

# FLD in Action

# 2013

# Annual Report



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Secure Your Food and Income



# FLD in Action 2013

## *Annual report*

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### Highlights from the Executive Director

During 2013, Farmer Livelihood Development's support services were greatly expanded, with 12,314 new, target households. This adds up to a total of 19,456 households – 7,287 of them headed by women – that are now benefiting from FLD activity; encompassing eight provinces, 24 districts, 83 communes, and 413 villages.

In addition, FLD's three affiliated social enterprises have made good progress during 2013:

- SKIL (Skill, Knowledge and Inspiration for Life) – provided 68 vocational training courses to 2,657 trainees (1,278 female) in 2013.
- TKK (Tunkaksekor) – of TKK's 2,427 Village Savings and Loans Group members (VSLG), 1,057 (983 female) received loans to invest in agricultural livelihood activities.
- KFP (Khmer Farmer Products), increased marketing on behalf of farmers, lifting sales of banana chips, honey, and rice with annual turnover USD147,050. A large portion was for banana chips, a Cambodian end-product that processes over 10 tons of raw bananas a month. The developing of this product has created significant local employment.

The successes described in this review would not have been possible without the guidance of FLD's Board of Directors and our partner and donor organisations. Their support, understanding and advice mean that FLD can make a very real contribution to Cambodia's disadvantaged farmers and their families. On our beneficiaries' behalf, it is an honor to recognize our deep gratitude to our partners and donors listed in this review. By working with us theirs and our intended missions are being realized for a better Cambodia.

Our thanks to our New Zealand-based Communications Advisor, John Gordon, a former volunteer at FLD who continues to work with us on this and other communication projects.

**Sok Somith**

## List of Abbreviations

<b>ACT</b>	Asian Community trust
<b>AC</b>	Agriculture Cooperative
<b>ASCA</b>	Accumulative Saving and Credit Association
<b>ANC</b>	Ante Natal Care
<b>AMK</b>	Angkor Mickroheranhvatho Kampuchea
<b>BFCI</b>	Baby Friendly Community Initiative
<b>CAF</b>	Charities Aid Foundation
<b>CC</b>	Commune Council
<b>CALAC</b>	Climate Adaptive Livelihood of Agriculture Community
<b>CNP</b>	Community Nutrition Promoter
<b>EFAP</b>	Emergency Food Assistance Project
<b>EXCEL</b>	Eliminating Exploitative Child Labor
<b>EEOYW</b>	Expansion of Employment Opportunity for Young Women
<b>FLD</b>	Farmer Livelihood Development
<b>FHI360</b>	Family Health International
<b>HC</b>	Health Center
<b>HP</b>	Health Post
<b>HARVEST</b>	Helping Address Rural Vulnerabilities and Ecosystem Stability
<b>FAO</b>	Food and Agriculture Organization, United Nations
<b>FSNI</b>	Food Security and Nutrition Initiative
<b>IGP</b>	Income Generating Project
<b>ID</b>	Identity
<b>IPM</b>	Integrated Pest Management
<b>IFA</b>	Iron Folic Acid
<b>KFP</b>	Khmer Farmer Products
<b>KSP</b>	Kampong Speu
<b>LDP</b>	Livelihood Development Program (FLD)
<b>MFI</b>	Micro Finance Institution
<b>MALIS</b>	Improving Food Security and Market Linkages for Smallholders
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MSG</b>	Mother Support Group
<b>NGO</b>	Non-Governmental Organization
<b>ODM</b>	Oddar Meanchey
<b>PVH</b>	Preah Vihear
<b>PDRD</b>	Provincial Department of Rural Development
<b>PDA</b>	Provincial Department of Agriculture
<b>PHD</b>	Provincial Health Department
<b>REC</b>	Rural Employment Creation
<b>SAFPHAM</b>	Sustainable Action to Fight Poverty, Hunger and Malnutrition
<b>SHG</b>	Self Help Group
<b>SB</b>	Social Business
<b>SKIL</b>	Support, Knowledge & Inspiration for Life
<b>SC-WASH</b>	School- community water and sanitation hygiene
<b>TKK</b>	Tunkaksekor
<b>TOT</b>	Training of Trainer
<b>TT</b>	Tetanus
<b>TBA</b>	Traditional Birth Attendants
<b>USD</b>	United States Dollar
<b>USAID</b>	United States Agency for International Development
<b>USDOL</b>	United States Department of Labour
<b>VSLG</b>	Village Savings and Loan Group
<b>VHSG</b>	Village Health Support Group
<b>YWED</b>	Young Women Entrepreneur Development
<b>YWIB</b>	Young Women in Business

## ACHIEVEMENTS

Guided by both its Board and its strategic directions, FLD has developed two specific streams of rural support: 1. Sustainable institutional capacity and financial viability that serves its target beneficiaries, along with a market oriented approach to meet its key aim – ‘alleviate rural poverty’. At the same time: 2. FLD will focus on the economic sustainability of its social mission in the rural community”.

