



សាខាខេត្តព្រះវិហារ

ពុទ្ធសាសនា ដើម្បី អភិវឌ្ឍន៍

BUDDHISM FOR DEVELOPMENT

ភូមិស្រះឈូក សង្កាត់កំពង់ប្រណាក ក្រុងព្រះវិហារ ខេត្តព្រះវិហារ

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Minute of introduction workshop On planning in 2016 of BFD's Coop Project

Date : 19 Feb 2016
Venue : Meeting's room of Provincial Department of Education, Youth and Sport
Participants : 20 (F: 04)

Chairmen:

1. Mr. Kheng Sovanrathana, Representative of PDA/PVH
2. Mr. Pheach Phalkun, Coop Project Officer and Representative of BFD Director
3. Mr. Men Vannara, BFD Branch Manager of PVH Branch

Facilitators:

1. Pheach Phalkun
2. Mr. Men Vannara

Purpose

1. To present the plan in 2016 to AC leaders supported by BFD
2. Introduction of Credit service of BFD
3. Strengthening Law on Agricultural Cooperative

1. Mr. Men Vannara, BFD/PVH Branch Manager

He welcomed to Chairmen and all participants and due to important works to do and donor comes to visit BFD Central Office, Director must go back. Today BFD conducted introduction workshop on planning in 2016 and Credit service that BFD has being implemented at 07 Branches of BFD and we also we would met Mr. Phalkun, Coop Project Officer, he would explain the BFD's Credit Service and Credit Policy and Planning in 2016 preented by Mr. Vannara. So if any point didn't understand, must interrogate, and finally he requested all participants to listen to what trainer explained.



2. Speech of Pheach Phalkun

On behalf of BFD Director, he welcomed to all participants and apologized due to absent of BFD Director because he must go back and meeting with donors. Today we have several things to talk to leaders involved to Credit service and Credit Policy that they would be presented a few minute more. He said DGRV determined to support BFD and nowadays BFD and DGRV collaborated with MAFF and getting



the law's draft of Union of Agricultural Cooperative (UAC).

The purpose of BFD was to assist all ACs supported by BFD to UAC and DGRV assisted to draft the Law of UAC. He added we have known ASIAN would be in Cambodia so if we tried to strengthen our ACs they would be failure, he gave an example: Thailand has purchased Microfinance Institution in Cambodia and now they're trying to buy more. Therefore we must strengthen our capacity and our structure. He suggested all ACs should elect Executive Director (ED) to help AC and he explained advantage of ED after break.

Process in Training:

I- Plan in 2016, presented by Mr. Men Vannara

It was shown in slide of power point and he explained to all participants.

II- Credit Service of BFD presented by Mr. Pheach Phalkun

He explained Principle of Credit and Credit Service of BFD as following:

1. BFD's Credit Policy:

BFD established to manage Credit activities, legal documents, strengthening efficiently and sustainably credit management, make each AC easier to get and using capital loans and transparency to providing loan to AC.

All leaders has already known when any AC needed loans, AC must thoroughly read regarding to those policies before submitting to BFD. Mr. Phalkun explained one by one from points: Purpose, Target group, Criteria, Amount of loans, Condition, Period of loans and interest rate, Recognition from local authorities and Efficiency of Credit's Principle.

2. BFD's Credit Service

He reminded interest rate by splitting into 4 kinds:

- a. 2.1% per month for paying before dateline (both Capital and Interest)
- b. 1.9% per month for at the end of Cycle payment (both Capital and Interest)
- c. 1.7% per month for interest payment every month and Capital at the end of cycle.
- d. 1.5% per month for installment payment both Capital and Interest

But BFD has new guideline if any AC elects Executive Director (ED) to assist AC. The interest rate would be reduced 0.1% for supporting ED, he added BFD encouraged and suggested all leaders to find ED for helping AC because Cambodia was challenging with international marketing. According to article 48 of law on AC, BoD could elect ED who was AC's member or non-member but not BoD/BoA members, that ED was assistance of BoD and only managed activities of AC.



He said BFD would provide individual loan if need more but BFD only released to AC members and guaranteed by AC leaders and authorities.

Questions and Answers

Q: How much was interest rate if member needed individual loan?

A: According to kind of loan; 1.5%, 1.7%, 1.9% and 2.1% per month, but AC leader must recognize and guarantee although member borrowed individual loan, she/he must pay 2.5% per month the same AC borrowed from BFD and releasing to AC members.

Q: Executive Director (ED), where did AC take from?

A: She/he was outside of BoD and BoA or could find from outside

Q: Did BFD still require collateral or not?

A: Yes, BFD required it, because BFD wanted to lead all AC leaders to know how to implement credit process and to avoid loss capital loan or failure.

Q: Why did BFD require 2 times of collateral cost?

A: To be easier to recompense when any member did return or go away.

Q: Which collateral should be pawned in BFD?

A: Generally, some ACs has no collateral and some has, but AC could bring from any member although it was personal property but it could help AC members.

Q: For example; AC borrowed 40 Million Riels from BFD, but that loans could not release at all or remaining 10 Million, could AC return to BFD or not?

A: No, before borrowing from BFD, each AC leader must prepare planning and asking AC members how much they needed and what their occupation or what they would do.

- ❖ Mr. Phalkun added the interest getting from External Account, if possible, it should be kept in AC for Capital Loans but leaders must talk to all members first, but we could separate list of incomes.

Interest and dividend division

Presented by Mr. Kheng Sovanrathana, from AC Development Office

1. He explained the difference between Company and AC. In Company was managed by only one person who has much more money/shares, but in AC all members have a rights to make decision and equal vote even though any member has more than other members.
2. According to Law on AC in article 58 was expressed that AC shall create fund for training of members, managers and staff by deducting at least 3% from gross profits annually; and article 58 confirmed that AC shall create reserve fund by deducting at least 20% from gross profit until the reserve fund is as much as five times of total value of shares, and this fund shall not be allocated to members. Sovanrathana added that outside of these AC leaders could discuss with members during AGM or extraordinary meeting.



3. He added that the interest of External Account could be divide as dividend because External Loans was used AC name to borrow from outside, therefore all gross profit must be returned to members, but he confirmed that if they wanted keeping as capital loan, AC leaders have to talk to members.

Closed training:

- Mr. Kheng Sovanrathana, representative of PDA/PVH, summarized what they learned from morning and sending messages to all participants should consider all involved credit policy and interest from External Loans, and especially Executive Director we should consider whom we trusted to assist AC in the future.

Provided member's book and Calendar

- AC got 2 member's books and 1 Calendar (12 books)
- Office of District Agriculture get 1 calendar (5 Calendars)



Conclusion:

- ❖ AC leaders will consider to what Phalkun said regarding to interest from External loans.
- ❖ AC leaders needed ED and promised to elect ED.

Request:

1. Request BFD to provide training on to use members' book
 2. Conduct Study tour outside the Province
- This event was ended at 1.30 p.m. on February 19, 2016.

Preah Vihear, on Feb. 20, 2016
Prepared by:

Men Vannara