee is made up of two main groups: a governing council (three women and four men), and a monitoring body (three women and two men). This is a way to achieve transparency. The governing council has a director (female), a deputy, treasurer and assistant, accountant and assistant, and a marketing manager whose work for the cooperative is voluntary. They each receive a subsidy of 30,000 riel (7.5 USD) per month and 12,000 riel (3 USD) for telephone each month.

With regard to decision-making, committee makes decisions in consultation with the shareholders. A routine meeting of committee members has been conducted on a monthly basis. Meetings with members are also occasionally conducted.

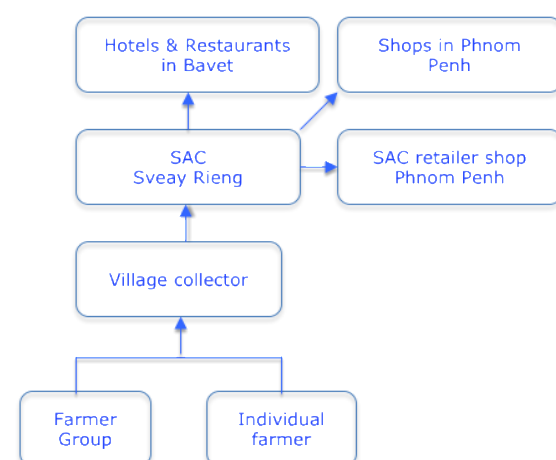


Figure 1: SAC supply chain

The cooperative works as a supply chain agent who directly collects vegetable produce from its members, then distributes to their business partners and sells at its retail shop in Svay Rieng and Phnom Penh. At the collection site, all organic

vegetables are selected and arranged in accordance with the customers' orders. Previously, SAC set a stable price for vegetables for a year for the purpose of securing the market for farmers, despite market fluctuation. But this system did not work well because members would only sell their product to SAC when the set price was higher than the market price. On the other hand, members would sell their produce to local traders or to the market when they could get a better price. The trouble was that SAC could not ensure a stable vegetable supply to its partners, which could result in unprofitability and fines in some cases. In addressing this, SAC implements monthly-based price setting, which is competitive with the market price.

## Achievements

**Create diverse high-value markets and networks:** Before the existence of SAC, vegetable produce has been locally traded in town and to Bavet. SAC has enlarged its vegetable market to a high-value market in Phnom Penh including Happy Farm, Natural Garden, Chemical Free and Green Organic Farm and SAC's retail outlet. In the future, SAC plans to supply to the largest Japanese supermarket, which opened in 2014.

**Creation of jobs for vegetable smallholders, especially women:** SAC has been working with approximately 567 vegetable producers, of whom 50 per cent of members are active produce suppliers. SAC secures the market for vegetables, which is a factor promoting the vegetable product. It is also noted that women are heavily engaged in vegetable production. The wider market linkages help to increase bargaining power over their customers in terms of price, resulting in increased incomes and improved livelihoods for farmers.

**Improving vegetable practices:** Improvements have been identified in vegetable practices that could improve farmer productivity, for example, increasing vegetable production through the application of new technology. It is also observed that more farmers are adopting organic and chemical-free vegetable production methods.

**Local Capacity building:** Committee members have proven to be more capable in managing SAC through training and coaching provided by IVY. This positively increases their self-confidence, management, leadership, and networking skills. For example, IVY has been providing technical assistance to SAC since 2013; meanwhile, SAC is starting to develop its work plan, organising meetings and workshops with less dependence on IVY's support.

## Lessons Learned and Recommendations

**Increase self-sufficiency of SAC:** Despite increasing committee's capacity, they are not yet able to manage SAC independently and sustainably.

*Important technical support and coaching and monitoring are required to improve a group's ability to become independent.*

**Considering the paid system:** As mentioned, committee receives 30,000 riel as an incentive for work. This amount is relatively low for a committee member to support their family. Committee might engage in other work to earn income for their living, leaving less time to engage in SAC.

*Establishing a system where committee members are paid a reasonable amount to sustain their livelihoods should be considered. A proper payment system would also encourage committee to fully engage with high commitment, to attain their objectives.*

**Contract farming:** One of the main challenges is that SAC cannot secure a reliable vegetable supply to the market.

*SAC should consider pilot contract farming practices with farmers in the future. The contract farming could be done in way that farmers will be provided with inputs and techniques, but are contracted to sell their produce back to SAC at an agreed price. SAC can also act as middlemen to coordinate contract farming between the private sector/shop and farmers for high-value vegetables or imported vegetables.*

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## Failed Leadership Troubles Collective Action

### Chamroeun Phal Svay Chum Association

#### Summary

Chamroeun Phal Svay Chum Association was formed and financed by the Department of Extension, MAFF in 2004. Later, the Co-operative Association of Cambodia (CAC) provided technical assistance and finance. But the association only functioned for a few years, leaving the association inactive until now. A lack of transparency in the management and capability of committees contributed to this failure. Members have recently elected new committee who have tried to resume the association's work, but achieving this goal is a long way off.