The first stream provides direct technical and material support to rural poor through the Livelihood Development Program (LDP). In 2013, LDP has implemented seven projects that target food security and nutrition; income generation and rural self-employability; local government institutional development; raising the farmer’s ‘ voice’ to gain better support for farming practices and produce marketing; climate resilience for livelihood activities. In 2013, LDP worked in eight provinces, 24 districts, 83 communes, 413 villages . . . to the benefit of 19,456 households (7,287 headed by women).

The second stream gives indirect support to beneficiaries through FLD’s social businesses (SB) that attack rural hardship from a market perspective. These enterprises complement LDP’s efforts in supporting rural households beyond the life of a particular project. The SBs recent growth has been very positive for LDP beneficiaries and other Cambodian farmers.

At the end of 2013 FLD employed, 75 staff (30 female) – 17 less than 2012. This was due to the completion of several projects, and the partnership approach that has been adopted. However, quite a few staff members successfully transferred to new projects during 2013.

FLD introduced a number of changes to improve its overall management. The Board of Directors held meetings in June and October to give direction for implementation of FLD’s strategic milestones. Seven management committee meetings were held to solve management issues, and a ‘best practice’ seminar was held in Bangkok in June to develop a strategy and mechanism for fund raising. LDP’s senior team members participated in development a monitoring framework in Mondulhiri province. This developed useful guidelines for program delivery. A full staff retreat in Sihanouk Ville reviewed annual progress, internal policies and procedures, and developed actions for 2014. FLD’s three social enterprises held quarterly meetings to review progress and develop and share solutions to the various challenges faced in marketing both farm produce and farmer training services. Both activities are vital to keep FLD heading in the right direction and respond to the needs of the rural poor.

### 1. Livelihood Development Program (LDP)

*LDP delivers donor-funded projects that support poor rural households to consistently secure their income and food supply.*

#### **LDP in 2013**

By 31 December 2013, LDP was funded by eight different donors for a total of **US\$858,459.91**. This was for 10 projects in eight provinces.

#### **LDP’s achievements, against its strategic milestones**

*Milestone 1: Agriculture focused approaches to livelihood development*

Project	Donor	Duration	Target provinces
<b>SAFPHAM</b> <b>Sustainable Action to Fight</b> <b>Poverty, Hunger and</b> <b>Malnutrition</b>	European Union, through World Vision Cambodia	Mar 2010 - Feb 2014	Oddar Meanchey (OMC) (39 villages) and Preah Vihear (PVH) (30 villages)



SAFPHAM provides agricultural skills training; then courses on the formation of farmer associations, and the creation of community networks for primary health care with local public service providers.

### **Community empowerment**

The project supported planning at commune and district levels to ensure that community development priorities are included in local government agendas.

Nine capacity building events were organized for 12 Agriculture Cooperative (AC) members and village leaders in addition to 60 coaching sessions by Provincial Department of Agriculture staff on cooperative concepts. Village and AC leaders can now identify current needs and priorities for commune and district plans. Another result was the improvement in the quality of the small proposals and administrative letters submitted to institutions. Each cooperative prepared three-year implementation plans in consultation with their village and commune chiefs.

The project also held training courses on bookkeeping, entrepreneurship, leadership, and business plans for 38 AC members (23 female). Their community 'voice' then reached all levels of local government – district, commune, province – and other relevant institutions.

### **Agriculture**

Four training courses on sustainable and, integrated farming systems were attended by 144 AC members (118 female), to give support for 567 households in applying these new skills. Twelve people (2 female) attended a tree nursery training course, and another five trained in fruit tree culture in Chrey, Bambour Meas, O' Pork, O'Tralork, and Pul villages. Fish culture training was provided for 94 people, and a total of 146 received project support. This included 23 farmers receiving plastic pond covers, and 509 households in Oddar Meanchey and Preah Vihear were provided fingerlings. Another 239 AC members (153 female) were trained in mushroom cultivation; 38 (33 female) received chicken raising training, and 9 (2 female) learned about running a chicken hatchery. 38 households then received support to establish their own chicken hatchery and another 72 households gained assistance for piglet production.

