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National Social Protection Strategy for the Poor and Vulnerable

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Royal Government of Cambodia

National Social Protection Strategy for the Poor and Vulnerable

Message

Samdach Akka Moha Sena Padei Techo Hun Sen

Prime Minister of the Kingdom of Cambodia

The Cambodian people have a long history of defending the life, integrity, unity, independence, territory and pride of their nation. Since 1979, faced with numerous constraints, they have made great efforts to turn challenges into opportunities in developing and transforming the Kingdom of Cambodia into a country of hope and dignity in Southeast Asia. The Royal Government of Cambodia (RGC) has focused on the long-term future through a reform agenda that can adapt to all eventualities, with a vision of gradual improvement towards the achievement of its planned objectives of socioeconomic development.

Since first being elected in 1993, the RGC has faced and overcome formidable challenges to maintaining political stability, developing and rehabilitating the country's social, physical and institutional infrastructure and identifying a long-term vision. From 1998, the RGC achieved and consolidated peace and brought an end to the civil conflicts of the past. These efforts on the part of the RGC to maintain social and political stability, peace and internal security have made possible the continued achievement of high economic growth and poverty reduction in past decades. The main objectives of Cambodia's Rectangular Strategy for Growth, Employment, Equity and Efficiency are to improve economic growth; to address the issue of employment for the Cambodian labour force; to ensure social equity and justice; and to enhance the effectiveness of the public administration by developing action plans, governance and comprehensive reforms in all sectors.

The overriding goal of the RGC is to firmly and steadily build a Cambodian society which enjoys peace, political stability, security, social order and sustainable and equitable development, with strict adherence to the principles of liberal multi-party democracy and respect for human rights and dignity. The social fabric will be strengthened to ensure that the Cambodian people are well-educated, culturally advanced, engaged in dignified livelihoods and living in harmony within both the family and society.

For the RGC, the most formidable development challenge relates to the reduction of poverty and improving the livelihoods and quality of life of the country's rapidly growing population. The RGC considers poverty both morally unacceptable and a waste of a valuable economic resource, as well as being a phenomenon that can result in social polarisation and instability.

In continuing to implement social policy, the RGC of the Fourth Legislature is giving priority to improving conditions for workers and employees through enforcement of social security law for those covered by the Labour Law and through the establishment of the National Social Security Fund (NSSF). The RGC is continuing to strengthen support to disabled people and families of veterans who sacrificed their lives for the nation. Furthermore, the RGC is now supporting retired civil servants and veterans through the Law on the Protection and the Promotion of the Rights of Persons with Disabilities and social benefits for people with disabilities and vulnerable households at community level.

The RGC recognizes that existing social safety nets in Cambodia have not yet been implemented systematically. As such, the Rectangular Strategy Phase II looks to improve governance in social safety net delivery through the establishment of institutional arrangements and collaboration with all stakeholders and through expanded coverage of social services and emergency response. The integration of social protection into the National Strategic Development Plan (NSDP) Update 2009-2013 underlines the strong attention of the RGC to social protection policy as a way to ensure long-term socioeconomic development and to respond to crises.

The RGC has a duty to provide essential services to ensure the development and enhancement of human capital (through health, education and livelihoods). This means creating an environment in which every individual can find and reach their full potential and contribute to their own welfare improvement as well as to national development. Simultaneously, the RGC will continue to intervene in the social sectors, to 1) reduce the vulnerabilities of poor people; 2) alleviate the impacts of natural catastrophes; 3) support the victims of such catastrophes; 4) ensure rehabilitation and integration for people with disabilities, victims of drug addiction, victims of human trafficking and exploitation and children in violation of the law, as well as social welfare for the elderly, orphans, poor widows/widowers, female-headed households, female victims of abuse and rights violations, homeless people and veterans and their families; and 5) prevent abuses of the law and protect communities at commune, district, provincial and national levels in collaboration with partners.

The RGC through the Council for Agricultural and Rural Development (CARD), together with line ministries, relevant stakeholders and development partners, has put great effort and commitment into developing this National Social Protection Strategy (NSPS). The strategy is based on a country-specific contextual analysis, and will contribute not only to the rehabilitation and stability of the economy in the near future, but also to the enhancement of human capital indicators, including those on education, health and livelihood development, towards the longer-term achievement of the Cambodia Millennium Development Goals (CMDGs) in 2015. Maintaining high economic growth and sustainable development will also contribute to the achievement of this longer-term objective. Overall, then, this strategy represents a vision of comprehensive, integrated and sustainable social protection in Cambodia, in particularly for the poor and vulnerable.

The main approaches of this strategy are to 1) protect the poorest and most disadvantaged who cannot help themselves; 2) mitigate risks that could lead to negative coping strategies and further impoverishment; and 3) promote the poor to move out of poverty by building human capital and expanding opportunities, including access to health, nutrition and education services for poor households, so they can move above the poverty line. This will transform poor and vulnerable people and communities into a productive force for the nation and contribute actively and dynamically to the socioeconomic development of Cambodia.

I have the honor of requesting that all line ministries, all stakeholders involved at both national and sub-national level and all national and international development partners implement this strategy consistently, comprehensively and respectfully, incorporating the objectives and values of the NSPS into the design and implementation of their programming.

Phnom Penh, April 2011
Prime Minister

Signed and Stamped

Samdach Akka Moha Sena Padei Techo Hun Sen

Preface

H.E Yim Chhay Ly, Deputy Prime Minister

Chairman of Council for

Agricultural and Rural Development

Social protection is a priority for the Royal Government of Cambodia (RGC). Developing the social protection system is the utmost duty of the RGC in serving the Cambodian people, as stated in the Constitution, the Rectangular Strategy for Growth, Employment, Equity and Efficiency Phase II and the National Strategic Development Plan (NSDP) Update 2009-2013, as well as in legal documents and international conventions to which the RGC is a signatory.

In the Rectangular Strategy Phase I, the RGC aimed to enhance social interventions by promoting employment opportunities; reducing the vulnerability of the poor; increasing relief during natural disasters and calamities; and expanding rehabilitation programming for people with disabilities, the elderly, orphans, homeless people and veterans and their families. The Rectangular Strategy Phase II pointed to the importance of promoting good governance in delivering social safety net programmes through institutional strengthening, collaboration with development partners and improving social services and emergency assistance.

The development of a National Social Protection Strategy (NSPS) for the poor and vulnerable is necessary to promote the livelihoods of the people and to ensure achievement of the Cambodia Millennium Development Goals (CMDGs). Rural economic development is to be achieved by rehabilitating and developing rural infrastructure, addressing seasonal unemployment and providing vocational training and microcredit support, as well as through interventions to ensure quality of life and social development.

The development of this NSPS began at the 2nd Cambodia Development Cooperation Forum (CDCF) on December 3-4, 2008. At this meeting, the RGC and development partners acknowledged the significant progress made in reducing overall poverty levels, but recognised that parts of the population remained vulnerable to various economic and social shocks, which were thus pushing them into poverty. To respond to this issue, the RGC and development partners agreed to undertake a scoping and mapping exercise to determine the nature of existing social safety nets to address risks resulting from the instability of food prices and economic crises, which were seen as likely to have had a negative impact on the livelihoods of the poor and vulnerable in Cambodia.

This strategy has been developed against the backdrop of a country reeling from the food and fuel price spikes and the global financial and economic crises, which had negative impacts on the poor and vulnerable and delayed achievement of the CMDGs. The first step of its

development – the exercise to examine the scope of existing social safety nets mentioned above – aimed to identify strategic and political options for the development of an integrated and systematic social safety net programme suitable for the socioeconomic context of Cambodia.

The Council for Agricultural and Rural Development (CARD) was entrusted with ensuring efficient inter-ministerial coordination with the participation of all stakeholders involved in social safety net service delivery to the poor and vulnerable. In the first half of 2009, CARD, with the support of line ministries and development partners, worked to build consensus on key concepts and a comprehensive direction for the development of a social safety net policy.

Findings and recommendations were presented during the National Forum on Food Security and Nutrition under the theme of Social Safety Nets in Cambodia on 6-7 July 2009. Samdach Akka Moha Sena Padei Techo Hun Sen, Prime Minister of Cambodia emphasised in his closing remarks that improving social safety nets for the vulnerable was a principle strategy of the RGC to mitigate and protect them from the negative impacts of the global economic crisis. The other core role of social safety nets is to promote human capital and expand economic opportunities for such groups. In the second half of 2009, the RGC and development partners worked together to develop the NSPS for Cambodia, focusing particularly on determining priorities for social safety nets in 2011-2015.

Social safety nets are not new to Cambodia, but the term and understandings of it may be conceptually different. Cambodia has implemented such projects and programmes to address both emergency situations and livelihood development for poor people. Social safety net programming is a main component of the NSPS, developed based on the Cambodian context in a systematic and integrated manner to allow the RGC to respond immediately and on time in emergencies and in a comprehensive, effective and efficient manner among all stakeholders involved in short-, medium- and long-term activities. The NSPS complements other sectoral policies, plans and strategies addressing social protection, either directly or indirectly, towards comprehensive, integrated and systematic social protection for the poor and vulnerable. It aims to maintain complementary activities effectively on a limited budget and ensure the overlap of institutional mandates is avoided. Moreover, for effective implementation, the framework has been developed to balance the objectives of addressing chronic poverty, supporting the poor to develop the capacity to address environmental, economic and social difficulties and promoting human capital so they can move from poverty by themselves in the future.

This strategic document is organised accordingly. It begins by reviewing definitions, the scope of the strategy and conceptual understandings of social protection and social safety nets. Legal frameworks, international conventions and various Cambodia-specific strategy papers related to social protection were used as a reference on the legal aspects involved. The strategy also analyses the concepts of poverty and vulnerability in order that policies, instruments and frameworks can present effective and efficient responses. It then details existing social

protection activities for the poor and vulnerable in Cambodia and experiences in implementing social protection at both national and international levels.

As for the strategy itself, the NSPS envisions that all 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 system. The main goal of the NSPS is that 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. Under this goal, the NSPS has the following objectives:

1. The poor and vulnerable receive support, including food, sanitation, water and shelter, etc., to meet their basic needs in times of emergency and crisis.
2. Poor and vulnerable children and mothers benefit from social safety nets to reduce poverty and food insecurity and enhance the development of human capital by improving nutrition, maternal and child health, promoting education and eliminating child labour, especially its worst forms.
3. The working-age poor and vulnerable benefit from work opportunities to secure income, food and livelihoods, while contributing to the creation of sustainable physical and social infrastructure assets.
4. The poor and vulnerable have effective access to affordable quality health care and financial protection in case of illness.
5. Special vulnerable groups, including orphans, the elderly, single women with children, people with disabilities, people living with HIV, patients of tuberculosis (TB) and other chronic illness, etc., receive income, in-kind and psychosocial support and adequate social care.

Achieving these objectives requires the scaling-up and harmonization of existing social protection programmes and the piloting of new interventions to fill any gaps. As a priority, public work programmes to provide job opportunities and incomes for the poor and vulnerable will be scaled up. Cash transfer programmes for household with many children, geared towards improved nutrition and education, will be implemented to provide protection for children from short-term impacts of crises and to ensure human capital development in the long term.

