Project 2-5
Region: Asia
Country: Cambodia

Project:
Development of Supply Chain in Two Sub-Sectors of Cambodian Informal Economy: An integrated approach to capacity and association building for vegetable and handicraft producers.

Donors:
This pilot project was entirely funded by ILO and United Kingdom Department for International Development (DFID).

Project Description:
The intervention covered two sub-sectors: namely: (a) vegetable and (b) handicraft (silk and wood products) in different parts of Cambodia. Vegetable subsector was implemented by a local NGO, Human Resource and Rural Economic Development Organisation (HURREDO), which has targeted the farming communities (100 smallholder farmers) in Siem Reap province. Handicraft subsector was undertaken by Artisans’ Association of Cambodia (AAC) based in Phnom Penh. It has 20 member organizations in different parts of Cambodia, reaching a total workforce of 500, many of whom are disabled artisans, rural poor and disadvantaged women.

These interventions are referred to as:
- Smallholder Vegetable Production Project (SVPP)
- Handicraft Product Design and Marketing Project (HDMP)

The objectives were to improve the living conditions of rural communities and disadvantaged people by empowering and increasing the income generation capacity of smallholder farmers (HURREDO) and handicraft producers (AAC). Ultimately, local economies are strengthened as the vast number of small producers are linked to the growing and more dynamic sectors of Cambodian economy.

Main strategies utilized are:
- association building and organizational development
- fostering market linkages
- access to productive resources such as training and advise, market information, better management systems
- work improvement in home-based enterprises (for handicraft producers) and in farms

Expected outputs:
- Improved local production in the two subsectors
- Enhanced supply/value chains (linkage to economic mainstream and better market)
- Improved income security (for targeted farmers and artisans and their communities)
- Better organisation and representation (better services and better representative organisation whereby voice would be enhanced)
- Better job quality (increased rural health and occupational safety)

Impacts:
1. Vulnerable groups gain opportunity to access to employment with a fair wages (handicraft producers) and better pricing (farmers)
2. Gain better income for their daily living.
3. Increase in member organizations (12 to 22 members up to May 2005) and ability of AAC in response to the most immediate needs of its members
4. AAC members expanded their business by opening more shops and working toward export markets.
5. All members pay membership fees while previously had not.
6. Effective approach toward buyers plus completed papers for buyers while the member gained more confident in dealing with buyers.
7. Government has changed system of doing work by reducing costs and red tape (handicraft registration and export) and improving extension services to farmers.
8. Improved level of the farmer's and artisan's skill, knowledge and confidence to produce marketable product.
9. Increase in commercial gardens and greater market share of locally grown produce being supplied into the Siem Reap tourism industry.
10. Farmers have greater access to productive resources (training, market and improved pricing as the beneficiary having participated in the production training and job quality improvement (improved occupational safety and health measures).

**Gender and Ethnic Components:**
The intervention aimed at the marginalized groups such as disabled, landmine survivors, impoverished farmers and poor women. Among these groups women are accounted for at least 65 per cent of the total number of beneficiaries. One hundred farming households participated in SVPP of which 60 per cent is woman as direct beneficiary. The 20 AAC members currently employing 500 plus workers have provided the decent work opportunities to socially disadvantaged people among which 27 per cent is disabled and landmine survivors and 74 per cent is poor woman.

**Contact Details:**
Sophorn Tun  
National Project Coordinator  
ILO Informal Economy Project  
2nd Floor, Phnom Penh Centre, corner Sihanouk Blvd. and Sothearos Blvd.  
Phnom Penh, Cambodia  
(855-23) 220 817  
(855-23) 221 536  
E-mail: sophorn.iloi@m.com.kh