#### Background

The association was established mainly through the support of MAFF in 2004. The association aimed to mobilise the local community to save and produce collectively to expand their market for the long run. Its 500 members lived in Ta Suos commune, Svay Rieng province. There were five men and three women selected to the committee. The committee was to be re-elected every three years. The charge for membership, a one-time payment, was 5,000 riel. In the meantime, the association also issued shares, at a cost of 30,000 riel per share, for its members to promote ownership. Each member was able to purchase as much as they could afford.

This association was mainly created through adopting a CBO model to build the local community's capacity to develop their area. Extensive financial support provided included an association office, office supplies, working capital and a rice milling machine for the operation and so on. At the initial stage, to establish the community, MAFF provided 1,000,000 riel in support. In 2005, approximately 2,000 USD from MAFF was used to build an office, and purchase a computer and stationery. In 2010, the Japanese NGO, Goko, donated a rice milling machine and in 2013, a local church gave 500 USD to the association. Despite this support, its aim wasn't achieved.

#### Lessons Learned

**Decision making process:** The decision-making was expected to be done collectively with members, yet, it was done by the head and treasurer without any consensus. The committee of the association was supposed to hold regular monthly and annual meetings with members, but this happened only in the beginning. Members' participation was low, probably because they did not understand the benefits of attending meetings. Many members were therefore not aware of information about and the activities of the association, leaving them at a disadvantage.

The committee decided on all deals. For example, proposing, organizing and performing all work regularly on an ad-hoc basis. A top down approach was frequently practised, resulting in not meeting members' needs. A poor work style led to low achievement. They did not obey their regulations on working rules and standards. Monthly meetings to review ongoing and accomplished work in previous months was not enforced among the committee to response to member needs.

For instance, in 2004, a savings group, consisting of 85 members (60 female) was organised. In 2005, the International Christian Assembly (ICA) gave 900 USD as start up capital. In 2007, MAFF provided 7,000,000 riel in support to the savings group. By 2011, total savings amounted to 17,070,000 riel. Each member contributed 5,000 riel in monthly savings. Loans were made without prior consent from members. The head of the association and the accounting officer decided on the amount that should be lent.

**Limited capacity:** Even though the committee had been trained and attended many selective training courses and workshops, their capacity to perform standard work still lagged behind what it should be. This was due to the problems of aging, time, and low education, which led to them being ineffective in their management of the association. The majority of members were not able to read and write properly, whilst some members still had a limited understanding of working procedures conforming to the association's objectives. A voluntary work scheme did not oblige them to work full time or part time at regular times. Consequently, work was delayed, or stopped.

**Lack of coaching and monitoring:** Although there was considerable support, coaching and monitoring were absent. There was some training on management and financing when the association was first formed. Later, there was no monitoring of coaching. Thus, committee was not capable of independently leading their association. The lack of monitoring permitted committee to make decisions without complying with their regulations.

## Recommendations

**Improve external technical support:** *To enhance the association so it functions effectively, better technical support on the ground from development agencies is urgently required. External support should put more effort into building local communities to mobilise their local resources to operate their organisation. The external support should closely work, monitor and coach, and provide other technical support to local communities, instead of providing financial support, to increase self-efficiency. It might be a time consuming process to build their capacity, but it builds a sense of community ownership, which is key to sustainability.*

**Conveying a clear message for all:** *It has been revealed that many members did not understand the association's mission and vision, how and what contribution they could make, and when and to whom information should be provided. For example, a number of households obtained memberships, but only some families participated in the farmers' organisation activities (training versus practice). Internal rules and regulations did not exist due to limited knowledge and the lack of NGO support. The limitations of the committee and members' capacity prevented them from taking initiative.*