Implementation is the responsibility of line ministries and decentralised government institutions. The NSPS thus complements the efforts of line ministries in achieving sector targets by developing a framework for sustainable, effective and efficient implementation. Most programmes in the NSPS are by nature inter-sectoral and require coordination across ministries and government agencies, to avoid thematic and geographical overlaps, to harmonize implementation procedures and to coordinate the effective and efficient use of available funds from the national budget and development partners. They also entail active dialogue with supportive development partners and civil society.

To implement the strategy, the RGC will consider structures and mechanisms of coordination to provide policy support, monitoring and evaluation, information and knowledge management and capacity building. The priorities are institutional arrangements, capacity building for coordination agencies at national and sub-national level and functionalized cooperation together with a monitoring structure for medium- and long-term implementation. In the medium- and long-term implementation of the NSPS, ongoing social protection activities and new pilots will be assessed and integrated into a more comprehensive national programme in order to bring various schemes under one integrated programme, at least per objective.

On behalf of CARD, I would like to extend my cordial appreciation to Your Excellencies, representatives of all line ministries and development partners who have taken part in the development of this strategy from the beginning until this final stage. I would like to further request support and collaboration during the implementation phase of this strategy in order that we can together achieve socioeconomic development and the CMDGs in Cambodia.

Phnom Penh, April 2011
Deputy Prime Minister,
Chairman of Council for Agricultural and Rural Development

Signed and Stamped

H.E. Yim Chhay Ly

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NCDM	:	National Committee for Disaster Management
NGO	:	Non-Governmental Organisation
NPA-WFCL	:	National Plan of Action on the Elimination of the Worst Forms of Child Labour
NP-SNDD	:	National Programme on Sub-national Democratic Development
NSDP	:	National Strategic Development Plan
NSSF	:	National Social Security Fund
NSSF-C	:	National Social Security Fund for Civil Servants
OD	:	Operational District
ODA	:	Official Development Assistance
OVC	:	Orphans and Vulnerable Children
PWP	:	Public Works Programme
RCAF	:	Royal Cambodian Armed Forces
RGC	:	Royal Government of Cambodia
SNEC	:	Supreme National Economic Council
SPF	:	Social Protection Floor
SSM	:	Social Service Mapping
SWAp	:	Sector-wide Approach
SWiM	:	Sector-wide Management
TB	:	Tuberculosis
TVET	:	Technical and Vocational Education and Training
TWG	:	Technical Working Group
UNDAF	:	United Nations Development Assistance Framework
UNESCO	:	United Nations Educational, Scientific and Cultural Organization
UNICEF	:	United Nations Children's Fund
WB	:	World Bank
WFCL	:	Worst Forms of Child Labour
WFP	:	World Food Programme
WHO	:	World Health Organization

Executive Summary

The **National Social Protection Strategy (NSPS)** complements other sectoral policy, plans and strategies of line ministries and stakeholders involved directly or indirectly in social protection. The strategy is aligned with and makes operational the priority actions laid out in the Rectangular Strategy and the National Strategic Development Plan (NSDP) Update 2009-2013.

The NSPS has been developed based on a consultative process with active participation from line ministries at both national and sub-national level, development partners and civil society. During the Cambodia Development Cooperation Forum (CDCF) on 3-4 December 2008, the Royal Government of Cambodia (RGC) and development partners agreed to undertake a scoping and mapping exercise and gap analysis on existing social safety nets and to identify a policy direction towards the development of a more integrated social safety net system commensurate to the socioeconomic situation of Cambodia. The Council for Agricultural and Rural Development (CARD) was tasked with ensuring effective coordination among the stakeholders involved.

In February 2009, CARD set up an interim working group involving representatives from line ministries and development partners to develop a concept note and inventory of existing social safety net programmes. In July 2009, CARD organised the National Forum on Food Security and Nutrition under the theme of Social Safety Nets in Cambodia and was mandated to coordinate the development of a National Social Protection Strategy (NSPS) for the Poor and Vulnerable. A number of technical consultations and field studies were carried out to review social protection policy, focusing on several aspects of social interventions, including cash transfer to address maternal and child nutrition, public work programmess, education and child labour. At the beginning of June 2010, the NSPS was presented to the 3rd CDCF for endorsement and collaboration. Upcoming tasks will include a comprehensive analysis and detailed costing exercise for the design of specific activities in the strategy.

The NSPS is organised into six chapters. The introduction defines social protection, social safety nets and other related terms and determines the scope of policy and activities and the development process of this strategy. Social protection helps people cope with major sources of poverty and vulnerability while at the same time promoting human development. It consists of a broad set of arrangements and instruments designed to protect individuals, households and communities against the financial, economic and social consequences of various risks, shocks and impoverishing situations and to bring them out of poverty. Social protection interventions include, at a minimum, social insurance, labour market policies, social safety nets and social welfare services.

The second chapter, “Social Protection as a Priority of the Royal Government of Cambodia,” details the need for and importance of the development of such a strategy, based on the Constitution, the Rectangular Strategy for Growth, Employment, Equity and Efficiency Phase II,

the NSDP Update 2009-2013 and national legislation, as well as international conventions to which Cambodia is a signatory.

The third chapter profiles poverty and vulnerability in Cambodia, including an analysis of types of existing and unseen risks, shocks and crises, based on research papers and data obtained from the 2008-2009 Cambodian Socio-Economic Survey (CSES). This chapter also raises the issue of the negative impacts of economic and financial crises and climate change on people's livelihoods.

The fourth of chapter, on "Existing Social Protection for the Poor and Vulnerable," presents line ministries' institutional structures, mandates, sectoral policies and strategies and existing interventions in terms of the provision of social protection services to the people. Informal/traditional social safety nets and civil society interventions are also described. This chapter links with the previous chapter on poverty and vulnerability to identify gaps in implementation.

Over the past 20 years, Cambodia has implemented a number of social safety net projects and programmes, mostly funded by external sources, to improve the livelihoods and food security situation for the poor and to respond to emergency needs. Many successes have been recorded, especially in relation to delivering services to large numbers of beneficiaries and enhancing food and income security:

- **Food distribution** to food-insecure areas, school feeding, take-home rations and food for work have provided the basis for responding to issues of food insecurity, chronic poverty and malnutrition in some cases.
- **Scholarships** have helped address the poverty of school-age children.
- **Public works programmes** have helped address food insecurity, underemployment and chronic poverty among the working-age population.
- **Health equity funds** (HEFs) and **community-based health insurance** (CBHI) have provided the basis for protecting the health of the poor.
- **Social welfare services for special vulnerable groups** have assisted people with disabilities, the elderly and orphans, among others.
- Other programmes have been rooted in tradition and the culture of resource redistribution for **humanitarian purposes.**

Yet Cambodia still does not have an effective and affordable social safety net system in place. Many of the interventions have been patchy and *ad hoc*, and are highly dependent on specific donor funding sources. Coverage for the poor and vulnerable is still very limited: programmes do not necessarily focus on the poorest areas and efforts have been largely fragmented, with weak coordination between the many ministries and institutions involved.

Based on the legal framework analysis presented in the second chapter, the poverty and vulnerability profile in the third chapter and the review of existing social protection

programmes and gaps in implementation in the fourth chapter, the fifth chapter, the "National Social Protection Strategy for the Poor and Vulnerable," describes in detail the approaches, vision, goal and objectives of the NSPS. An effective NSPS requires a balance of three approaches:

- Protecting the poorest and most disadvantaged who cannot help themselves;
- Preventing the impact of risks that could lead to negative coping strategies and further impoverishment;
- Promoting the poor to move out of poverty by building human capital and expanding opportunities.

The broad vision of the NSPS includes contributory social security (social insurance) for formal sector and civil servants, as well as a high level of human development and appropriate opportunities for all Cambodians. The NSPS envisions that **all 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**.

The main goal of the NSPS is that **poor and vulnerable Cambodians will be increasingly protected against chronic poverty and hunger, shocks, destitution and social exclusion and benefit from investments in their human capital**.

Within the framework set in place for working towards 2015, the NSPS will link existing programmes by establishing systematic and integrated objectives to enable improved service delivery for the poor and vulnerable, protection from poverty and the promotion of investments in human capital. To achieve this, the NSPS entails several strategic steps:

- Promote the development of a **mix of programmes that cover both chronic and transient poverty as well as hunger and that also help promote human capital;**
- Strengthen the coordination, scaling-up and harmonisation mechanisms of current programmes to ensure they match the root causes of vulnerability;
- Evaluate and, if necessary, improve the current IDPoor programme (the mechanism to identify poor households);
- Scale up coverage of **ongoing interventions** and improve efficiency and effectiveness;
- Pilot, evaluate and scale up new programmes based on effectiveness and sustainability to fill the gaps in existing social protection programmes.

Under this goal, the NSPS has the following objectives:

- The poor and vulnerable receive support, including food, sanitation, water and shelter, etc., to meet their basic needs in times of emergency and crisis.
- Poor and vulnerable children and mothers benefit from social safety nets to reduce poverty and food insecurity and enhance the development of human capital by

improving nutrition, maternal and child health, promoting education and eliminating child labour, especially its worst forms.

- The working-age poor and vulnerable benefit from work opportunities to secure income, food and livelihoods, while contributing to the creation of sustainable physical and social infrastructure assets.
- The poor and vulnerable have effective access to affordable quality health care and financial protection in case of illness.
- Special vulnerable groups, including orphans, the elderly, single women with children, people with disabilities, people living with HIV, patients of TB and other chronic illness, etc., receive income, in-kind and psychosocial support and adequate social care.

The sixth chapter of this document covers “Coordination of Implementation, Monitoring and Evaluation” of the NSPS. This chapter presents arrangements for the coordination, monitoring and evaluation of NSPS implementation through the active participation of all stakeholders and budget requirements for medium-term implementation of the NSPS. Implementation is the responsibility of line ministries and decentralised government institutions. The NSPS thus complements the efforts of line ministries to achieve sector targets by developing a **framework for sustainable, effective and efficient implementation.** Most programmes in the NSPS are by nature inter-sectoral and require coordination across ministries and government agencies, to avoid thematic and geographical overlaps, to **harmonise implementation procedures** and to coordinate the effective and efficient use of available funds from the national budget and development partners. This also entails **active dialogue** with supportive development partners and civil society organisations and **management of information sharing. Capacity development** at the national coordination unit and with stakeholders at national and sub-national level is the immediate priority, including on institutional arrangements, functional coordination and the monitoring and evaluation structure in the medium- and long-term implementation of NSPS.

Chapter 1
Introduction

Chapter 1

Introduction

1.1 Definitions

Social protection helps people cope with major sources of poverty and vulnerability while at the same time promoting human development. It consists of a broad set of arrangements and instruments designed to protect individuals, households and communities against the financial, economic and social consequences of various risks, shocks and impoverishing situations and to bring them out of poverty. Social protection interventions include, at a minimum, social insurance, labour market policies, social safety nets and social welfare services.

