

Cambodian Community Savings Federation (CCSF)

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Brief History

In January 2003, the Cambodian Community Savings Federation (CCSF) evolved from the Small Economic Activity Development Project of CARE Cambodia, which had been implemented since 1998 in Battambang region. CCSF is now a community-based microfinance organisation officially registered under the Ministry of Interior in December 2002, and under the National Bank of Cambodia as a microfinance operator since March 2003. The organisation, promoting the credit union model, is an umbrella organisation for a number of community savings banks, operating in 85 villages. The credit unions are called "savings banks" as the words for "cooperatives" and "credit union" are still associated with the terror and forced collectivisation of the Khmer Rouge regime.

Methodology

As a wholesale institution, CCSF provides different types of financial services to savings banks, for them to serve their individual members. Its product range includes:

Savings

The network of CCSF's savings banks proposes compulsory savings, voluntary savings, and time deposits. These savings are remunerated at a competitive interest rate.

Loans

Savings banks in operations for at least 6 months become CCSF members, which makes them eligible for loans from CCSF. These loans will then be released to individual members, gathered into groups, at a reasonable interest rate. They can be used for investments purposes, for emergency or consumption (different categories). Larger loan size that are beyond the capacity of the savings banks can also be granted by CCSF to individual members, through the savings banks.

Liquidity loans are also granted to any saving bank facing a cash flow problem for a short time period. Long-term loans can also be granted at a reasonable interest rate to the saving banks to finance their investments (office building, purchase of office equipment, etc).

Micro Insurance

This service is provided to savings bank to cover the non-recovery of loans in case of death, so savings banks and clients do not have to repay the balance.

Area of Operations

Through its 39 affiliated community savings banks, CCSF operates in 85 villages located in 42 communes within 9 districts of Battambang and Banteay Meanchey provinces. The largest savings bank has 1,400 members.

Clients

Active clients	Active savers	Active borrowers	Gender
14,673	14,673	approximately 3,400	n/a

As of October 2004

Poverty Focus

Average Loan Outstanding	Average outstanding loan size / GNP per capita	Average deposit size
US\$77	26%	US\$9

As of October 2004

Distinctive Features

CCSF also provides non-financial services like training workshops, seminars to its members aimed to build, enhance and advance their capacity to manage savings banks. The training includes topics such as loan delinquency, leadership, credit and financial management. CCSF also conducts program monitoring, and is in charge of the internal control function.

Innovations

CCSF is the only organisation in Cambodia developing a credit union model, based on savings mobilization. CCSF has started to replicate the successful model used in Battambang to the Banteay Meanchey province and plans to expand its activities in all districts of the two provinces.

Financial results

Members are encouraged to purchase at least one share capital per year, to be eligible to vote and access loans. CCSF has received support from the Credit Union Foundation Australia (CUFA), the Association of Asian Confederation of Credit Unions (ACCU), and the Canadian Cooperative Association (CCA). CCSF is now an affiliate member of ACCU. CCSF has achieved a 99.63% repayment rate.

Loan Portfolio	Portfolio at risk	Savings Deposits	OSS / FSS	RoE / RoA
US\$434,185	1.27%	US\$151,521	n/a	n/a

As of October 2004

Challenges and development plans

Continual financial support of CCSF as an umbrella organisation is still required as the organisation hasn't reached self-sufficiency yet. The fact that there is still no law regulating the credit unions in Cambodia is also an issue for CCSF. In the future, CCSF wants to support member savings banks to become fully independent, reaching a high level of institutional and financial development. CCSF itself wants to break-even and become a viable entity, able to offer a wide range of financial products over the long-term.

Inclusion in financial Sector

n/a

Sources

- CCSF Brochures and internal documents