A community pond and three dams were constructed. The project also ran courses for 172 members (85 female) in both provinces on understanding and managing a rice bank; two community rice banks were then given establishment assistance. 89 ASCA/Saving groups were formed by 1,602 members (682 female). And, prior to the project's completion in early 2014, two exit workshops were district level created local awareness and prepared the groups for full self-management.

### **Vocational skills**

Six goat raising groups were formed from 75 young people individuals (45 female) – 24 were formally trained in practical goat farming and another 16 (11 female) went on a study tour. The project supported three goat raising groups, provided 24 piglets to 12 youths, and skills training to another 31 young people (14 female).

### **Health and nutrition**

Four health centers (HC) and one health provider were supported to enable staff to plan and conduct regular village outreach services for essential maternity, child health and nutrition services – ANC, TT, IFA, worm treatment, vitamin A, and immunization – and counseling. This was alongside capacity building for HC staff and VHSGs for maternity and child health, nutrition, hygiene, sanitation, disease prevention and BFCI. Seven educational concerts (four in Preah Vihear) were held collaboration with the Public Health Department and PDRD.

The project financially supported monthly meetings between HC staff, VHSG/TBA and other community volunteers. 23 MSGs were formed (eight in Preah Vihear) to improve young child care, feeding, treatment, seeking advice. 600 T-Shirts were provided to relevant people, 10 nutrition billboards were installed, 4,000 IYCF flipcharts provided, and *SC-WASH: 353 dry pit latrines, 276 water latrines, and eight latrines at seven schools and one HP*).

Project	Donor	Duration	Target provinces
<b>YWiB</b>	European Union through Care	Feb 2011 - Jan 2014	Koh Kong (50 villages)
<b>Young Women in Business</b>	International		

As planned, YWiB will benefit 1,700 young rural women by providing vocational training and market linkage, and create an environment for young people to participate in Commune Council Planning.

### **Main achievements 2013**

#### **Skill building**

143 Community Monitoring and Support Volunteers were selected to assist staff to implement and monitor the project.



When it concluded 1,706 girls and young women benefited from the project. Of the 85 training courses planned, 80 were conducted. This included: 1,038 farmers on pig rearing; 632, chicken farming; 19, banana chip processing; 17, dried shrimp processing.

168 demonstration-farms were established for practical village education: 96 pig units and 72 chicken farms. In 41 of 61 villages, 56 people were trained as para-veterinarians – 35 for pigs and 21 for chickens – with up to two para-vets per village.

#### **Market linkage**

85 Self Help Groups (SHG) were formed and 1,706 beneficiaries trained in small business management; focusing on business concepts and planning, financial management, family goal setting, and profit and expense recording.

The project facilitated group links between them and suppliers and markets by creating a phone directory of the region’s middle-men, animal feed and health suppliers, and retailers. They also conducted market information workshops between middle-men and farmers, and discussed livestock farming with the agriculture department and others.

The project was associated with AMK who provided loans to some beneficiaries through a business plan competition. By project end, 40 winners had loans and grants to start their businesses.

**Enabling environment**

222 SHG committee members attended the project’s three-day leadership training course on group management, business start-up, effective business expansion, and practical guidance with savings plans. Over a hundred monthly meetings of 38 SHGs were facilitated to discuss technical issues, and encourage experience sharing and technical support from local officials. By the end of the project 85 SHGs had been formed in 61 villages.

Community meetings were attended by 598 people in 31 villages to inform citizens and potential beneficiaries about the project’s activities, and clarify their expectations.

Project	Donor	Duration	Target provinces
REC Rural Employability Creation (phase 2)	Asian Community Trust (ACT)	Apr 2010–Mar 2013	Kampong Speu (KSP), Siem Reap (SR), Oddar Meanchey and Preah Vihear

The second phase of the REC project was aimed at mobilizing community saving through elected Village Savings and Loan Groups (VSLG), giving communities better access to microfinance, expanding employment opportunities, and strengthening VSLG sustainability.

**Main achievements 2013**

Intensive implementation in Siem Reap and Oddar Meanchey provinces included establishing 16 VSLGs – eight in each province – with 312 members (263 women) wanting to improve their family finances. The current accumulated savings of all VSLGs is 5,163,100 Riel (USD1,290) an average of USD80 per group as of 15 March 2013. Already, 137 are in business and increasing their incomes with loans from their accumulated group fund, and an additional loan from TUNKAKSEKOR (TKK). Most invested in agriculture: 46, chicken farming; 45, pig rearing; 40, vegetable and rice production; and six, selling groceries. Total lending amounted to USD21,681 All but USD18,100 of this came from the ACT additional loan fund.

