

## PRO-POOR POLICY OPTIONS: STRENGTHENING DISTRICT-LEVEL AGRICULTURAL SERVICE DELIVERY IN CAMBODIA

### INTRODUCTION

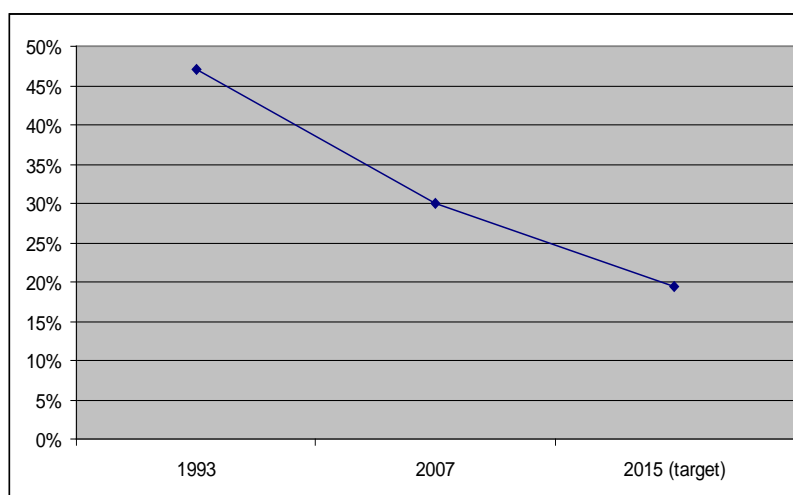
This policy brief calls for Cambodia's Ministry of Agriculture, Forestry and Fisheries (MAFF) to renew its commitment to agricultural extension and prioritize farmers' needs by reviewing and revising MAFF's policy environment. Moreover, institutional links between extension stakeholders (including farmers, all relevant departments of MAFF, private sector actors, and other concerned ministries) must be formalized, research-extension links improved, and the extension system reoriented to be more business-focused.

Policy analysis findings and recommendations from a study conducted under the auspices of a "Pro-poor Policy Formulation, Dialogue and Implementation at the Country Level" project inform this brief<sup>1</sup>. Between 2007 and 2010, the Food and Agriculture Organization–Regional Office for Asia and the Pacific (FAO-RAP), with support from the International Fund for Agricultural Development (IFAD), implemented this project in partnership with governmental and non-governmental organizations in eight Asian countries. The project goal was to enhance institutional capacity to conduct policy analysis, formulate and implement pro-poor agricultural and rural development policies. In total, twenty-three policy studies examined issues identified at national level dialogues in all project countries<sup>2</sup>.

### CONTEXT

Between 1993 and 2007, poverty rates in Cambodia declined from 47 percent to 30 percent (World Bank, 2009). Cambodia's recent economic growth, however, has not been accompanied by dramatic decreases in poverty. Ninety percent of Cambodia's poor continue to live and work in rural areas and most depend on agriculture for their livelihoods (Ministry of Planning, 2007 & RCG, 2005).

**Figure 1. Poverty incidence in Cambodia**



Source: World Bank, 2009

Agriculture constitutes approximately 30% of Cambodia's GDP and employs three-quarters of the country's overall workforce. Farming systems are largely subsistence-focused and dependent on rain-fed crops. The Royal Government of Cambodia's Rectangular Strategy creates a policy framework favourable to increasing land productivity and incomes of the rural poor, among

<sup>1</sup> Mr. Meas Pyseth authored the study on which this brief was based. Study methods included policy literature review as well as provincial and district-level qualitative field work (including interviews). The original study can be accessed by contacting: INFORMATION.

<sup>2</sup> Cambodia's other selected policy issues include Bolstering Farmers' Organizations and Agricultural Land Use.

others, guided by the National Strategic Development Plan (NSDP) 2006-2010. Agricultural extension in particular fulfils an important role in delivering training, and extending new technologies and services to farmers.

Nonetheless, weak extension services in Cambodia limit farmers' awareness of improved production techniques as well as their access to agricultural technologies. A recent AusAID study found that Cambodian farmers, traders, processors, and service providers all ranked technology as the first constraint preventing increases in value addition (Agrifood Consulting International and CamConsult, 2006).

