

## **The Neuchâtel Initiative**

### **Review of Experiences on Market Oriented Agricultural Advisory Services (MOAAS)**

**Country:** Cambodia

**Name of intervention:** Village/Commune-Based Private Service Delivery

**Time period under analysis:** 4 years

**Institutions/agencies involved:** Ministry of Rural Development, Ministry of Agriculture, IFAD, GTZ, DED, AusAID, several NGOs

**Project purpose:** That rural farm households improve their agriculture productivity

**Rapporteur:** Dr. Georg Deichert

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#### **Services supported:**

- Applied research
- Rural advisory services/extension
- Business Development Services
- Information supply
- Technical service providers and certification
- Training
- Certification
- Organisational Development of Groups and Associations

#### **Question 1: What are the general settings and arrangements for MOAAS?**

GTZ, with funds from BMZ, supports its Cambodian partners in attempting to strengthen the agricultural productivity of rural households. MOAAS-relevant activities are embedded in a Rural Development Program, which covers rural infrastructure, decentralized development support, agriculture and natural resource management. Within the agriculture sub-component there are three major initiatives related to Market-Oriented Agricultural Services, namely:

- (i) The establishment of Village Animal Health Workers (VAHW),
- (ii) The qualification of Farmer Promoters (Village Based Extension Workers),
- (iii) Organic rice production farmer groups.

Agricultural advisory services in Cambodia are mostly assumed to be government services. However, many NGOs also provide agriculture advisory services. The governmental agricultural extension structure goes down to district level, where between five and ten staff provide services to the farmers of about 50-100 villages. Any extension activity by these district outreach teams depends heavily on external support, as the Ministry hardly has a budget for field operations. Most agricultural advice is given through field demonstrations or farmer field schools. However, staff generally have low qualifications and a very meagre salary which doesn't allow them to make a living. Therefore the effectiveness of the agricultural advisory service is mixed at best.

The Royal Government of Cambodia is aware of the fact that the government extension system will be difficult to maintain financially in the future and that a re-definition of government's role for agriculture advice is necessary. However, such redefinition is difficult because of its political implications. Nevertheless the move to an increasingly private-based agriculture service provision is happening gradually.

Agricultural production in Cambodia is still very much rice-based. Farmers tend to secure rice production for their own subsistence before they venture into diversified production. The strong subsistence orientation of Cambodian farmers is partly explained by the high-risk environment. Farmlands are prone to droughts and floods. Linking these farmers to markets is further hindered by the relatively poor road infrastructure in rural areas. There are, however, little markets at commune or district level. Still, the major share of vegetables and fruits comes from Vietnam or Thailand.

There is a very small private sector in Cambodia, and prospects for investors are not attractive.

## **Question 2: Who are the clients of MOAAS?**

The clients are predominantly rural small farming households with around 1 ha of land. Clients are normally individuals, but project activities aim at organizing farmers as much as possible.

In the organic rice program, farmers are organized and clustered within one or two villages. Conversely, the clientele of village animal health workers are all individuals. Both services are used by men and women alike. The programs have a special focus on most vulnerable people.

Farmers are keen to receive all kind of services. There is a great demand for technical knowledge. But this is usually coupled by an interest in receiving free inputs for field demonstrations like seeds and fertilizer. The idea of self-help through guided farm experimentation has to be systematically pushed.

In spite of the still limited market-oriented production, farmers often express interest in receiving marketing information. Predominant requests are for improving farm productivity through technical innovations and management practices. There is very little focus on issues of quality, probably also because the present small markets do not really reward quality with better prices. Overall, the high-risk environment makes it difficult to move farmers to more market-oriented production through intensification. Low-input agricultural production is much better suited for diminishing such risks.

### **Question 3: What approaches and methods are used for agricultural advisory services?**

The three project sub-components provide a variety of services. For example, they offer technical advice (for example rice growing according to SRI, pig fattening, etc.) and also organize farmer groups (the VAHW association, organic rice farmer associations, seed producer groups, etc.). Organic rice farmers especially benefit from project support for certification and linking to markets including export market.

Services are mostly financed through project funds. VAHW is an exception, since it operates on a purely private basis, and is also contracted by governments and projects as a service provider, for example in the present bird flu prevention and preparedness activities. Strategically, the project aims to introduce user-pay systems in the future. At present, we are trying to include local contributions as far as possible. The project also tries to decentralize agricultural service provision to commune level, and to make use of private service providers as much as possible.

VAHW workers are trained in 7 modules, which have been standardized at national level. At the end of this training, trainees receive certificates from Government. The training to establish farmer promoters is not yet formalized to such an extent. The project establishes farmer promoters through a two-year process, whereby each candidate (preferably female) has to work with a group of farmers in her/his village and maintain her/his farm with occasional technical innovations. The supervision of this process is normally contracted to an NGO in our project.

There has been some recent discussion about upscaling this approach and including the elected commune councils. Future action will, in any case, rely heavily on donor funding.

It appears very difficult to introduce the idea of user-paid agricultural advisory services under a situation where the farmers are accustomed to receiving plenty of free inputs from development projects. This has nurtured over a long time a mindset that problems need to be solved with technical inputs rather than with farmers' own initiatives and skills.

### **Question 4: What are the outcomes and impacts of agricultural advisory services?**

Like many other development efforts, agriculture advisory services are still very input oriented and focused on increasing productivity. Understandably, production has to reach a certain level before produce can be sold at markets. Many Cambodian farmers haven't reached that stage yet.

The project support is geared towards production increases while at the same time organizing farmers in groups. Linking farmer groups to markets is a more promising approach than attempting to link individual small farmers.

This more holistic approach to extension requires many more service providers than earlier approaches. In this approach, a service provider must be able, not only to

recommend fertilizers, but also to discuss economic, social and environmental issues with farmers. This appears quite ambitious for the Cambodian situation.

The outcomes of our organic rice sub-component are very promising. Farmers are well organised and linkages to the market are being formed. Rice yields have been higher compared to their neighbours practising conventional rice cultivation. Organic rice growers also received at least 10% higher price for their paddy sales.

The organic association farmers also developed in their understanding of farming in general, and are proud of themselves and their achievements. The linkage to market needs further strengthening, but progress seems to be on the right track!

#### **Question 5: What is the role of development cooperation and other key stakeholders?**

Development cooperation has manifold roles in MOAAS. Although Cambodian "ownership" is being proclaimed, most of the roles are actually in the hands of the development institutions. While some roles should be clearly in the hands of the partner government (like regulatory and policy framework), other roles should be decentralized, deconcentrated or outsourced. Another important task for the Cambodian government is to secure land titles for farmers. Although this is being addressed, progress is rather slow.

Quality control and quality assurance should be major concerns of the development institution. Achieving both of these is in itself is a big task! One obstacle is that quality standards are not very clearly defined, especially between donors. The high level of donor involvement in Cambodia makes the sustainability of many projects highly questionable.

#### **Question 6: What linkages exist between agricultural advisory services and other types of services?**

An important link is the one to financial services. There are several micro-finance institutions available in most district towns. ACLEDA has even evolved into a real rural bank and provides loans to farmers. They probably have the best network in the country. Often, it is not the access to a micro-finance institution, but the lack of collateral, that prevents farmers from agricultural loans. As most farmers don't have a real land title, this problem of secured land titles needs to be solved first.

#### **Question 7: What are the general lessons learnt in terms of e.g., good practices, obstacles, pitfalls?**

An important lesson learnt from the organic rice sub-component is that good achievements need strong commitments and regular and intensive service provision, especially in the beginning. It is also important to keep the value chain in mind, and not only concentrate on only one part of the chain like production.