The project mentored on-going sessions on simple bookkeeping and recording to members and their leaders in managing their group’s fund – especially to all new groups and other groups considered weak. 38 group leaders (32 female) from 15 villages, five communes, two districts and provinces successfully completed the three-day small business training course in which, 22 received a very good score, 15 a good score, and 1 trainee gained a medium score.

As a result, 39 out 90 VSLGs in the project’s four provinces – including Kompong Speu and Preah Vihear – were classified as *strong*, through their meetings, savings, and lending

activities. 29 groups were *medium*, and may require some project support. But 22 VSLGs, including those recently established, are still weak and need intensive support.

Project	Donor	Duration	Target provinces
<b>FSNI Food Security and Nutrition Initiative (FNSI)</b>	USAID through Fintrac (HARVEST Program)	Oct 2011 – Mar 2013	Battambang and Pursat

The FSNI initiative aims to improve physical and economic, year-round access to safe and nutritious food. It encouraged and equipped 360 food-insecure households to meet their daily food preferences and needs, thus supporting active and healthy lives.

### **Main achievements 2013**

#### ***Agriculture training***

It was planned that 60 lead clients and 300 beneficiaries would be selected, but by the end of the contract period FLD had identified 110 lead clients and 442 beneficiaries. 507 clients prepared home gardens and 45 engaged in horticultural projects. An amendment was made to include 12 school gardens – eight in Battambang, four in Pursat – all developed by FLD and successfully completed. In the first production cycle, 405 out of 507 clients were active, but only 237 remained active for the second cycle.

Field observation and client reports showed that 60-70% of the lead clients and other beneficiaries shared their vegetable growing experience. They gave HARVEST recommendations to visiting families through discussions on land preparation, plastic mulch covering, drip irrigation, seedling production and integrated pest management. In all, 1,264 training events on farm based techniques were conducted by the project in both provinces.

#### ***Nutrition training***

Training was provided to the community – clients, non-clients and schools – this included cooking demonstrations, family nutrition and important foods, hygienic food preparation, and essential vitamins. It also covered the needs of pregnant women, lactating mothers, and complementary feeding. In all, 113 training events drew 2,333 participants – 1,294 women, 1,039 men. Field observation by the Nutrition Officer and technicians showed that 60-70% of families now have a better understanding of good, nutritive and hygienic family food. Some increased their family's nutritious vegetable production for home consumption.

Project	Donor	Duration	Target provinces
<b>YWED Young Women Entrepreneur Development</b>	Charities Aid Foundation (CAF Australia)	Mar 2010–Feb 2013	Kampong Speu, Kandal, Battambang, Siem Reap, Oddar Meanchey and Preah Vihear

YWED continued to refine the previous and successful three-year EEOYW project, by providing 1,793 young women with vocational skills training and granting scholarships for advanced training or study at a tertiary institution.

### **Main achievements 2013**

In its final year, YWED focused on strengthening the capacity of beneficiaries in 125 villages in all six provinces. By the end of the financial year, 1,166 women had support for technical

follow up, refreshing their skills, improving existing businesses or starting new ones. This included: pig and chicken raising, mushroom growing, sewing and basket weaving, and scholarship studies. 418 women received refresher training courses in pig and chicken farming, another 543 had technical and financial support to improve their animal husbandry, poultry, fish culture and handicraft skills. Another 45 women were linked to recognized centers for internship in tailoring, bamboo weaving and handicraft skills.

118 women had exposure visits within and beyond the project areas to learn of fellow beneficiaries’ successes, and from others with similar experiences. On their return, eight young women gained support to open tailoring shops; two, for mushroom farms; and 23 mushroom growers and fish raisers received technical follow-up.

New scholarships were provided to nine young women and another 13 had completed initial study by October 2012. Four are salespeople in Phnom Penh, three are continuing teacher training in Siem Reap, and another four are studying in Phnom Penh for a bachelor degree in education.

The Khmer Farmer Product (KFP) Shop was registered as a Social Enterprise with the Phnom Penh Department of Commerce and a marketing strategy developed to guide operations, 2013 to 2015. With the YWED project’s continued support the Phnom Penh shop has functioned more effectively as a marketing arm for young women business groups – banana chips are the most popular product. The KFP shop in Siem Reap closed because its market became saturated . . . too many shops selling the same products. By revising its strategies KFP has achieved 82% of its operational costs; far higher than its milestone of 65%.