## PROBLEM STATEMENT

Key extension challenges therefore currently include:

1. **Centralized system structure and approach:** Extension remains *centrally planned* by MAFF, through the Department of Agricultural Extension (DAE), without engagement by the private sector or farmers. This top-down approach is not best-suited to farmers' needs and is overly focused on subsistence farming, *missing opportunities to work on value chain and commercial production activities*. Moreover, *academically focused research and traditional, technical written materials* remain outside many farmers' reach, considering low literacy levels.
2. **Shortage of financial and human resources:** Only 1% of the Ministry of Agriculture, Forestry and Fisheries budget is allocated to DAE, and provinces receive an annual allocation of just \$12,650 (World Bank, 2005). Projects from bi-lateral donors supplement these funds, but do not constitute sustained investments. As a result, Cambodia has the lowest extension coverage in the ASEAN region, with approximately 3 extension workers per district. District Agricultural Officers are responsible for planning, priority setting, and implementing extension activities- however they are poorly equipped and poorly paid. Extension Officers' resulting low motivation and availability are therefore not entirely surprising<sup>3</sup>.
3. **Incomplete extension service package:** Extension services remain focused on production, with inadequate attention to processing and value-adding opportunities. Solutions also are required to adequately address farmers' water and post-harvest management needs.

## POLICY OPTIONS

In response to the aforementioned challenges, it is suggested that MAFF reform its extension policy environment, improve linkages with extension system stakeholders, strive to ensure better research and extension linkages, and facilitate the system's adaptation to newly identified priorities. The suggested means are outlined as follows:

### 1. *Render MAFF's policy environment more favorable*

- **Renew Cambodia's commitment to extension:** In addition to reviewing and refining existing national agricultural sector policies, MAFF is encouraged to allocate sufficient budgetary resources to extension services, particularly to District Offices of Agriculture (DOA) in order to strengthen and expand these offices' role and participation in national decision-making. Improved resource commitment at the district level is necessary to allow DOAs to play their role as the backbone of the agricultural

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<sup>3</sup> One strategy for making ends meet is working multiple jobs, which decreases extension workers' availability to serve in their official functions.

extension, upgrade staff numbers and capacity, and create merit-based systems for improving performance.

## **2. Strengthen linkages among extension stakeholders**

Stronger linkages between all stakeholders during problem analysis, planning, priority-setting, as well as technology transfer in extension activities are crucial to ensuring that research and resulting extension are better adapted to farmer needs. (Annex 1 contains a diagram of the extension systems' organization and indicates a number of the key stakeholders.) Participatory dialogue and formulation in the following relationships is particularly important.

- **Work closely with farmers:** A close engagement throughout the planning and implementation process is essential to ensuring research and extension programs are adapted to farmers' needs. To further "scale-out" and expand the reach of extension activities, farmer participatory extension approaches are suggested. In these scenarios, key contact farmers receive training and then transfer information to fellow farmers, with facilitation from extension workers.
- **Collaborate inter-departmentally:** All concerned offices of MAFF should be involved in integrated extension planning and implementation processes. At the national-level, the Department of Agricultural Extension (DAE) should assist MAFF in setting extension priorities, facilitating extension package replication, and creating opportunities for collaborative coordination, planning and priority-setting with relevant stakeholders. The Provincial Department of Agriculture (PDA) should coordinate all extension activities in the province while interfacing with the DAE. PDAs can also play a crucial role in engaging with the private sector, as described below.
- **Engage with the private sector:** Opportunities remain for increased private sector participation in and understanding of agricultural and extension policies. MAFF should develop public-private partnerships with input suppliers, millers/processors, exporters, large rice traders, and private education institutions. Such partnership will provide better communication flow regarding product and service quality standards. PDAs, in particular, can facilitate links between traders and farmers, as well as engage private service providers- especially input suppliers- to provide appropriate advice on imported or foreign products.
- **Foster inter-ministerial collaboration:** Rural infrastructure and water resource constraints must be addressed, along with information about crop risks. MAFF and MOWRAM, for example, can strengthen their collaboration in order to improve research and extension matters related to water and irrigation services. Transportation service and infrastructure collaboration should also be prioritized, considering their influence on market access.