Social insurance programmes are designed to help households insure themselves against sudden reductions in work income as a result of sickness, maternity, employment injury, unemployment, invalidity, old age (i.e. pensions) or death of a breadwinner. They include publicly provided or mandated insurance, such as social health insurance schemes to provide access to health care. Social insurance programmes are contributory, meaning that beneficiaries receive benefits or services in recognition of their payment of contributions to an insurance scheme. The terms "social insurance" and "social security" are often used interchangeably. ***Social security*** is closely related to the concept of social protection and can be defined as the protection that a society provides to individuals and households to ensure access to health care and to guarantee income security, particularly in the case of sickness, maternity, employment injury, unemployment, invalidity, old age or loss of a breadwinner.

Labour market policies include interventions to address direct employment generation, employment services and skills development as well as income support for the working poor. Also covered is the setting of appropriate legislation on minimum wages, social security/social insurance contributions, child labour and other labour standards, to ensure decent earnings and living standards.

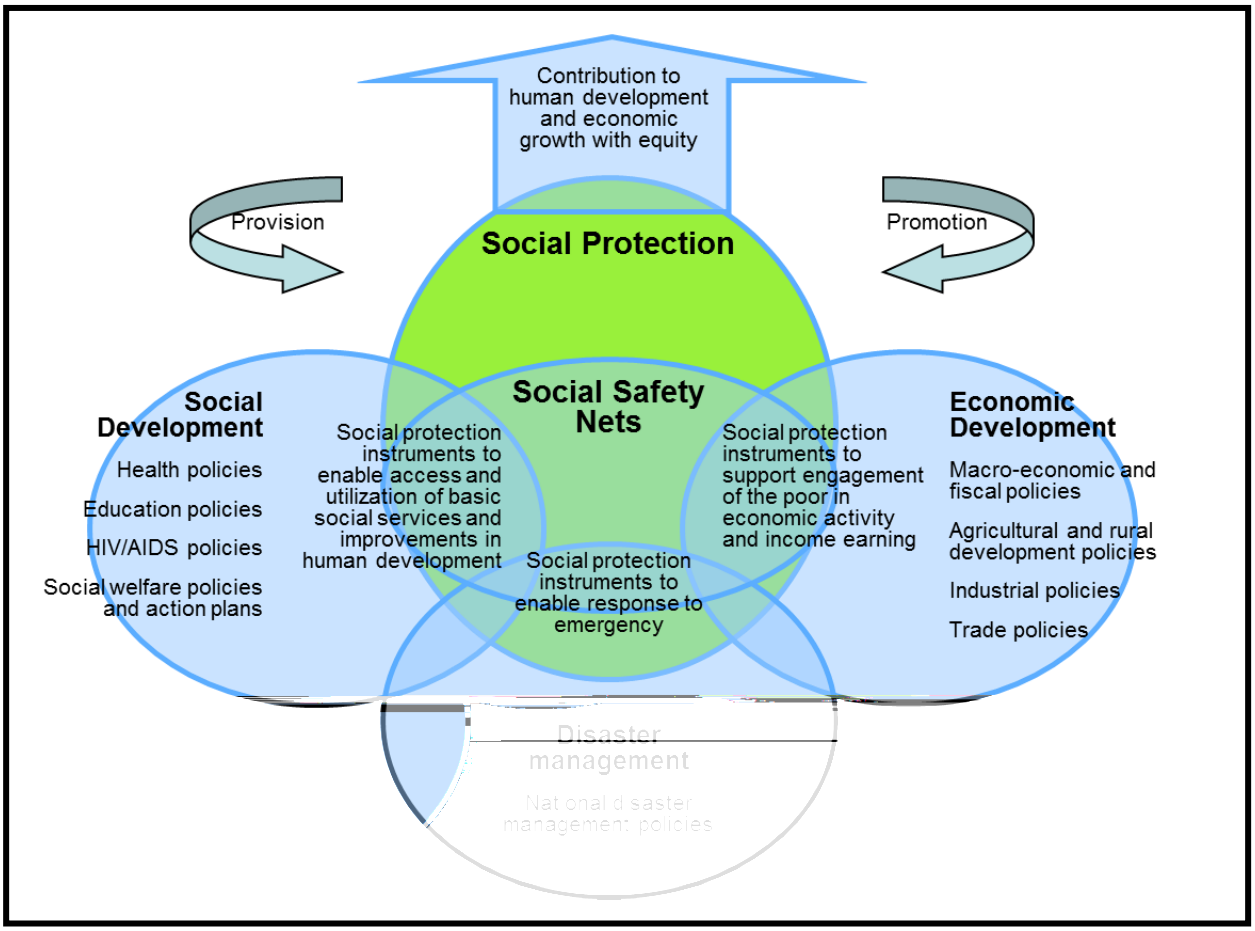
Social safety net programmes consist of targeted interventions designed for the poorest and most vulnerable and financed out of general revenues – taxation or official development assistance (ODA). This is in contrast with social insurance schemes, which rely on prior contributions from their recipients. Safety net interventions include **public works programmes** (cash for work and food for work); **unconditional and conditional transfers** (in cash or kind); and targeted **subsidies** designed to ensure access to health, education, housing or public utilities, such as water or electricity (CARD, 2009).

Social welfare services cover child care, elderly care, care for people with disabilities, home-based care and referral support for people living with HIV, return and reintegration of refugees, family preservation, family and community support services, alternative care, rehabilitation

support for out-of-school youth, drug users and child labourers and psychosocial services, including in situations of emergency and distress. They are complementary to cash or in-kind benefits and help reinforce outcomes generated by the former. Identifying points of contact between cash and in-kind transfers and social welfare services is essential in a coordinated and integrated approach to social protection.

The ***Social Protection Floor*** (SPF) is a basic guarantee of social protection for the entire population through a package of benefits and complementary social services to address key vulnerabilities throughout the life-cycle, for children, pregnant women and mothers, the working-age population and the elderly. Instead of focusing only on demand (for health, education, food, minimum income security, etc.), the SPF takes a holistic approach by ensuring the availability of social services.

Figure 1: Social protection and its contribution to economic and social development and disaster response



The broader social protection framework, which includes formal sector and contributory programmes, is in turn part of a broader poverty reduction strategy. Social safety nets complement social insurance schemes, as their target groups are usually different, through health, education and financial services; provision of utilities and local infrastructure; and other policies aimed at reducing poverty and managing overall risk and vulnerability. Social protection is closely related to other development fields. In particular, social protection, employment and

agricultural and rural development are interlinked and mutually reinforcing. Figure 1 shows the linkages between social protection and social safety nets, and between social protection and economic development, social development and disaster response.

The Royal Government of Cambodia (RGC) promotes investment in social protection as both a contribution to long-term poverty reduction goals and a short-term emergency/shock response measure to address the consequences of crises confronting Cambodia and its citizens. Specifically, the poverty and vulnerability situation of many people has been exacerbated since 2007 by high food price inflation and the global financial and economic crisis. This latter has affected the fastest-growing sectors of the economy (especially garments, construction and tourism) and resulted in deteriorations with regard to employment, incomes, remittances and access to essential services for the population. Social protection is an investment in poverty reduction, human development and inclusive growth, and can close the gap towards achieving the poverty target, which the economic crisis has further widened. **The National Social Protection Strategy (NSPS) for the Poor and Vulnerable** is thus expected to play a critical role in reducing poverty and inequality.

1.2 Scope of the Strategy

Following the policy directions outlined in the Rectangular Strategy for Growth, Employment, Equity and Efficiency Phase II, the RGC is advancing social protection for the formal sector while prioritizing expanding interventions aimed specially at reducing poverty, vulnerability and risks for the poor and vulnerable.

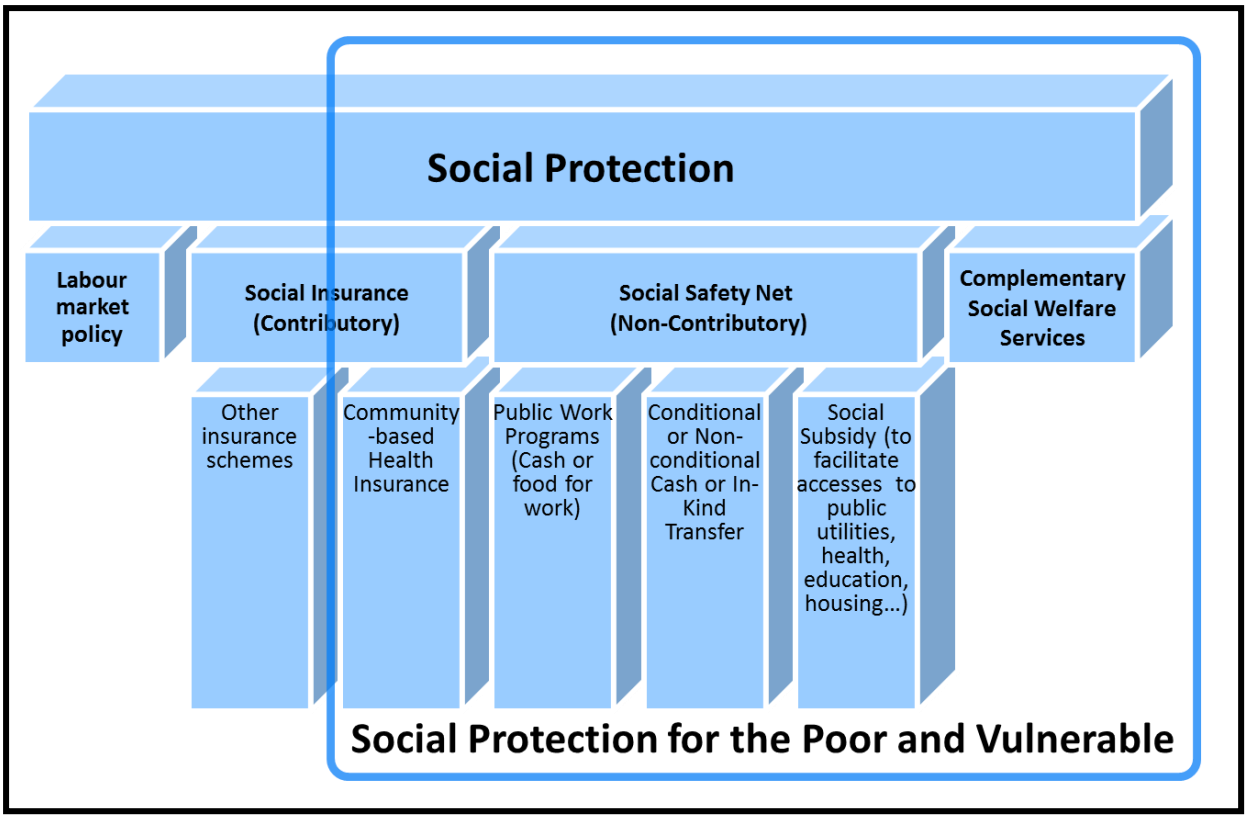
With regard to the medium term, the NSPS focuses on social protection for the poor and vulnerable. The poor and vulnerable are defined as:

- People living below the national poverty line; and
- People who cannot cope with shocks and/or have a high level of exposure to shocks (of these, people living under or near the poverty line tend to be most vulnerable).