Project	Donor	Duration	Target provinces
<b>IGP</b> <b>Income Generating Project</b>	Dana Asia	IGP1: 1 July 2009 IGP6: 31 July 2014	Siem Reap (Pouk district)

A series of income generating projects were designed to provide poor farmers with convenient access to micro financial services (VSLGs) that they established and managed themselves. The IGP also promotes income earning activities requiring small start-up investment capital to improve chances of securing food and income.

**Main achievements 2013**

The project continued to work with 24 VSLGs, with different themes from one series to another. The focus of IGP series 6 is to develop 10 demonstration commercial gardens in five communes. Following 15 village meetings at commune level to launch ‘IGP 6’, 15 farmers were identified – six agreed to establish a demonstration farm.

Three field day events were conducted by SKIL consultants, 35 key farmers attended including 20 females. These events shared ‘hands-on’ practical drip irrigation and commercial garden management techniques with the farmers, stimulating strong community solidarity and mutual support.

The IGP groups were provided loans from the group fund of 56,470,000KHR (US\$14,117.5) to 282 members. The average loan was US\$50. 101 members invested in cash crops; 54, chicken and pig rearing; 77, to sell groceries; and 50 in various other enterprises.

Project	Donor	Duration	Target province
<b>MALIS</b> <b>Nutrition education training and support for families with young children</b>	FAO, Food & Agriculture Organization, United Nations	1 March 2013 – 31 January 2014	Preah Vihear

This project boosts agricultural productivity, incomes, nutritional status and the financial resilience of vulnerable smallholders.

**Main achievements 2013**

Three FLD staff – program manager, project manager and a Community Development Facilitator underwent orientation and training in the project’s approach and activities at FAO’s Siam Reap office at the commencement of the Letter of Agreement. Thirteen provincial coordination meetings were organized at the provincial level.

With technical assistance from FAO nutrition officers, 16 village meetings were held in Kulen and Chey Sen districts to produce a calendar of seasonal food availability. Over 300 villagers attended, 225 of them women. Then 32 Community Nutrition Promoters (CNP) in 15 villages, (9 in Chey Sen, 6 in Kulen ) with 2 CNP in each village, were chosen using criteria developed with FAO input. A five-day training course on nutrition – Training of Trainer (TOT) – was provided to both the project partners – FLD, PDoWa ,PDA PHD – and district health center officers. This was facilitated by the National Nutrition Department.

Two five-day TOT courses on nutrition and Infants and Young Children (IYC) was organized for 32 CNPs (14 female) in Kulen and Chey Sen by FLD, with technical assistance from PDoWA and PHD officers. 16 village meetings then informed the communities and enrolled families with children under two years – 206 attended. Of these, 51 were female. In the first 16-village cycle, 244 mothers attended, and the CNPs conducted 117 nutrition training programmes, with technical support from the FLD project team.

Project	Donor	Duration	Target province
<b>CALAC</b> <b>Climate Adaptive Livelihoods in the Agricultural Community</b>	CCCA Cambodia Climate Change Alliance	1 January 2013 – 31 March 2014	Thmakoul, Moug Ruessei, Koas Kralar districts, of Battambang



The project objective is “improve sustainable livelihood options by enhancing adaptation and resilience to drought and flood in vulnerable villages in Thma Koul, Moug Ruessei, and Koas Krala districts, Battambang province.” This has benefited 900 people, at least 45% of them female, in 30 villages.

**Main achievement in 2013**

Four irrigation systems, a dam at Moug Russei and three canals in Thmakoul and Koas Kralar districts were renovated by the project for 2,600 hectares of Moug Ruessei rice

fields, 156ha in Koas Kralo, and 650ha in Thmakoul – 3,406 hectares in all. 1,716 households (8583 individuals) benefited from this. Of particular note was that improved irrigation on 36ha in Kork Khmom, Thmakoul district, lifted the yield to 144 tons. The irrigation system should also protect villages and rice fields from major floods and provide community access to the main road to transport agricultural products. Three water management training courses were provided to 60 (22 female) community based organization members and water management committee members.

A series of village mentoring sessions for home and commercial gardens with 125 villagers led to 116 new home gardens and 27 commercial gardens. The project then selected 140 farmers in three districts to promote System of Rice Intensification (SRI), and 30 training courses followed. 120 households received 1,670kgs of rice seeds and 117 used their SRI techniques to manage their crops. They were harvested in late 2013. 1,343 people have benefited from these gardening and rice cultivation activities.

As the garden establishment programme was conducted over an extended period, 25 households have moved through their second and third cycle, using income from the earlier harvests to reinvest. In addition, following two training sessions for 26 Agriculture Cooperative (AC) members, five demonstration fish ponds were prepared, three in Koas Krala, and two in Thmakoul.

