



ssnup

Smallholder Safety Net
Upscaling Programme

IMPROVING THE INVESTMENT READINESS OF FARMER COOPERATIVES IN CAMBODIA



Africa



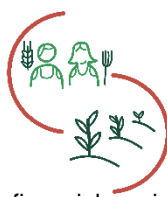
Latin America



Asia



Financial services



Non-financial services



Market building



Internal management

CONTEXT

According to the FAO, Cambodia is a country on its way to becoming a middle-income economy. While the garment industry, construction and tourism are the engines of the economic growth, the agricultural sector accounts for about 35% of the GDP and employs a large majority of the population. Agriculture is therefore central to poverty reduction and hunger eradication in Cambodia.

CURRENT STATUS OF THE INVESTEE

Chamroeun Microfinance Plc. was founded by the French NGO, Entrepreneurs pour Monde, that started its activities in Cambodia in 2005. Initially, the MFI found its niche in the urban areas as other MFIs were active in the rural areas of the country. After encountering some institutional difficulties in 2017, the MFI redefined its strategy and turned its attention to the rural areas. Presently, 60% of its portfolio is allocated in the rural areas of which 20% in agriculture where it offers short term loans to individual farmers mainly for post-harvest purposes. Chamroeun has a special department called Credit + that offers loans for vulnerable groups and non-financial services to its clients, which will be the department responsible for the implementation of this project. Chamroeun has been a partner of Oikocredit since 2012.

OBJECTIVE OF THE PROJECT

The project aims to increase investments to rural organizations supporting the livelihoods of smallholder farmers. The project proposal presented to SSNUP consists of 2 components:

- Offering adapted financial services to Smallholder Farmer Cooperatives (SHFCs) that comply with the established minimum loan requirements of Chamroeun.
- A Capacity Building Programme for SHFCs in order to sustain further lending and sustainable growth of the organisation in the future. This programme will concentrate on financial accounting and organisational strengthening.

The expected outcomes of this project are:

- A 20% increase in farmers choosing SHFCs as their business partners for their agri-business transactions.
- At least 80% of the SHFCs are first time lenders and will therefore receive a credit rating from the Credit Bureau of Cambodia for the first time. The credit rating will improve the access to finance for SHFC even more as other financial service providers will be able to determine that they have a track record.
- Balance sheets of SHFCs grow by at least 15%, as determined through the accounting information assessed prior to loan disbursement, against that seen at project end through the same accounting information.

IMPACT INVESTOR



AGGREGATOR / INVESTEE
Chamroeun - Cambodia

TARGETED N° OF FARMERS
15,000 farmers supported.

AGRICULTURAL VALUE CHAIN
Not limited to a specific AVC

STARTING DATE
01/08/2021

DURATION
24 months

TOTAL TA BUDGET
€ 151,556
Including € 95,613 (63%)
contribution from SSNUP



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