The NSPS prioritises the development of effective and sustainable social safety nets targeted to the poor and vulnerable, with complementary social welfare services for special vulnerable groups, such as people living with HIV and orphans made vulnerable or affected by HIV[1,2]. The contributory intervention of community-based health insurance (CBHI) is also included, as it is targeted at the near poor who are vulnerable to falling into poverty as a result of health shocks. Figure 2 illustrates the scope of the NSPS.

[1] The Law on the Prevention and Control of HIV/AIDS (Article 26) also enshrines the right of people living with HIV to primary health care services, free of charge, in the public health sector network.
[2] For a list of special vulnerable groups, see Chapter 3.2.

Figure 2: Scope of the NSPS, focusing on the poor and vulnerable

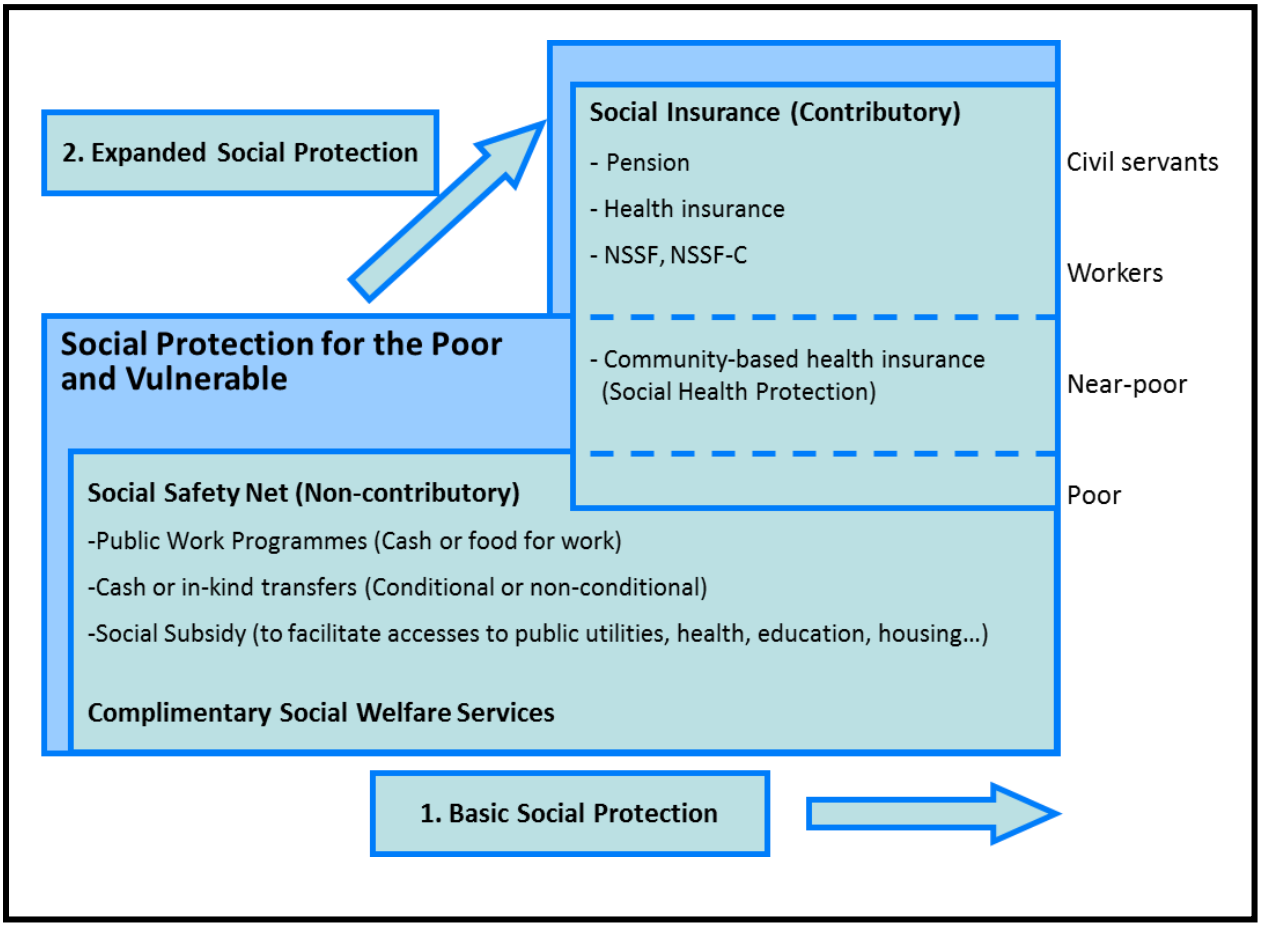


At the same time, the NSPS sets the framework for sustainable and comprehensive social protection for all Cambodians over the long term. This includes both contributory and non-contributory schemes. Figure 3 illustrates the relationship between coverage of basic non-contributory social protection for all and that of contributory social insurance for those with higher incomes, in particular formal sector workers.

The development of comprehensive social protection implies ensuring that the relevant components (non-contributory and contributory) are developed in parallel towards a sustainable system, whereby those who can afford social protection will access it based on their formal contributions and those who cannot will rely on the state for support until they develop such capacity over time. There are linkages and complementarities between the two major components of a comprehensive system of social protection[3].

[3] Including complementary coverage of benefits and services for population groups of different ability; and complementary financing mechanisms towards fiscal sustainability, whereby the contributory system to a large extent funds the development of the non-contributory system through its cross-subsidising function and direct contribution to public revenues, as well as through stronger societal support to the system, including through taxation. The ultimate aim of the dual gradual system is ensuring universal coverage to protect the population against risks, shocks and chronic situations and vulnerabilities.

Figure 3: Gradual progression towards comprehensive social protection, as per the NSPS long-term vision



1.3 Process of Strategy Development

In preparing the NSPS, the Council for Agricultural and Rural Development (CARD) in 2009 and 2010 convened meetings and held technical consultations with a broad set of national stakeholders, giving government representatives (national and sub-national), development partners, civil society representatives and other development practitioners the opportunity to explore the options and priorities in-depth. This transparent and rigorous consultation process has ensured that the analytical and policy inputs have gone through several rounds of discussion and are the result of a combined effort by all stakeholders.

Table 1: Summary of the NSPS consultation process

Timeline	Activity/event	Outcomes
3-4 Dec 2008	Cambodia Development Cooperation Forum	RGC commitment to develop and implement an integrated national strategy for social safety nets.
Jan-Jun 2009	Interim Working Group on Social Safety Nets (under the Technical Working Group on Food Security and Nutrition	Shared knowledge and consensus building on the key concepts and broad direction for policy development and inventory of ongoing social protection interventions.
6-7 Jul	National Forum on Food	During the two-day forum, 400 participants (government,

2009	Security and Nutrition under the theme of Social Safety Nets in Cambodia	development partners and civil society) discussed the issue, with **Samdach Akka Moha Sena Padei Techo Hun Sen, Prime Minister of the Kingdom of Cambodia,** providing the closing address.
19-22 Oct 2009	Technical Consultation on Cash Transfers with a focus on addressing child and maternal malnutrition	Participants from government, development partners and civil society consulted during a workshop in Phnom Penh. A group of participants also visited health and educational services and held discussions with commune councils and the provincial office in Kampong Speu. The consultation culminated in a brainstorming by key stakeholders to produce a Note on Cash Transfers.
12-14 Jan 2010	Technical Consultation on Public Works	80+ participants (government, development partners and civil society) consulted during a workshop in Phnom Penh. The core group (circa 30 participants) also visited sites of cash for work and food for work projects, one of which is the project site of the **Emergency Food Assistance Project** (supported by the Asian Development Bank and the World Food Programme) in Kampong Chhnang, including a consultation with commune council representatives and project beneficiaries. The consultation culminated in a Next Steps Meeting by the Council for Agricultural and Rural Development and a core group of development partners and the production of a Note on Public Works.
3-4 Feb 2010	Technical Consultation on the Role of a National Social Protection Strategy in Augmenting Human Capital through Promoting Education, Reducing Child Labour and Eliminating its Worst Forms	100+ participants (government, development partners and civil society) consulted during a two-day workshop in Phnom Penh. The consultation built consensus on integrating education and child labour issues into the NSPS, particularly in instruments such as cash transfers, as well as the need to explore greater access to safety net schemes to prevent child labour and withdraw vulnerable children from it, especially its worst forms. A Note on Child Labour and Education was prepared by a core group of development partners.
Mar-Apr 2010	Consultations on the draft NSPS	An executive drafting team was set up to prepare and consolidate inputs into the draft NSPS. Several consecutive drafts of the NSPS were shared and discussed in the extended format of the Interim Working Group on Social Safety Nets. Several rounds of consultations on the content of the NSPS and the proposed objectives took place, towards shaping a coherent strategy.

The results of this consultative process have been captured in NSPS Background Papers:

- **Safety Nets in Cambodia: Concept and Inventory, June 2009** (CARD, WFP and WB). *This paper presents the main features, achievements, gaps and challenges faced by safety net programmes in Cambodia. It provides a review of basic concepts, a summary of risks and vulnerabilities, an inventory of existing safety nets and an analysis of the gaps between risks and vulnerabilities and existing safety nets.*
- **Cash Transfer Programme to Support the Poor While Addressing Maternal and Child Malnutrition: A Discussion Note, March 2010** (WB, with contributions from CARD, GIZ, UNICEF, WFP and WHO). *This output of the Technical Consultation profiles maternal and child malnutrition in Cambodia to assess the rationale behind investing in nutrition*

programmes. It gives a description of a possible cash transfer programme, as well as discussing and evaluation and costing and fiscal implications.

- **Background Note on a Public Works Programme as Part of Social Protection for the Poor and Vulnerable, March 2010** (CARD and ILO). *This output of the Technical Consultation presents a vulnerability and needs analysis followed by an assessment of the rationale for investing in a public works programme (PWP), as well as an overview of approach and design issues*.
- **Input on Tackling Child Labour and Increasing Educational Access, March 2010** (ILO, in consultation with UNESCO and UNICEF). *This output of the Technical Consultation assesses social protection and its role in protecting vulnerable children, looking in particular at education and child labour and the linkages between them. With regard to the NSPS, it details incentives for families to ensure children attend school, services for vulnerable children (including those in the worst forms of child labour) and public works.*
- **Background Note: Cambodia – Towards a Social Protection Strategy for the Poor and Vulnerable, forthcoming** (CARD and development partners). *This background note presents the outcomes of the consultation process. It gives a detailed overview of poverty and vulnerability in Cambodia, of safety nets already in place and of policy challenges, in order to generate some conclusions on a social protection strategy for the poor and vulnerable, its objectives and options for the near future.*

1.4 Roadmap

The NSPS was presented for endorsement by the Council of Ministers in 2010. The immediate next steps will be to further develop and implement the priority action plan up to 2013. Implementation will be monitored regularly, with a mid-term review in 2013 that will inform an update of the implementation plan for 2014-2015. In 2015, there will be an evaluation of implementation; the NSPS will subsequently be updated and revised as needed.