## Annex 1

**Table 1: List and Overview of 15 Case Studies**

Name of Farmer Organization	Supported	Year of Establish	Activities	Members (Person)	Capital	Sub-Sector	Address and Contact
<b>Takeo province</b>							
Kasekor Rik Chamreurn Association សហគមន៍កសិកររីកចម្រើន	CEDAC Rachana	2008	- Saving and credit - Fertilizer credit - Rice credit and trading - Cow bank - Aquaculture	87 (F:25)	215 million Riel (2013)	Rice, fish, cow	Trapaing Rorka village, Ang knoul commune, Traing district, Takeo province Tel: 092 414 650 088 716 1575
Baksei Rikreay Agricultural Development Cooperative សហគមន៍អភិវឌ្ឍន៍កសិកម្មប្រកួតប្រជែង	CEDAC PDA CAVAC	2004	- Saving and credit - SRI technique and organic rice trading	163 (F:84)	263 million Riel (2013)	SRI, organic rice	Ang Baksei village, Cheang Turng commune, Tramkok district, Takeo province Tel: 085 406 045
Tipath Ponlork Tmey Agricultural Cooperative សហគមន៍អភិវឌ្ឍន៍កសិកម្ម ទីប្រាំគោន្តកប្បី	CEDAC CIRD	2003 (Association) 2012 (changed to Cooperative)	- Saving and credit - SRI, rice trade, and rice milling - Trade of agricultural supplies and equipment - Fertilizer (chemical and organic) trade - Compose fertilizer production - Chicken and fish raising - Extension farmers	45	- 3 million Riel (capital for agricultural credit 2012) - 12.8 million Riel (capital of the cooperative 2012)	Rice, organic rice, chicken, fish	Tipath village, Cheang Turng commune, Tramkok district, Takeo province Tel: 012 956 098
<b>Kampot province</b>							
Farmer Group for Revolving Fund Renovation ក្រុមកសិកររៀបចំមូលប្រចាំឆ្នាំ	PADEE-PDA CEW FAO MFA MST	2012	- Farmer Field School on rice, vegetable, fish, and chicken production - Credit - Gender and	50 (F:29)	16 million Riel (2013)	Rice, vegetable, fish, chicken, gender, nutrition, financial	Prey Khley village, Sre Chaeng commune, Chumkiri district, Kampot province Tel: 097 913 6665 097 870 8371

			nutrition - Financial service			service	
Sameki Chey Chumneis Group ក្រុមសាមគ្គីជីវ័យជំនុះ	Save for Cambodia's Wildlife (funded by Oxfam-America)	2010	Saving and credit	50 (all are female)	50 million Riel	N/A	Sre village, Sangkat Treuy Koh, Kampot town, Kampot province Tel: 097 222 0046
Kampot Pepper Promotion Association (KPPA) សមាគមន៍លើកកម្ពស់ផ្លែឈូកកំពត	MoC and MAFF supported by GRET CIRD and AFD	2008	- Saving and credit - Pepper production and trade - Pepper quality assurance - Semi-processing and packaging - Agricultural supplies and equipment trade - Pepper production technique extension	174	48 million Riel	Pepper	Angkor Chey 1 village, Damnak Kantuot Khang Tbaung commune, Kampong Trach district, Kampot province , , Tel: 092 752 572
<b>Prey Veng province</b>							
Ponlork Tmey Small-Scale Handicraft Group ក្រុមសិប្បកម្មខ្នាតតូចពន្លកថ្មី ភូមិស្រែវាង	Provincial department of women's Affairs (PDWA) and PDA	2009	- Saving and Credit - Making fishing gears and other equipment and household supplies from bamboo	20 (F:18)	12 235 000 Riel (2013)	Handicraft	Sre Rean village, Svay Chrum commune, Mesang district, Prey Veng province Tel: 077 637 386 088 369 5585
Agricultural Development Cooperative សហគមន៍អភិវឌ្ឍន៍កសិកម្ម	ODOV (Hellen Keller and MCC grant)	2011	- Credit - Fertilizer credit - Organic fertilizer (compose) production - Agriculture technique: SRI, vegetable, chicken and fish - Food safety and	674 (F:472)	25 million Riel (2013)	Rice, fish, chicken,	Beoung village, Chres commune, Mesang district, Prey Veng province Tel: 017 932 869