The project worked with existing cooperatives and facilitated new ones in all three districts, following 18 commune meetings to raise awareness of ACs, the Royal Decree, and their formation, and legal requirements. In all, 4,843 community members participated, (1,866 female) and 12 commune ACs are involved in the project.

Capacity building courses for 38 Provincial Department of Agriculture officers (5 female) were held on climate change and adaptive measures, program planning, disaster preparedness, and relevant agriculture techniques.

Project	Donor	Duration	Target province
<b>EXCEL</b>	USDOL/ World	28 December 2012	Battambang, Pursat, Siem Reap,
<b>Eliminating Exploitative Child Labour</b>	Vision Cambodia	– 30 November 2016	Kompong Cham

The aim is to reduce child labor in agriculture, fishing, aquaculture, domestic service, and other sectors. The project will increase access to quality education and training, connect with social protection programs and promote sustainable livelihoods for households. This will help families overcome dependence on their children’s labor to survive. This is a partnership with World Vision Cambodia and three other local NGOs.



With partial assignment of the project to FLD it will benefit 1,704 households; 454 of them with young people, and 1,250 households / parents.

### **Main achievements in 2013**

The project first selected 281 beneficiaries (44 youths, 237 adults) in 28 villages, eight districts and four provinces, to learn agricultural skills, chicken raising, home and commercial gardening techniques, the use of drip irrigation, and fish culture. As a result 80% of the youths and adults have applied their new skills. A good example is 43-year-old Mrs. Phal Samnang – living with HIV, and with a child engaged in labor – who lives in Krous village, Battambang. Before the project she raised a few animals with traditional methods, but her livestock were always diseased. Now, after learning new techniques from FLD, Mrs Samnang’s chickens are healthy and she has the confidence to expand her chicken farm to boost household income *and* send her child to school

Project	Donor	Duration	Target provinces
<b>EFAP</b>	ADB/Plan	16 Sept 2013 – 31	Oddar Meanchey, Preah Vihear,
<b>Emergency Food Assistance Project</b>	International	Oct 2014	Takeo

The aim is to reduce the vulnerability of 10,073 identified poor households by improving access to sufficient, nutritious food. The project will increase the availability of good foodstuffs, create awareness of hygiene standards, and improve access to agricultural inputs and technology, as well as improving villagers’ capacity to gain food security.

### **Main achievement in 2013**

The project started late 2013 and preparation has been successful, with six project officers transferring from FLD projects that ended late 2013, early 2014.

The baseline survey is complete, with technical assistance from the Plan International team. They identified 2,794 poor households, after visiting and recording 2,048 households in Oddar Meanchey, 2,565 in Preah Vihear, and 3,716 in Takeo. A number of poor migrant households were also recorded: 737 in Oddar Meachey; 140, Preah Vihear; 822, Takeo. The EFAP project will be intensively implemented in 2014.

### ***Milestone 2: Partnerships to secure funding and cooperation for the programme***

FLD has successfully developed a partnership with the Provincial Department of Agriculture in Battambang to implement CALAC in that province, and with Plan International for EFAP in Oddar Meanchey, Preah Vihear, and Takeo, and FAO for the MALIS project in Preah Vihear.

FLD and World Vision Cambodia were successful in their bid for a US Department of Labour grant . The five-year programme aims to eliminate exploitive child labor in Battambang, Pursat, Siem Reap, and Kompong Cham provinces. An extra application was made to FHI360 to secure funding from a USAID grant, which won’t be announced until next year.

### ***Milestone 3: Integration with FLD’s social businesses: TKK, SKIL, KFP***

LDP beneficiaries have received a series of livelihood skills training from SKIL trainers in chicken and pig rearing and vegetable production. Loan provision for some LDP beneficiaries from TKK continues in Siem Reap, Oddar Meanchey, and Preah Vihear. Five groups in Kompong Speu, a previous LDP target area, have consistently supplied processed banana chips to KFP. A total of 46,202.95kgs were bought in 2013, grossing USD160,923.52. This has generated employment and income for LDP beneficiaries in that province.

***Milestone 4: A long-term plan for staff capacity building***

LDP developed a plan to lift the current and future skill levels that successful program execution requires, and has diverse strategies to achieve its aim. FLD has previously lacked financial support to invest in capacity building. The plan will be implemented in 2014.

***Milestone 5: An FLD reserve fund has been created and built***

All staff agreed to contribute 5% of their first month's salary, each year, to build a reserve for fund raising purposes. USD1,069 was collected from staff, and the fund raising team has used it in accordance with FLD's stated financial policy and procedures.