2009-2011	:	Strategy formulation and adoption by the Council of Ministers
2011-2013	:	Implementation of short-term priority action plan
2013	:	Mid-term review and adjustment/update of implementation plan
2014-2015	:	Implementation of updated implementation plan
2015	:	Evaluation and updating/revision of NSPS

Chapter 2

Social Protection as a Priority of the Royal Government of Cambodia

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Social Protection as a Priority of the Royal Government of Cambodia

Social protection is a priority of the RGC. The formulation of the NSPS draws on commitments expressed in the Constitution, the Rectangular Strategy, the National Strategic Development Plan (NSDP) and national legislation, as well as in international conventions to which Cambodia is a signatory.

2.1 Laws and Legal Documents

The Constitution of the Kingdom of Cambodia is the framework for social protection provision to the country's citizens. It covers the right of all citizens to obtain social security and other social benefits, as well as making special provisions for social security in the formal sector. The Constitution also identifies particular groups that may require special assistance, such as poor women and children, people with disabilities and the families of combatants who have died serving their country.

Box 1: Articles from the 1993 Constitution regarding social protection provision

Article 36:	Every Khmer citizen shall have the right to obtain social security and other social benefits as determined by law.
Article 46:	The State and society shall provide opportunities to women, especially to those living in rural areas without adequate social support, so they can get employment, medical care, and send their children to school, and to have decent living conditions
Article 73:	The State shall give full consideration to children and mothers. The State shall establish nurseries, and help support women and children who have inadequate support
Article 74:	The State shall assist the disabled and the families of combatants who sacrificed their lives for the nation.
Article 75:	The State shall establish a social security system for workers and employees.

National legislation for statutory social security provision includes the **Labour Law,** the **Insurance Law,** the **Sub-decree on the Establishment of a National Social Security Fund** (NSSF) covering employment injury insurance, the pension scheme, a short-term benefit system, the **Royal Decree on the National Social Security Fund for Civil Servants** (NSSF-C) covering social security for public civil servants as well as the **Law on Pension and Invalidity Benefits for the Royal Cambodian Armed Forces** (RCAF). Other special vulnerabilities are also addressed, through the **Law on the Protection and the Promotion of the Rights of Persons with Disabilities**, the **Law on the Prevention of Domestic Violence and the Protection of Victims,**

the **Law on Inter-country Adoption,** the **Law on Suppression of Trafficking in Humans and Sexual Exploitation,** etc.

2.2 Rectangular Strategy Phase II and National Strategic Development Plan Update 2009-2013

The RGC's Rectangular Strategy sets the broad policy directions for improving social protection and identifies priorities for the development of social safety nets. It promotes sustainable and equitable development and prioritises improvements in social protection provision. Through social safety nets, the RGC intends to increase social sector interventions, thereby:

- Enhancing emergency assistance to victims of natural disasters and calamities;
- Reducing vulnerabilities of the poor;
- Reducing disparities in maternal and child health outcomes and inequities in health service utilisation and access to care between richest and poorest quintiles;
- Preventing and withdrawing children from child labour, especially its worst forms;
- Enhancing access to and quality of children's education;
- Improving employment opportunities;
- Enhancing provision of fee exemptions, health equity funds (HEFs)[4] and subsidy schemes to ensure affordable access to health services; and
- Expanding rehabilitation programmes for the disabled, as well as welfare programmes for the elderly, orphans, female victims of abuse and rights violations, people living with HIV and tuberculosis (TB), the homeless and veterans and their families.

The **NSDP Update 2009-2013** further specifies the need to streamline social protection. In guiding the development of the NSPS and priorities over the short to medium term, it highlights the need to:

- Give preference to social protection measures that not only provide immediate relief but also contribute to building the beneficiary population's ability/capacity to contribute to the social and economic development of their community;
- Ensure greater transparency and better targeting in the delivery of social protection for the poor through the use of the Identification of Poor Households programme (IDPoor)[5], and through another appropriately adapted targeting mechanism for the urban poor while IDPoor is being adjusted to urban areas;
- Minimise the planning and delivery costs (overheads) of social safety net programmes to achieve a maximum net transfer of resources to beneficiary populations; and

[4] The HEF is a mechanism to reimburse health facilities for treating patients who are classified as too poor to pay. The aim is to provide poor people with access to appropriate health services and protect them against health related-impoverishment. HEFs were introduced into the national framework developed in 2003 and the Health Sector Support Project from 2004-2008, and followed through into the second Health Sector Support Project for 2009-2013.

[5] IDPoor is the RGC's standardised system for pre-identifying poor households,

- Ensure cross-sectoral coordination and integration of social protection measures with decentralised development planning.

2.3 Commitments at the 2008 Cambodia Development Cooperation Forum

The RGC's commitment to social protection as a key priority was reaffirmed at the December 2008 Cambodia Development Cooperation Forum (CDCF). The RGC acknowledged that, while significant progress had been made in reducing overall poverty levels, parts of the population remained vulnerable to various economic and social shocks, pushing them into poverty and denying them equal opportunities to participate in economic growth. Improving social protection was selected as a priority intervention for the RGC and development partners in response to the crisis and as a long-term goal to enhance the capacities of the population to withstand the effects of future similar occurrences.

2.4 Reaffirmed Commitment at the National Forum on Social Safety Nets

RGC commitments to social protection and the establishment of a social safety net system, as an important part of a longer-term growth strategy, were reinforced by Prime Minister **Samdach Akka Moha Sena Padei Techo Hun Sen,** when presiding over the July 2009 National Forum on Food Security and Nutrition under the theme of Social Safety Nets in Cambodia. Box 2 presents highlights of the Prime Minister's statement.

The Forum concluded by issuing a recommendation statement, which outlined the need to:

- Develop a national policy/strategy and working activities for an integrated and systematic social safety net and the expansion and strengthening of existing Cambodian safety nets;
- Respond to the effects of the food price increase crises and the global economic crisis, addressing the needs of vulnerable people in rural areas who are facing food shortages caused by the shocks;
- Establish measures for preventing, responding to and facilitating response to crises in the future;
- Strengthen the process of implementation of safety net programmes through the sub-national level to enable efficient and transparent provision of assistance to vulnerable groups;
- Strengthening the mechanism for the identification of poor households and vulnerable people;
- Develop capacity at all levels to implement safety nets in an effective, accountable and transparent manner according to policy and the Rectangular Strategy Phase II;
- Delegate to CARD the responsibility for coordination and facilitation with line ministries, institutions and development partners, in the development and implementation of safety net programmes.

Box 2: Statement of Prime Minister Samdach Akka Moha Sena Padei Techo Hun Sen

"The Royal Government takes the global economic and financial crisis as a lesson, an experience and an opportunity by figuring out strategic means and selecting policies and mechanisms to accelerate socioeconomic development. In this purpose, the Royal Government has been actively strengthening and expanding its collaboration with development partners, the private sector, and the civil society to improve people's living standard, speed up poverty reduction and ensure food security as stipulated in the national development strategy of the Royal Government of the 4th Legislature of the National Assembly. In this context, the strengthening of 'Social Safety System' for rescuing and supporting vulnerable groups is the Royal Government's major strategy to tackle the negative impact and risks arising from the global economic crisis."

2.5 International Commitments

The RGC is signatory to a number of international conventions which provide a legal framework for the realisation of the right to social protection and the reinforcement of the scope of social protection provision to citizens. These include, among others:

- The Universal Declaration of Human Rights;
- The United Nations Convention on the Rights of the Child;
- The Convention on the Elimination of All Forms of Discrimination Against Women;
- The International Covenant on Economic, Social and Cultural Rights;
- The Convention on the Rights of Persons with Disabilities; and
- The Madrid International Plan of Action on Ageing.

The RGC has also ratified all International Labour Organization (ILO) core labour standards and conventions, including Convention No. 138 on the Minimum Age for Admission to Employment and Convention No. 182 on the Elimination of the Worst Forms of Child Labour.

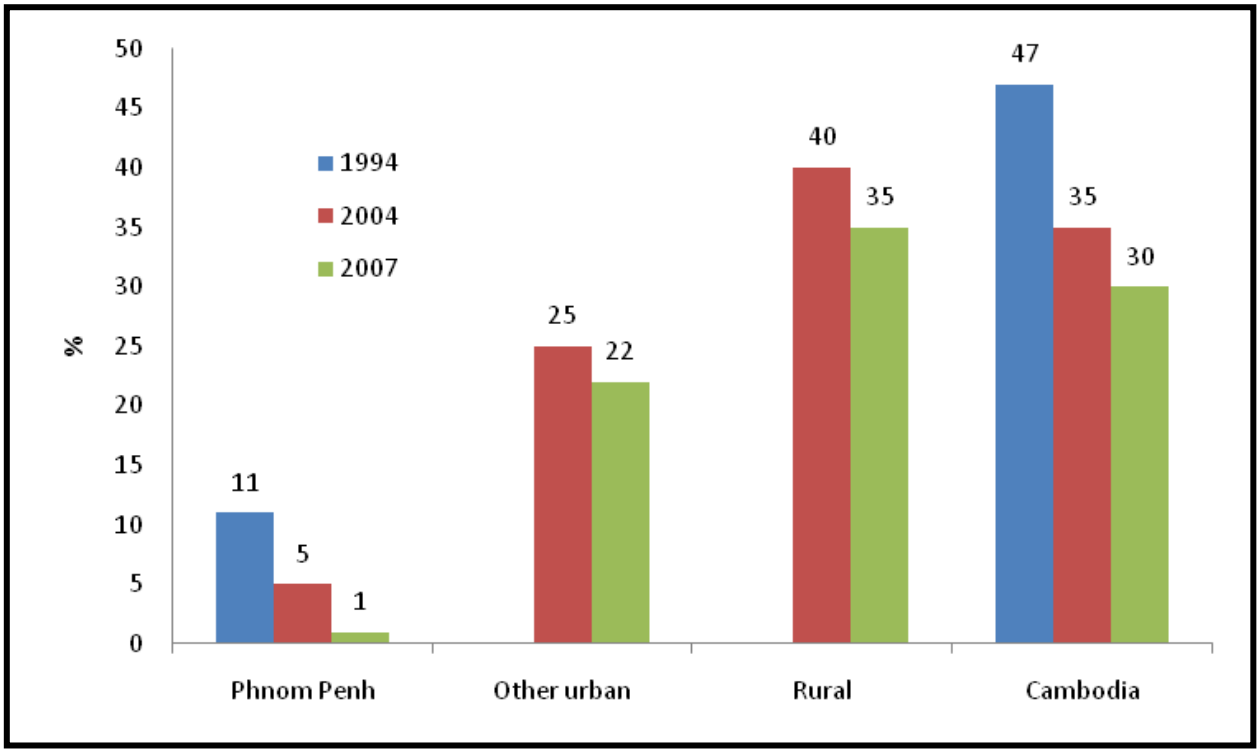
Chapter 3
Poverty and Vulnerability Profile

Chapter 3

Poverty and Vulnerability Profile[6]

Cambodia has enjoyed significant economic growth over the past decade. National data for 2004 and 2007 show that the national poverty rate dropped from 34.7% in 2004 to 30.1% in 2007, indicating a rate of poverty reduction of 1.2% per year. In 2010, the poverty rate had dropped to 25.8% (NSDP Update 2009-2013, Commune Database 2009). However, gaps between the rich and the poor and inequality between rural and urban areas are still challenging issues.