			nutrition - Trade of organic fertilizer, and fish and pig feed				
Sameki Meanrith Phum Snuol Khang Lech Association សមាគមន៍សាមគ្គីភាវូបនីយកម្មស្នួលខាងលើ	AVSF	1998	- Saving and credit - Rice Bank - Animal raising: chicken and fish	62 (F: 43)	7 970 900 Riel (2012)	Rice, fish, chicken	Snuol Lech village, Speu commune, Baphnom district, Prey Veng province Tel: 097 814 9520 097 835 6080
<b>Svay Rieng province</b>							
Chamreun Phal Svay Chrum Association	MAFF, ICA	2004	- Saving and credit - Vegetable trading	105	17 709 000 Riel	Rice, vegetable	Pnao village, Tasous commune, Svay Chrum distric, Svay Rieng, Tel: 097 8467491
Svay Rieng Agro-Products Cooperative	IYV	2011	- Vegetable trading	314	USD 40 000	Vegetable	Svay Rieng town, Svay Rieng province Tel: 016 259 076, 097 972 8108
Family Economic Development of Kampong Chamlong Commune Association (FEDA)	PDA	2003	- Saving and credit - Fertilizer credit - Provide training - Provide technical support to sub- farmer group	1002 (F: 738)	92 million	Rice, vegetable, fish, chicken	Tachhey village, Kampong Chamlong commune, Svay Chhrum district, Svay Rieng province Tel: 016 358 505, 011 214 818
<b>Kandal province</b>							
Agricultural Cooperative Kampong Prassat (ACKP) សហគមន៍កសិកម្មកំពង់ប្រាសាត	MAFF, DRC PSE, IDE, MG Compose Malaysia Import Export, AQIP Seed, 1001 Funten	2005	- Saving and credit - Rice seed trade - Fertilizer trade - Production of vegetables and livestock animals: pig, cattle, chicken and duck - Biogas - Solar - Lactrine	205	- 880 000 Riel (for saving) - 2 million Riel (from MAFF into the saving) - 10 million (from MAFF into water sector) - USD 13 500 (from PSE for building reservoir)	Rice seed, vegetable, pig, cattle, chicken, duck	Kampong Prassat village, Svay Ampea commune, Mok Kampol district, Kandal province Tel: 012 863 204

			<ul style="list-style-type: none"> <li>- Clean water: pure drinking water and water for household use</li> <li>- Education (from kindergarten to elementary school)</li> </ul>		- USD 20 000 (from Funten for pure drinking water machine and shop)		
Kampong Lourng Silver Association សមាគមន៍ប្រាក់កំពង់ល្វែង	Cambodia Handicraft Cooperative	1999	- Silver products trading	72	N/A	Silver	Po Toch village, Kampong Lourng commune, Ponhea Leu District, Kandal province Tel: 012 722 923
Cambodia Sedge Mats Business Association សមាគមអាជីវកម្មកន្លែលក់កម្ពុជា	GIZ	2007	<ul style="list-style-type: none"> <li>- Sedge mats producing</li> <li>- Sedge mats trading</li> </ul>	5 (Business owner) 70 (worker)	50 000 USD	Sedge mat	Preak Tatorn village, Presh Prosop commune, Khsach Kandal, Kandal province. Tel: 092 708 375

## Annex 2

**Table 2: List Of Government Agencies, NGOs and Private Sectors interviewed**

Name	NGOs	Contact number	Remark
<b>Phnom Penh</b>			
Mr. Luy Piseyrith	Oxfam	012 611 758	
Ms. Sou Socheata	Oxfam America		
Mr. Soy Seung	FAO	012 717 480	
Mrs Sark Mark Na	MoWA	011 616 146	
Mr. Sar Phirom	Natural Garden	012 995 856	
Mr. Say Tom	GDA, Agri-extension Dept.	012 834 030	
Christophe Goossens	ADG/PUAC	012 873 893	
Mr. Meng Sakphouseth	IFAD	012 928 093	
Mr. Sokhun	Helen Keller	089 956199	
Mr. Savoeurn	AVSF	012 820 454	
<b>Takeo province</b>			
Dr. Om Sam Oeurn Mr. Sorn Dim Mr. Socheat	Rachana	012 491 064	
Mr. Ouch Vitou	CEDAC	092 737 652	
Mrs. Nget Sophea	PDA	012 408 930	
<b>Kampot province</b>			
Mr. Khim Punna	PDA	012 666 406	
Mr. Neang Po	Save Cambodia's Wildlife	012 862 598	
Mr. Nguon Lay	Kampot Pepper Cooperative	092 752 572	
<b>Prey Veng province</b>			
Mrs. Chanthorn	Provincial Department of Women Affaires	012 452 056 089 325 785	
Mr. SO Pheap Mr. Tha Theng	ODOV	097 640 8902	
Mr. Lor Heab Mr. Nhik Sorn	AVSF	015 738 277 097 455 0977	
<b>Svay Rieng</b>			
Mr. Sok Sotha	CFAP Cambodia	016 948 553	
Mr. Hou Sorith	IVY	012 796 901	
<b>Kandal</b>			
Mr. Ouk Sovanna	PDA	092 70 83 75	
Ms. Sokkim Ngoun	CSM	092 70 83 75	