***Milestone 6: An applied market oriented approach to sustain farmer livelihood activities***

FLD's project designs focus on increasing a farmer's ability to gain a return on investment in livelihood development activity. This includes home and commercial gardens, chicken and pig rearing, household fish culture, and rice production. This approach has been integrated with the CALAC, EXCEL, IGP, and chicken farming projects, and shows that individuals can generate surplus income – a market oriented approach that farmers have accepted.

***Milestone 7: Improved operating standards – staff job security and ownership building***

During 2013 many FLD staff were involved in improving existing policies and procedures, namely, personnel and finance. Staff also further developed FLD's strategic and annual milestones, and program/project work plans. FLD also used a 'best practice' plan particularly for the YWIB project that ended in November 2013, when key staff transferred to the EFAP project that began in September 2013.

As the annual FLD leadership and management appraisal showed, staff have satisfied the current motivation and reward systems by rating 3.5 out of 5. Fund security, however, dropped to 3 this year, the lowest since 2008. In contrast, accountability and financial management rated out 4 and 4.2 respectively out of 5.

***Milestone 8: FLD is more visible***

FLD's website is being constantly improved and visited, and staff members' business cards have been updated. The LDP team, assisted by the Executive Director, developed their monitoring and evaluation (M&E) framework to guide project management. The Executive Director also wrote the history of FLD, describing its evolution and past achievements, to create awareness and promote the NGO to relevant stakeholders. Both the LDP's M&E framework and FLD's History will be printed and distributed in 2014.

***Milestone 9: Concentrating FLD'S priorities to reduce the donor-driven approach***

A three-year strategic plan has guided project designs to specifically address the root causes of rural poverty. FLD has used this to effect constructive discussions between it and partners/donors to create a joint agenda, i.e. the CALAC, EXCEL, EFAP, IGP projects. FLD has always had a participatory approach by consulting beneficiaries on priority issues. This is now the LDP team's standard practice at every quarterly review.

***Milestone 10: Relations with local authorities and stakeholders are further developed***

In all of the LDP target areas, significant advances have been made to develop good working relationships at provincial, district, and commune levels. This is most apparent in working with technical departments, i.e. Agriculture, and Health to implement and monitor projects.

This encourages local government to take ownership, as well as ensuring skill exchange. New working relationships have also been created with FAO and Plan International as partners in nutrition focused projects.

## 2. Social Business

### Support, Knowledge and Inspiration for Life (SKIL)

*SKIL aims to improve the quality of life of agricultural communities by providing poor farmers and lower income rural entrepreneurs with commercial training and consultancy services.*



#### **Main achievement in 2013**

SKIL provided 68 training courses during the year to 2,657 trainees (1,278 female). Total revenue was **USD110,104.10**, with a gross margin of **USD30, 999.07**. SKIL's clients included: Fintrac Company, Phare Ponleu Selpak, Habitat for Humanity Cambodia, Samaritan Purs, Kruosar Yeoung, World Vision Cambodia, FLD and World Vision Cambodia's joint projects: SAFPHAM, and DANA ASIA.

SKIL produced promotional material, including leaflets, a teaching video on chicken farming, and developed a marketing strategy to improve client services. A tutor resource network with local experts has been developed through issuing a membership card, and revising an incentive policy to maintain a variety of services to address clients' specific needs. SKIL is currently developing a chicken farm for technical training that has been managed by DANA ASIA in Siem Reap.

SKIL has improved its operating systems, such as reporting, meetings, internal policies and by-laws. It was registered as the SKIL Center by the Ministry of Labour and Vocational Training on 14 August 2013.

### TUNKAKSEKOR (TKK)



*TKK's mission is to work on behalf of FLD and its projects to provide micro-financial services that will improve rural livelihoods.*

#### **Main achievement in 2013**

TKK have continued to work with 2,427 (2,116 women) VSLG members in, Kompong Speu, Siem Reap, and Preah Vihear.

TKK raised its loan portfolio with USD144,268 from the staff joint pension fund (USD39,300), staff deposited shares (USD4,600), and a philanthropic individual (USD100,368). That amounts brought to total TKK capital, at 31 December 2013 of: USD357,766.56. TKK provided loans to 1,057 VSLG members (93% were women) through 191 guarantee groups in 59 villages and five provinces.

The TKK management team decided to increase its loan ceiling from USD300 to USD500 to meet client needs, and is considering other forms of collateral, in addition to group guarantees. A three year business plan (2014-2016) was developed; following FLD Board's suggestion to develop steps for transformation to a MFI.