Figure 4: Poverty headcount, 1994-2007

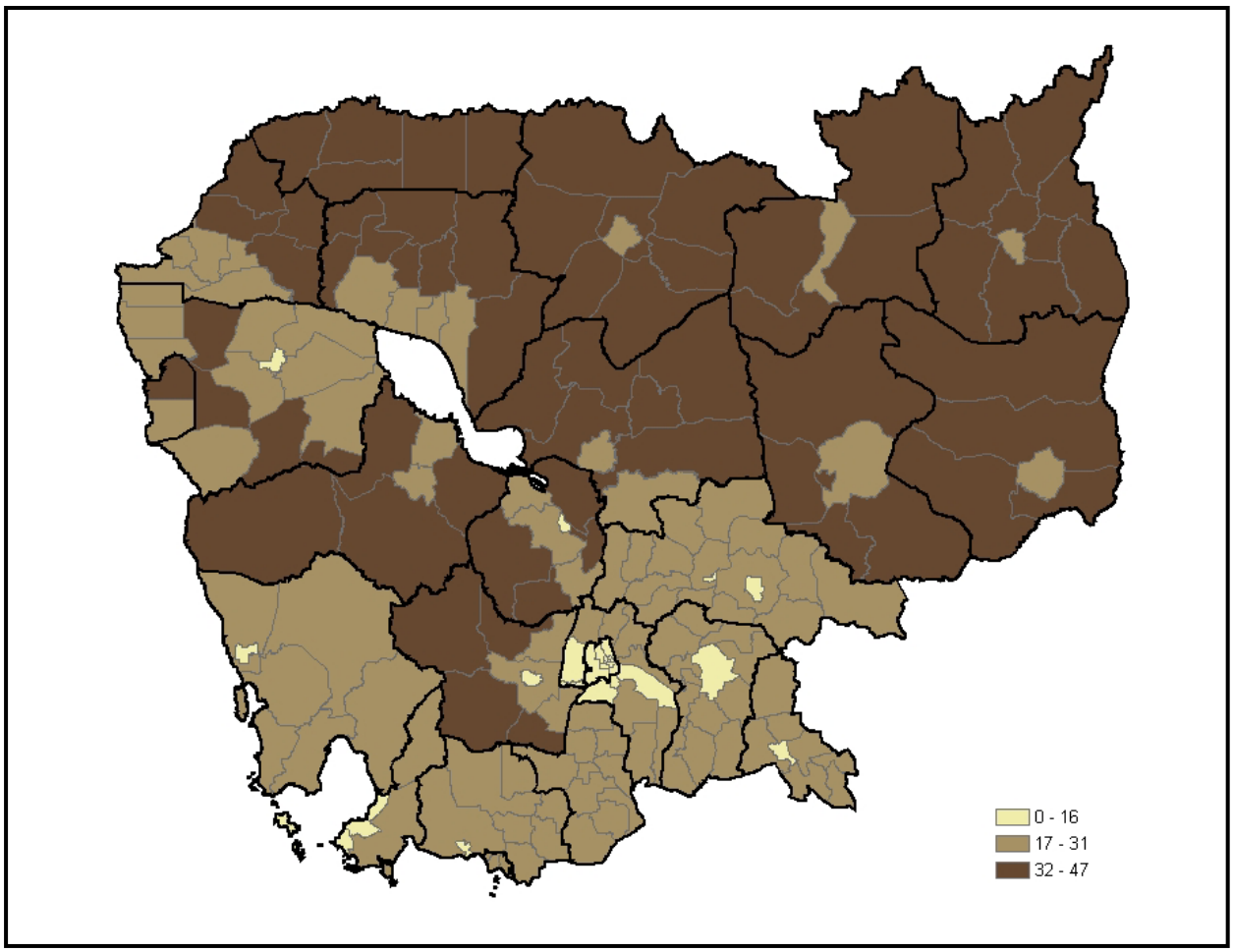


Source: CSES 2004, NSDP Update 2009-2013.

There are regional variations in poverty levels. The most recent data, from 2010, using the **Commune Database,** show that the Tonlé Sap zone and the plateau/mountain zone have the highest poverty headcounts (36.6% for plateau and mountainous areas, 30.8% for the Tonlé Sap zone, 22.1% for the central plain and 21.3% for coastal areas, with a national average of 25.8%).

[6] Data and information used in this chapter come from the most up-to-date documents available. However, given that some surveys have not been conducted recently, such data may not reflect the current situation. Full references for the poverty and vulnerability profile are provided in the Background Note to the NSPS.

Figure 5: Geographic variations in poverty rates (%)



Source: Commune Database 2009.

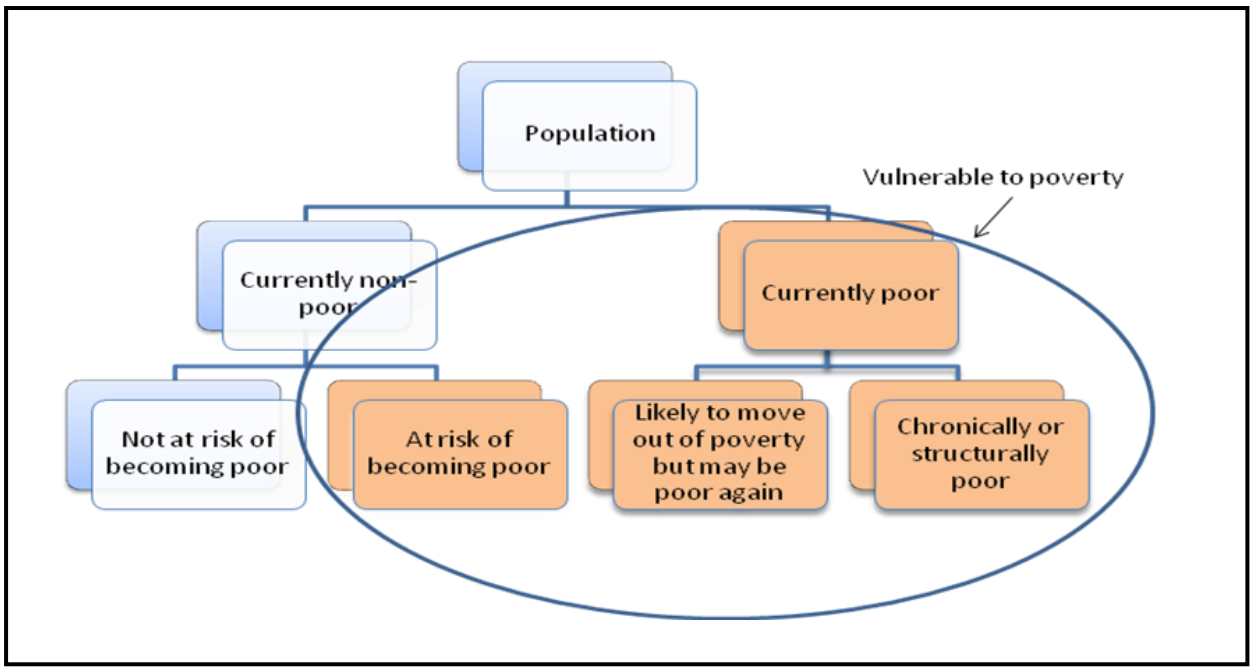
Cambodia has been hit by consecutive macroeconomic shocks – the food, fuel and financial crises – which have further compromised the ability of the poor and vulnerable to cope. The impacts of these crises have been complex, and have accentuated difficulties and compromised the livelihoods and wellbeing of many, in particular those near or below the poverty line.

3.1 Risks, Shocks and Vulnerabilities

Households face several risks that increase their vulnerability and can push them into poverty. When these risks manifest themselves, households face shocks that can drastically change their socioeconomic situation. The degree to which this change can happen depends on how vulnerable households are to shocks. The vulnerability of an individual or a household depends on their level of exposure and ability to cope with a shock.

Poverty and vulnerability are intrinsically related. Vulnerability is a cause of poverty, as well as a perpetuating and defining element of it. Poor households tend to have fewer coping strategies to protect them against shocks, and vulnerable households are susceptible to being pushed into or deeper into poverty as a result of shocks.

Figure 6: Poverty and vulnerability



Key risks and shocks can be grouped into four categories: 1) emergencies and crises; 2) human development constraints; 3) seasonal unemployment and income insecurity; and 4) health shocks.

3.1.1 Emergencies and Crises

Cambodia's economy and households were significantly exposed to the recent **food, fuel and financial crises.** As Cambodia becomes more integrated into the global economy, the impact of external economic shocks is likely to become greater.

The impact of price fluctuations is complex, and the aggregate poverty impacts of the 2007-2008 price rises (the price of rice, the staple food crop of Cambodia, increased by approximately 100% between 2007 and 2008) are yet to be determined (pending analysis of the Cambodia Socio-economic Survey (CSES) 2008). The poor are net food buyers, which mean they were least able to cope with the steep rise in prices. There were some winners (for example milled rice sellers, oil sellers and agricultural day labourers).

Poor and vulnerable households have also been hit hard by the economic crisis, with significant social and poverty impacts in constrained circumstances. There are concerns that women may have been disproportionately affected, with a substantial loss of employment in the garment industry (which predominantly employs female workers), increased risk of domestic violence and greater vulnerability to trafficking and exploitation in the commercial sex industry. Low-skilled male workers have also been vulnerable, in particular in the male-dominated construction industry. The effects of the economic crisis for children of poor and vulnerable households are also likely to have been significant, with a risk of increasing child labour and poor families switching to less nutritious food and deferring health treatment.

Cambodia is also vulnerable to **natural disasters,** given its unique hydrological regime and low coverage of water control infrastructure. These affect livelihoods and food security and take a heavy toll on people's living standards, pushing many further into poverty. Most rural households rely heavily on subsistence agriculture: an estimated 72% of Cambodians are dependent on fishing and agriculture for their livelihoods. Fishing and agriculture (and thus households' food security) are heavily dependent on weather conditions and can fluctuate significantly from year to year.

In the past decade, unusual floods and droughts have severely affected large parts of the countryside, resulting in three years of negative agricultural growth (2000, 2002 and 2004). In 2009, Typhoon Ketsana left 43 people dead and 67 severely injured and destroyed the homes and livelihoods of some 49,000 families, or 180,000 people (equivalent to 1.4% of the population). Most of the districts affected were among the poorest in the country, and the widespread damage to property and public infrastructure will have a long-term impact on communities' livelihoods (NCDM, 2010).

Floods and droughts are among the most damaging shocks for rural households, and **climate change** will heighten their severity. Although many regions in Cambodia are relatively shielded from climate hazards, almost all provinces are considered vulnerable to the impacts of climate change owing to low adaptive capacity resulting from financial, technological, infrastructural and institutional constraints. Climate change impacts will have significant implications for food security.

Some groups in the population need **special assistance** during crises because they have limited capacity to help themselves. In particular, if they are not integrated into social networks, they will find it more difficult to recover and may require immediate response to ensure uninterrupted access to services they depend on for survival (e.g. access to antiretroviral drugs, physical rehabilitation, etc.).