### Annex 3

**Table 3: List of Farmers Interviewed**

N <sup>o</sup>	Name	Gender	Role
Kasekor Rik Chamreurn Association សមាគមកសិកររីកចម្រើន			
1	Chea Phorn	M	Chief
2	Keo Chea	M	Deputy
3	Ros Soung	M	Treasurer
4	Puth Deurn	F	Secretary
5	Nhet Thorl	M	Member
6	Ching Worn	M	Member
Baksei Rikreay Agricultural Development Cooperative សហគមន៍អភិវឌ្ឍន៍កសិកម្មប្រឹក្សារាយ			
1	Saem Sarom	M	Chief
2	Kong Theurn	F	Member
3	Chhun Sona	F	Member
4	Siek Ren	F	Member
5	Ou Mom	F	Member
6	Pou Touch	M	Member
7	Noun Sambath	M	Member
Tipath Ponlork Tmey Agricultural Cooperative សហគមន៍អភិវឌ្ឍន៍កសិកម្ម ទីប្រាំពីរពន្លកថ្មី			
1	Chan Sothea	M	Chief
2	Chap Tho	M	Deputy
Farmer Group for Revolving Fund Renovation ក្រុមកសិករកែលម្អប្រាក់ប្រចាំប្រែប្រួល			
1	Nget Buntheourn	M	Chief
2	Den Leakhena	F	Secretary
3	Sang Srey Nik	F	CEW (Community extension worker of PADEE)
4	Nen Seurn	M	Commune council
5	Set Somali	F	Commune council
6	Khiev Chenda	F	Member
7	Sok Seurn	F	Member
Samaki Chey Chumneis Group ក្រុមសាមគ្គីជ័យជំនះ			
1	Chean Bunny	F	Chief
2	Pak Pov	F	Secretary
3	Ouk Sokom	F	Key keeper
4	Sem Sarorn	F	Treasurer
5	Meas Sopheak	F	Member
6	Ruos Sophea	F	Member
Kampot Pepper Promotion Association (KPPA) សមាគមលើកកម្ពស់ប្រេងកំពត			
1	Nguon Lay	M	Chief
2	Nov Koun	M	Member
3	Uch Vanny	F	Member
Ponlork Tmey Small-Scale Handicraft Group ក្រុមសិប្បកម្មខ្នាតតូចពន្លកថ្មី ភូមិស្រែវាង			
1	Sum Seav	M	Chief
2	Kol Penh	F	Deputy
3	Seourn Sung	M	Financer
4	Sao Men	M	Member
Agricultural Development Cooperative សហគមន៍អភិវឌ្ឍន៍កសិកម្ម			
1	Net Savuth	F	Chief of the cooperative
2	Khem Yeng	F	Chief of the village bank
3	Khut Sakhon	M	Secretary of the cooperative and committee member
4	Yan Chhorn	M	Member
5	Pin Savuon	F	Member
Samaki Meanrith Phum Snuol Khang Lech Association សមាគមសាមគ្គីមានវិទ្យុភូមិស្នួលខាងលិច			
1	Soy Setha	M	Chief
2	Keoun Sokha	M	Secretary

3	Khan Sari	F	Financer
4	Vorn Saraem	M	Treasurer
Chamreurn Phal Svay Chrum Association សមាគមចំរើនផលស្វាយជ្រំជ្រ			
1	Sok Sareab	M	Chief
2	Sor Samean	F	Member
Svay Rieng Agro-Products Cooperative សហគមន៍ផ្គត់ផ្គង់កសិផលស្វាយរៀង			
1	Sitha	F	Chief
2		M	Marketing manager
	Orn Sarun	F	Member
Family Economic Development of Kampong Chamlong Commune Association (FEDA) សមាគមអភិវឌ្ឍន៍សេដ្ឋកិច្ចក្រសួង ឃុំកំពង់ចម្លង			
1	Ouk Chamreurn	M	Deputy
2	Seng Soknoa	F	Administrator
	Jnou Chea	F	Member
Agricultural Cooperative Kampong Prassat (ACKP) សហគមន៍អភិវឌ្ឍន៍កសិកម្មកំពង់ប្រាសាទ			
1	Seour Sakhorn	M	Chief
2	Chhem Kim Yeng	F	Member
3	Sorn Lorn	M	Member
Kampong Lourng Silver Association សមាគមនំប្រាក់កំពង់ល្វែង			
1	Vuth Ravy	M	Chief
2	Den Mas	F	Deputy
Cambodia Sedge Mats Business Association សមាគមអាជីវកម្មកន្លែងកក់កម្ពុជា			
1	Ngoun Sokkim	F	Business Manager
2	Sreng Ly Ang	F	Chief
3	Prin Kimhoun	F	Worker