Financially, TKK broke even, though it still operates with the subsidized cost of FLD's Support Unit. FLD's Executive Director ran a training course for all TKK staff members and 15 VSLG leaders to increase their leadership and management skills. TKK accountants received QuickBooks training to improve their skills and financial accountability. Internal, governing policies were also developed for this growing business: credit policies, by-laws, and administrative procedures.

### **Khmer Farmer Products (KFP)**

*KFP is a social enterprise that trades and markets products on behalf of farm businesses, and small-scale handicraft and food processor groups, all of whom were trained by FLD.*



#### **Main achievement in 2013**

KFP broke even during 2013, with a gross margin of USD28,080.38 , from gross revenue of USD180,798.68. Selling on behalf of current of former FLD beneficiaries, KFP traded through 28 distributors – 22 in Phnom Penh, the rest in Siem Reap, Battambang, and Sihanouk Ville – and 34 mini-marts in Phnom Penh and two in Siem Reap.

KFP has successfully sought national recognition for exclusive market rights from the Ministry of Commerce. Six expatriate interns are help to improve the packaging and labeling of banana chips and bottled honey, with the assistance of the government's SPIN project that supports design.

### **IMPORTANT CHALLENGES**

FLD's successes vary between different programs. It has also faced noticeable challenges:

- Four FLD projects – funded by ACT, CAF, Fintrac and EU/CARE – were completed during the year. This affected staff turnover, though four new projects – funded by CCCA, FAO, PLAN International and EU/World Vision – replaced them. Unfortunately, some well-trained staff could not be utilized in the new projects. While the FLD partnership approach is effective in gaining funding, the scope and scale of its current projects, including funds to support implementation and management, has shrunk.
- Funding opportunities for NGOs or civil society organizations in Cambodia for multi-development purposes has reduced.
- An increase in rural transience has interrupted effective project implementation. Many young people struggle to find income sources – overseas, Phnom Penh, provincial cities. At the same time there is a critical lack of local employment. FLD's projects *do* benefit smaller population groups in rural Cambodia, but their immediate outcomes often fail to motivate and retain keep young people working in their own communities.

- FLD beneficiaries still face the consequences of the flood especially in Battambang and Siem Reap. Previous benefits from FLD projects were seriously reduced when chickens, pigs and vegetable gardens were destroyed. Emergency assistance was provided to FLD flood victims in Siem Reap in particular. Many have used their meager resources to re-invest in income generating activities.
- The capacity of community based organizations is being challenged in a changing environment. This is evident in staff turnover and rural migration. Older people who had been capacitated by an individual project have now taken more responsibility for family as their children have moved away seeking jobs. This has limited their time and commitment for community development initiatives.

## SIGNIFICANT SUCCESS STORY

Name	Age	Family Status	Home Land	Business
Mrs. Suon Samean,	35	Married to Mr. San Sorng , 3 children	Mok Penn village and commune, Pouk district, Siem Reap	Rearing sows for weaner pig market

Mrs. Samean received a USD450 loan from the IGP5 project. With this and money of her own she bought two young sows at USD300 each, and improved her existing pig pen. Unfortunately, a sow died from a miscarriage, and its carcass was sold for USD250. The remaining sow produced seven piglets on 19 July 2013, and piglets were sold at USD45 per head two months later, earning USD315. Mrs. Samean used that money to buy a replacement sow.



At their next farrowing the two sows produced 17 piglets, which again fetched USD45 each; totaling USD765. Her total costs included brought in feed which, up to 7 February 2014 was USD1,044.15. That means a complete return on investment in just one year. She still has the two sows that cost USD600, and improved facilities for their next breeding cycle. Her income then, after feed costs, will be profit. Therefore, as a pig farmer, Mrs. Samean could earn USD90 a month, despite losing one of her sows during the year.

## CONCLUSION

FLD's approach to reducing rural poverty is effective, and creates local employment through improving micro and small business practices. The NGO's two-pronged strategy of providing technical and material support to farmers, then working with them to market their produce, sustains the original investment in training and business support, *and* makes good sense.

Internally, FLD face critical funding constraints for increasing its approach and strategies in target areas. As well, with three major projects completed in 2013, it has been very difficult retaining experienced staff. On the positive side, FLD's three affiliated social businesses have improved their performance, with the prospect of expansion in 2014. But growth has been at snail pace and just covering operating expenses. However, FLD's Management Committee is in total agreement that the NGO is, and has been using the right strategies to combat rural poverty.