RURAL INFRASTRUCTURE AND POVERTY REDUCTION
THE CASE OF CAMBODIA

BY
NGY CHANPHAL
SECRETARY OF STATE, MINISTRY OF INTERIOR
VICE-CHAIR OF CARD

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Presentation

1. Cambodia: Country Profile
2. National Social Protection Strategy
3. Public Works Programs: Cambodia Experiences
4. Implementation Arrangement
5. Achievements/impacts
6. challenges
Cambodia GDP Income Per Capita

- **Rehabilitation Phase**: 1993-1998
- **Reconstruction Phase**: 1999-2003
- **Take-Off Phase**: 2004-2008
- **Global Economic Crisis**: 2007-2009
Poverty

- The poverty rate in Cambodia dropped to 35 percent in 2004 from about 47 percent in 1994.

- On average, poverty has reduced at a rate of about 1 percent or 30,000 persons per annum.

- Based on this trend and economic situation, poverty rate of 2007 in Cambodia is expected to be about 31 percent.
Commune-Level Poverty Rates

Note: This map reflects the poverty situation in 1998.

Produced by the WFP VAM Unit, Apr. 2004
Key Problems in Cambodia

- Cambodia is a nation in transition
- Lack of complete markets and trusts for insurance for a large majority of people
- Formal social assistance or social insurance are too costly
- Youth population (15-24) 23% or 3.5 million
- Other crises such as flood and drought, natural disasters, price fluctuations in the international markets for major crops etc...
VISION - More Cambodians, especially the poor and vulnerable, will benefit from improved social safety nets and social security, as an integral part of a sustainable, affordable and effective national social protection system.

GOALS - Poor and vulnerable Cambodians are increasingly protected against chronic poverty and hunger, shocks, destitution and social exclusion and benefit from investments in their human capital through access to food, income, employment and complementary social welfare services.
Objectives of the NSPS are:

1. Address the basic needs of the poor and vulnerable in situations of emergency and crisis;

2. Reduce the poverty and vulnerability of children and mothers and enhance their human development;

3. Address seasonal un- and underemployment and provide livelihood opportunities for the poor and vulnerable;

4. Promote affordable health care for the poor and vulnerable;

5. Improve social protection for special vulnerable groups.
## Rural Transport Infrastructure (RTI) Employment Creation

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<tbody>
<tr>
<td>Workers</td>
<td>283,952</td>
<td>195,458</td>
<td>4,352,493</td>
<td>117,848</td>
<td>4,949,751</td>
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<td>Workdays</td>
<td>4,996,352</td>
<td>5,168,000</td>
<td>14,165,000</td>
<td>3,708,077</td>
<td>28,037,429</td>
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A workday payment is not less than one US dollar, although the WFP remunerates the labourers in kind, with food, the equivalent value is not less than one US dollar. Therefore more than **US$ 30M** had been put back into the economy through the use of labour for building rural infrastructure.

This is a much needed injection of resources into a rural economy. In addition to simply alleviating poverty it gives the people living along the road (the labourers) more sense of ownership of the asset.
The Importance of Rural Infrastructure
(Refers to roads - transport and communication, water supply & sanitation services and rural energy)

A strong, well-functioning rural infrastructure:

- improves basic health & hygiene
- reduces the vulnerability
- creates new economic opportunities
- creates new employment
- enhances democratic process and skills
Common types of Work:

- Rural road works
- Irrigation
- Water supply
- Drainage
- Flood protection
- Soil protection
- Reforestation
- Clearing works
Food for Work

• Participants receive rice in return for labour in rural infrastructure projects (such as tertiary roads; irrigation canals; water systems/reservoirs) aimed at increasing food production and/or access to markets.

• Equivalent to 3.5kg of rice per 1 cubic meter of earth work
Jobs or Machines
Comparative Analysis of Rural Road Work in Cambodia


I. While delivering the same quality and with same specifications, the use of labour-based road work methods firmly proved to be cost saving alternative compared to equipment-based works in Cambodia.

II. Cost savings were enhanced further when implementation was arranged through contrasts with proper management and supervision instead of as force account operations.

III. Labour-based project have effectively provided employment, significantly above the level of equipment-based projects.

IV. It is estimated that using labour-based work methods to carry out a programme of rural road rehabilitation and maintenance of existing maintainable road network could generate between 3.7 and 6.7 million workdays per year, equivalent to 33,000 full time jobs (for 100 rehabilitation and 270 maintenance contracts per year).
Pro-Poor Delivery Mechanism of Infrastructure Services: The Challenge of Decentralization

- The RGC recognises that transport improvements are vital to social and economic development.
- One of the cornerstones of the government's medium-term strategy is promoting better transport services in rural areas through well-maintained roads and feeder roads. Inter-village road improvements bring many advantages to communities.
- The implementation of social protections is the responsibility of respective line ministries and decentralized government structures.
Decentralization in Cambodia
Policy and Strategy

1. The RGC is now completed the establishment of institutional structures at all administrative level both the national level and sub-national levels through democratic principle and process.

2. The objectives of establishing the Councils at sub-national administrative levels through elections are:

(i) to create opportunities and mechanism for the Councils to decide on the destiny of their own community through participatory consultations with the people in their localities, and

(ii) enable the citizens in these localities to have a voice in securing better and responsive public service delivery, materials, means and infrastructure in order to rapidly and equitably meet the requirements of local development and to contribute to alleviation of poverty.
The transport sector in Cambodia consists of Roads, Rail, Inland Waterway, Port and Shipping are mainly under the responsibility of Ministry of Public Works and Transport (MPWT) with Ministry of Rural Development (MRD) responsible for tertiary or rural roads and transport.

The road sub-sector in Cambodia consists of:
1. Primary roads
2. Secondary roads
3. Tertiary roads
Safety net interventions in Cambodia face several challenges related to:
- Implementation,
- Institutional, and
- Financing issues
Implementation Challenges

- Existing safety net interventions exclude some important vulnerable groups.
- Cambodia has not yet made significant use of some types of safety net programs that have proved successful in other countries.
- Existing interventions are largely food-based.
- Targeting has not yet been mainstreamed into safety net implementation.
- Most programs in place have also limited geographical coverage.
- Finally, there is a need for better monitoring and more rigorous evaluations of existing interventions.
Institutional Challenges

- Safety net implementation often reflects immediate priorities rather than a shared longer-term vision for safety net development.

- Government and Development Partners should seek better coordination across interventions.

- The design of a safety net system for Cambodia needs to be adapted to the capacity of the public sector institutions that must then implement this policy.

- A major constraint is the lack of a Government body with a clear mandate to coordinate interventions across ministries and Development Partners, and to facilitate and monitor implementation of cross-sectoral interventions.

- Both central and sub-national capacities matter for the successful implementation of safety net policies and programs.
Budget Challenges

• As an underlying challenge, the budget for safety net implementation remains low,

• with the majority of funding provided by Development Partners and earmarked for interventions that are often implemented in parallel to the Government system.

• Government budget for safety nets remains low.

• Moreover, most programs are implemented by Development Partners, thus leaving concerns regarding the long-term sustainability of such programs.
Thank You

Council for Agricultural and Rural Development (CARD)

Email: card@online.com.kh

Technical Working Group on Food Security and Nutrition - (TWGFSN)

Interim Working Group on Social Safety Nets

Website: www.foodsecurity.gov.kh