## **3. Improve research-extension linkages**

In addition, formal linkage mechanisms need to be developed to ensure that relevant research translates into effective extension work with ground-level impact. Many institutes under MAFF which are responsible for providing research services receive weak technical and financial support enabling them to fulfil their mandate to coordinate and facilitate research and extension<sup>4</sup>. Engaging a variety of stakeholders in the development, testing, and implementation of technology implementation procedures (TIPS) - as outlined below- is recommended in order to better link research and extension work. A number of TIPS have

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<sup>4</sup> Research institutes include GDA, CARDI, FA, FIA, and GDR (p.20)

already been developed on a local scale in collaboration with NGOs and can be examined for saleability, replication and eventual integration into the DAE system.

- **Identify and prioritize farmers' needs at provincial and district levels:** Commune agro-ecosystems analysis (CAEA) techniques should be used to classify farm types and locally important problems in order to identify Farming System Research and Extension (FSRE) priorities which will help to orient TIPS development, testing and implementation.
- **Develop Technology Implementation Procedures (TIPS):** District agriculture office staff along with provincial department staff and subject-matter specialists should work with farmers to develop technology implementation procedures. The Office of Agricultural Extension (OAE) will screen TIP development proposals to ensure they correspond to provincial priorities.
- **Test and implement TIPS:** Testing in target sites will help to modify, refine and improve TIPS based on feedback from farmers and other stakeholders. The resulting extension packages will depend on identified needs, but may include farmer training course design, extension manuals, on-farm trials and demonstrations, among others. Newly developed provincial management information systems (MIS) can be used to assess potential for future TIPS replication.
- **Clarify TIPS roles:** District agriculture office staff would be charged with TIPS planning, implementation and monitoring and evaluation under a broader, provincially-based coordination system in which Provincial Extension Offices should also provide policy guidelines, subject matter specialists, and other material support to the TIPS process at the district level. PEOs will interface upward with the central government on strategic planning, prioritization and adaptation of research, while the DAE should set national extension priorities, and facilitate the development, implementation and replication of TIPS packages at the national level.

#### ***4. Facilitate adaptation of the extension system:***

Presently, subsistence production is a main focus of the extension system, and insufficient attention is paid to other approaches that could further improve farmers' lives.

- **Utilize business models:** Services on post-harvest loss management, processing, drying storage, packing and quality assurance have been studied and can be further developed and scaled-up within the TIPS framework. Lessons learned from the AQIP program<sup>5</sup> suggest that market requirements should be assessed first in order to link up farmers' groups with existing market demand. Based on these experiences, increasing exploration of value chain approaches, post-harvest handling services, and contract farming should be prioritized.

## **CONCLUSION**

Cambodia has made significant strides on poverty reduction but rural farmers remain disproportionately poor compared to the general population. In particular, weak extension services limit farmers' access to agricultural technologies, as well as their awareness of improved production techniques. Key challenges regard the extension system's structure and

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<sup>5</sup> The Agricultural Quality Improvement Project (AQIP) was funded by AusAID between 2000 and 2006, with the objective of developing four seed companies in four provinces. At present, the project has been completely transformed into a private enterprise and its business approach to service delivery is suggested for further study and possible replication.

approach, a shortage of financial and human resources, as well as insufficient extension service package offerings.

The Ministry of Agriculture, Forestry and Fisheries therefore has the opportunity to renew its commitment to extension by re-examining MAFF's policy environment. Moreover, institutional links between stakeholders must be formalized, research-extension links improved, and the extension system infused with business-minded approaches. In particular, it is recommended that MAFF:

- Providing increased resource allocation and decision-making power to District Offices of Agriculture (DOAs),
- Improve linkages with farmers, concerned departments, private sector, relevant ministries, and other stakeholders,
- Identify and prioritize farmers' needs at provincial and district levels,
- Develop, test and implement Technology Implementation Procedures (TIPS) through a collaborative process, and
- Utilize business models to adapt the extension system to new needs.

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**ANNEX 1: Organization & functional relationships within Cambodia’s agricultural extension system**