3.1.2 Human Development Constraints

Individual crises throughout the **life-cycle** can also have negative impacts on human development. Malnutrition is caused by **inadequate infant and young child feeding practices, high levels of infectious disease and inability to access and afford nutritious food.** Despite efforts to address the underlying causes of malnutrition, proportions of thin (8.9%), short (39.5%) and underweight (28.8%) children remain high (Cambodia Anthropometric Survey 2008).

Because **Illiteracy** is one source of vulnerability, **improving access to quality education** continues to be an RGC priority, including basic school facilities, textbooks and supply of (trained) teachers. According to data from the Ministry of Education, Youth and Sports (MoEYS), in the 2009/10 school year the net enrolment rate at primary, lower secondary and

upper secondary was 94.8%, 31.9% and 19.4%, respectively. Repetition and dropout rates at primary school level are still a concern, with MoEYS aiming to reduce these to lower than 10%. On average, the survival rate to primary, lower secondary and upper secondary is 83%, 48.7% and 26%, respectively. The ratio of teaching staff to pupils at the three education levels is 49, 24 and 29, respectively. Children in rural areas are more than two times less likely to continue to lower secondary than children in Phnom Penh (25% of the former vs. 61% of the latter).

3.1.3 Vulnerability to Unemployment and Food Insecurity

The labour force has undergone demographic changes in the past decade. In 2010, the proportion of the population below 15 years old was 61.8%. The youth labour force dropped slightly from 60.7% in 1998 to 60.1% in 2008, reflecting a positive trend of longer retention of youth in the education system.

According to the Ministry of Planning's (MoP's) **Labour and Social Trends in Cambodia 2010,** the unemployment rate is low in Cambodia. However, 82.5% of workers remain in **vulnerable employment,** which means those acting as unpaid family workers and self-employed workers. The out-of-school rate among children was about 15% in 2010; even though this has dropped from 18.7% in 2005, the issue is of serious concern, since these children will have to take up low-paid jobs in the labour market. Youth have to face two types of risks related to education: **difficulties finding a job** for those who have dropped out of school and a **mismatch between the field of study and labour market demand** for those who have been through school. Although participation in the labour force of illiterate people and those with no primary education over 15 years old dropped from 71.6% in 1998 to 58.8% in 2008, this rate is still very high. Meanwhile, unskilled workers, under strong pressure to find work, are more likely to accept precarious and poorly remunerated jobs.

The fundamental challenge in Cambodia is the need to **increase productivity** in line with better working conditions and wage rates. Average annual growth of productivity in agriculture – the country's largest sector (taking up 72.1% of the employed population) – is only 1.7%.

On the other hand, as stated in the **Policy Document on the Promotion of Paddy Rice Production and Export of Milled Rice** developed by the Supreme National and Economic Council (SNEC), with production of 7.59 million tonnes, Cambodia had the capacity for self-supply and for the export of about 3.51 million tonnes in 2009. This figure confirms that Cambodia has the capacity to ensure food security at the national level.

Food insecurity at household and community level is rooted in chronic poverty. Numbers of food-insecure households rise during the lean season, natural disasters, calamities and shocks. Among the rural poor, the main causes are lack of access to land, livestock, credit, markets and agricultural inputs. Poor rural households are dependent predominantly on their own limited food production and irregular, low-paid, casual wage labour.

The vast majority of poor people live in rural areas. Poverty is associated with low agricultural productivity and limited alternative livelihood opportunities. The seasonality of labour requirements in farming means that households, especially those with little or no land, are obliged to find off-farm employment in the slack agricultural season to supplement the family income. Given the limited availability of non-farm employment, households, especially those with little or no land, increasingly need to rely on income from unskilled wage employment in urban areas or in neighbouring countries. Seasonal labour migration is particularly common in provinces near Thailand and Viet Nam.

3.1.4 Health Shocks

Health shocks affect the poor disproportionately through three channels. First, the poor may have higher prevalence of injuries and illnesses as they are often involved in physical jobs and face greater risk of accidents; have poor nutrition; have less access to clean water and sanitation[7]; live in poorer housing conditions; and have less access to health and social services. Second, the poor are more affected through foregone income when not able to work, because of a lack of savings. Third, poor households get trapped in a vicious cycle of 1) high health care costs; 2) high out-of-pocket expenditures involved in seeking health care; 3) indebtedness at overwhelmingly high interest rates[8] when household resources are insufficient; and 4) selling assets (usually land) when all other funds are depleted. Once the cycle starts it is very difficult to break out of it. As such, it is important to prevent it, starting by tackling high health care costs and **out-of-pocket expenditures.**

Progress in enhancing the delivery of health services has been significant. Early on, the RGC adopted a health sector-wide management (SWiM) approach to guide its efforts. By 2008, the number of health centres and health posts – providing the **Minimum Package of Activities** in remote areas – had increased to 967 and 108, respectively, and the total number of referral hospitals is 84. However, the **NSDP Update 2009-20013** recognises issues in public health service delivery. **Health outcomes and health service utilisation rates** in different socioeconomic groups point to equity issues that need stronger attention. Critical concerns about the uneven distribution of **emergency obstetric neonatal care** services across the country indicate the need to increase the quality of the continuum of care for **reproductive, maternal, newborn and child health programmes.** Because **maternal mortality** remains unacceptably high (461 per 100,000 born), substantial investments in delivery services and fast track interventions are required[9]. Only 63% of births were attended by trained birth attendants in 2009 – although this represented a significant increase from 22% percent in 2003 (Ministry of Health, 2010). Under-five mortality is estimated to be at 83 out of 1,000 children in this age

[7] Half of households in the poorest quintile do not have access to improved sources of drinking water and 87.2% live without sanitation.
[8] The CSES 2007 found the average interest rate of health-related debt ranged between 50% and 60% per year.
[9] The NSDP Update 2009-2013 sees maternal mortality as a cross-sectoral problem, influenced by women's education and literacy levels, infrastructure development and levels of women's participation and gender equity.

range, with children in the poorest quintile at almost three times the risk of dying before the age of five than those in the highest wealth quintile.

A good financing system is essential to ensure service quality for all people. Over the past 20 years, the health sector has seen a substantial increase not only in its budget allocations from the RGC but also in funding provided by external development partners. In 2008, contributions of both the RGC and external development partners to the sector were about the same, at around US$8 per capita. However, Cambodians experience **high costs of access to and utilisation of essential health care services.** Total annual health expenditure is about US$40 per capita, of which around 60% is individuals' out-of-pocket spending. The **Health Financing Charter (HFC),** introduced in 1996, regulates the application of user fees at government health facilities and sanctions a fee exemption system for those too poor to pay for health care, to enable them to receive care at government facilities for free when needed. Currently, **HEFs and fee exemption** have been implemented in 50 operational districts (covering 51 referral hospitals and 120 health centres). A total of 12 **CBHI schemes** have been implemented in 11 operational districts (in 7 provinces and Phnom Penh), covering 11 referral hospitals and 81 health centres. Meanwhile, the exemption system covers fewer than half of those considered too poor to pay for services (68% of poor people are protected under HEFs and fee exemption – 2,832,844 persons – whereas CBHI schemes cover 73,828 beneficiaries).

3.2 Vulnerable Groups

Infants and children, girls and women of reproductive age and food-insecure households are particularly vulnerable to the shocks described and therefore should be the target of social protection interventions.

3.2.1 Infants and Children

Infants and children constitute over a third of the population. In recent years, the situation relating to child mortality has improved substantially: infant mortality decreased from 95 to 60 deaths per 1,000 live births between 2000 and 2008, (already reaching the 2010 Cambodia Millennium Development Goal (CMDG) target), and under-five mortality decreased from 124 to 83 deaths per 1,000 live births between 2000 and 2005 (with a 2010 CMDG target of 75). However, there are still wide regional variations that need to be addressed: infant and under-five mortality are still almost double the national average in Kampong Speu, Preah Vihear, Stung Treng, Prey Veng, Mondol Kiri and Ratanak Kiri (MoP, 2010).

Poverty creates a barrier to access to and completion of school. Indirect costs related to uniforms, materials, food at school, transportation and informal school fees, along with parents' need to migrate for work and the **opportunity cost** of having children in school rather than contributing to the family income, place a burden on parents.

Infants and children are at risk of **detrimental coping strategies** that can have life-time consequences, including being fed less or lower quality food, being pulled out of school to enter

into child labour and becoming victims of human trafficking. Infants and children are highly vulnerable to shocks, as they lack the ability to mitigate risks and to control adverse circumstances. According to the Cambodia Demographic and Health Survey (CDHS) of 2005, 64% of children in Cambodia face deprivation in at least two areas of wellbeing (food, health, education, information, water and sanitation and shelter).

3.2.2 Girls and Women at Reproductive Age

Girls and women of reproductive age (15-49) are also vulnerable, despite progress in advancing gender equality and opportunities for women in Cambodia. Women have particular vulnerabilities arising from their health needs: maternal mortality, even though it dropped from 837 in 2006 to 341 per 100,000 live births in 2009 (National Committee for the Management of Decentralization and De-concentration Reform, 2010), remains unacceptably high; women make up a bigger proportion of HIV-infected adults than in the past (52% in 2009 vs. 38% in 1997)[10]; their low nutritional status is a growing concern; and the overall number of women reporting constraints in accessing health care remains high[11].

3.2.3 Households Vulnerable to Food Insecurity and Unemployment

Although school dropout and out-of-school rates have reduced and enrolment rates have increased remarkably, those who were school-age children during the two decades of war in Cambodia either were not fully able to enrol in school or most likely dropped out owing to the poverty of their family. These children are today's low-paid farmers or workers or are employed in other such activities. Most are near poor and facing multiple risks: they require protection.

Low-skilled labourers work mostly in **labour-intensive occupations** or **migrate.** Such workers are at risk of losing their job or income in the case of economic shocks or natural disasters. **Food-insecure households** also remain highly vulnerable to different types of shocks owing to poor nutrition and limited coping strategies. Constant food deprivation increases the chances of food-insecure households facing health shocks, as their health increasingly deteriorates over time. Additionally, few alternatives are left for households that have resorted to cutting food consumption to cope with adverse economic shocks.

3.2.4 Other Special Vulnerable Groups

Other particularly vulnerable groups are identified in the Rectangular Strategy, the NSDP Update 2009-2013 and sector ministries' strategies, by virtue of their age, status, situation or condition. These groups include people living with HIV and their families; homeless people; people with disabilities; orphan children and at-risk children and youth; victims of violence, abuse and exploitation; indigenous and ethnic minorities; families of migrants; veterans; and the elderly. These groups face particular challenges because of the overlapping vulnerabilities

[10] Of all new infections among women, two-thirds will be among non-sex workers or women at "low risk".
[11] In 2005, 89% of women reported at least one problem in accessing health care. Getting money for treatment remains the main one, followed by the concern that no provider or drugs are available and not wanting to go to health services alone (CDHS 2005).

that are often experienced on top of income poverty. They require comprehensive forms of assistance, as social transfers alone are not sufficient to ensure their wellbeing, and are entitled to special protection from the state. They can be considered **special vulnerable groups** because 1) they warrant priority action in terms of strengthening their social protection; and/or 2) they require a particular design of social protection intervention (e.g. through specific targeting procedures, monitoring or customised programming, etc.). The RGC consults with relevant stakeholders on how to further improve the social protection of vulnerable groups without or with only limited self-help capacity.

Ethnic minorities face higher poverty rates and much higher poverty gaps than the national average. Although ethnic minorities represent a small share of the population, their living standards are much lower than the national average. Moreover, they face non-monetary disadvantages related to language, remoteness and discrimination. They therefore deserve particular attention in social protection support, in terms of both tailoring programmes to cultural values and finding appropriate targeting mechanisms (e.g. geographical) that allow programmes to cover their particular needs. The RGC has issued two policies in this regard: the **Policy for the Development of Indigenous Communities** and the **Policy on Land Registration and Land Use Rights of Indigenous Communities.**

The **elderly** need special care given their limited ability to participate in economic life. Cambodia's elderly have lower health status than older adults in neighbouring Asian countries, for example. Even marginal reductions in wealth can result in substantial rises in health problems among the elderly. Elderly women may be particularly vulnerable: 10% of elderly women are the sole adults in the household, compared with only 2% of elderly men.

Similarly, Cambodians **living with chronic illnesses** have very little support to pursue independent and sustainable livelihoods (including low access to education, vocational training and income generation). Children in these households are often at greater risk. When a parent is ill for a protracted period, health care expenditure increases, often resulting in a reduction of funds available for food, education and other household expenses. Moreover, children often assume adult roles, such as caring for the sick adult, running the household or caring for other children in the family.

Tuberculosis also remains a major public health concern: Cambodia ranks 21st among countries with the highest burden of TB. The incidence rate for all forms of TB is 500 per 100,000 people per year. The twin burden of the TB and HIV epidemics can have devastating consequences.

The number of malaria cases treated in the public health sector per 1,000 population (malaria incidence) declined from 11.4 in 2000 to about 4.4 in 2008 (there were about 59,000 cases in 2008), although there was a significant increase to 101,000 cases in 2006.

Particular attention needs to be paid to households with **people living with HIV**, which in general are more vulnerable. There are 57,900 adults living with HIV in Cambodia and 5,473 children are known to be infected. Lack of food security and poor nutrition accelerate progression to AIDS-related illnesses and tend to impact negatively on adherence to treatment and response to antiretroviral therapy.

Cambodians with disabilities also have little assistance and often have to rely on limited family support to survive. Very few people with disabilities have access to rehabilitation and appropriate basic services. Their vulnerability goes further than mere lack of financial resources at individual and/or family level to encompass cultural and social barriers; inadequate availability of and access to education, health and rehabilitation services; lack of awareness of rights; and dependency on others.

The elderly, people living with chronic illness and people with disabilities often depend on assistance from communities and (poor) relatives to survive: strengthening social protection to these groups may therefore relieve some of the burden currently imposed on poor communities and in particular reduce the impacts on children.

3.3 Issues Related to Detrimental Coping Strategies

Households resort to various types of coping strategies when facing adverse shocks. Some of these have detrimental outcomes, some of which have a negative impact on specific groups, such as women and children. Many negative coping strategies have longer-term consequences and can lead to even greater exposure to and diminished ability to manage risks. While these informal strategies tend to become less dominant with higher per capita income, they remain a cornerstone of risk coping and mitigation strategies, even in the most developed countries.

Frequently seen coping strategies in times of distress are taking loans at very high interest rates; using own savings; cutting back on food consumption; changing food patterns to less expensive and often less nutritious food; reducing intake of food (especially for women and older girls), which perpetuates a cycle of ill health; purchasing food on credit; looking for alternative jobs; pulling children out of school; and selling assets (including land). Reduced food consumption affects women more severely, and pulling children out of school often results in child labour and sexual exploitation. Child labour is a particularly worrying coping strategy, as half of children aged 5-14 work, some in hazardous or “unconditional” worst forms of child labour.

The NSPS addresses these detrimental coping strategies and the adverse consequences for vulnerable groups. By targeting the most affected groups within programmes aimed at breaking vicious cycles of poverty and destitution, the NSPS provides alternatives that can improve the wellbeing of households and individuals.

3.4 Summary

Table 2 summarises the risks, shocks, determinants of vulnerability and vulnerable groups detailed above.

Table 2: Risks, shocks, determinants of vulnerability and vulnerable groups

Main risks and shocks		Determinants of vulnerability	Outcomes	Most vulnerable groups
Situations of emergency and crisis	Economic crises *(price shocks, economic slowdown)*	• Limited income-generating opportunities • Food insecure • Concentrated in insecure, unstable employment • Reductions in number of jobs in key sectors of economy • Reductions in purchasing power of salaries/ earnings	• Rise in under- or unemployment • Increase in poorly remunerated, insecure and risky jobs • Lower remittances • Increase in food insecurity	• All poor and near poor
	Climate, environmental, natural disasters *(floods, droughts)*	• Crop farming and livestock rearing for subsistence and income provision • Dependence on (often degraded, over-exploited and contested) common natural resources for livelihoods • Live in remote, isolated areas and suffer a low level of community infrastructure • Low savings and assets to cover emergency needs	• Destruction or degradation of assets and resources • Increase in under- or unemployment • Increase in incidence and severity of food insecurity • Lower incomes	• All poor and near poor • People living in flood- and drought-prone areas
Human development constraints	Poor maternal and child health and nutrition	• Low income and food insecurity • Poor access to quality maternal, newborn and child health care	• Higher maternal mortality rates • Higher infant mortality rates • Increase in incidence and severity of malnutrition, stunting and poor cognitive development	• Girls and women of reproductive age • Pregnant women • Small children (0-5)
	Poor access to quality education	• Pulled to undertake domestic activities, help with family business and/or take up external employment, given households' low income and food insecurity • Poor access to quality education services	• Higher dropout rates and low level of skills attained • Increased incidence of child labour (6-14)	• School age (6-14)

Main risks and shocks		Determinants of vulnerability	Outcomes	Most vulnerable groups
	Poor access to quality second-chance programmes	• Pulled to remain in paid employment, however precarious and low paid • Poor access to quality training services	• Increase in under- and unemployment • Increase in poorly remunerated, insecure and risky jobs • Increase in incidence of hazardous or unconditional worst forms of child labour (15-17)	• Youth (15-24)
Seasonal unemployment and livelihood opportunities	Under- and poor nutrition	• Subsistence farming with low productivity • No sustained employment to supplement incomes from agricultural activities • Dependence on (often degraded, over-exploited and contested) common natural resources for livelihoods • Greater age dependency • More likely to be landless or have less access to land and relatively smaller landholdings	• Higher maternal mortality rates • Increase in incidence and severity of malnutrition, stunting and poor cognitive development • Increased likelihood of ill health • Decreased capacity to study or work productively	• All poor and near poor • Families with greater age dependency ratio • Landless and land poor • Pregnant women • Small children (0-5)
Health shocks	Ill health, injury, illness, death, pandemics	• Constrained access to clean water and sanitation • Poor housing conditions • Low base of savings and assets to cover out-of-pocket expenditures for health care and poor access to quality preventative and treatment health services • Work in physical jobs with greater risk of accidents and injuries	• Higher maternal mortality rates • Higher infant mortality rates • Increase in incidence and severity of malnutrition, stunting and poor cognitive development • Loss of assets and increased debt	• All poor and near poor • Pregnant women • Small children (0-5) • Elderly • People with disabilities • People living with chronic illness
Special vulnerable groups	Inability to work, marginalisation	• Limited access to income-generating activities • Marginalisation in society, constrained access to services	• Increased income and food insecurity • Increased	• Elderly • People with disabilities • People with

Main risks and shocks		Determinants of vulnerability	Outcomes	Most vulnerable groups
		and exclusion from opportunities • Extra nutritional and medical needs	likelihood of becoming victims of violence, labour and sexual exploitation and abuse	chronic illness • Ethnic minorities • Orphans • Child labourers • Victims of violence, exploitation and abuse • Veterans • Families of migrants • Single mothers

Notes:

Main risks and shocks: A risk is a source of danger, a possibility of incurring loss or misfortune. When a risk occurs, it becomes a shock.

Determinants of vulnerability: The vulnerability of an individual or household depends on their level of exposure and ability to cope with a shock. People living under or near the poverty line tend to be more vulnerable to negative outcomes of shocks.

Outcomes: Depending on the vulnerability of the individual and household, a range of outcomes can result from experiencing the shock.

Most vulnerable groups: While all poor and near poor are vulnerable to shocks, some groups in the population are especially vulnerable to certain shocks.

Chapter 4

Existing Social Protection for the Poor and Vulnerable

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Existing Social Protection for the Poor and Vulnerable

4.1 Current Institutional Architecture for Social Protection

Ministries have a mandate to address disparities in service delivery and have therefore implemented sector-specific schemes to enable the poor and vulnerable to access services. Many of these have been implemented under sector strategic plans. Together, these schemes represent the social safety net component of social protection that has contributed to poverty alleviation and to building human capital and resilience to shocks.

Social sector ministries – in particular the Ministries of Social Affairs, Veterans and Youth Rehabilitation (MoSVY), Health (MoH), Education, Youth and Sports (MoEYS), Women's Affairs (MoWA) and Labour and Vocational Training (MoLVT) – play a critical role in advancing social protection and providing benefits and services to the poor and vulnerable. Social protection has become an important part of social ministries' scope of activities, given the focus of sector strategies and plans on reducing inequality in access and utilisation of essential social services, especially at sub-national levels.

Line ministries with a mandate to improve **physical infrastructure** – such as MoEYS and the Ministries of Agriculture, Forestry and Fisheries (MAFF), Public Works and Transport (MPWT), Rural Development (MRD) and Water Resources and Meteorology (MoWRAM) – have a dual role to play in social protection by ensuring the creation of sustainable physical assets and also ensuring food security and income generation for the poor and vulnerable.

In addition to the social sector and infrastructure ministries, a number of specialised agencies and institutions have **social protection at the core of their mandate.** The Cambodian Red Cross and the National Committee for Disaster Management (NCDM) help people mitigate and cope with the effects of disasters. They have successfully contributed towards addressing food insecurity and lack of shelter and access to basic services, including water and sanitation, for those affected by floods and other natural disasters.

As regards the **wellbeing of vulnerable children,** MoEYS carries the mandate to help achieve nine years of basic education, as aspired to in the Cambodian Constitution and **Education For All** (EFA) goals for 2003-2015. To effectively tackle the enormous challenges in the education sector, the RGC has encouraged the use of a **sector-wide approach** (SWAp) by building partnerships to carry out joint planning and programming. MoLVT works on creating **decent work** opportunities for vulnerable groups and taking proactive steps to reach the **twin goals on**

child labour: to reduce all forms of child labour to 8% by 2015 and to eliminate the worst forms of child labour by 2016. In the health sector, the building blocks of the strategic framework of the **Health Strategic Plan 2003-2007** were the following three main MoH programmes: reproductive, maternal, newborn and child health; communicable diseases; and non-communicable diseases and other health problems.

Other ministries mandated directly or indirectly to **support the implementation of social protection** include the Ministries of Economy and Finance (MEF), Interior (MoI) and Planning (MoP), as well as decentralised structures. In view of the RGC's prioritisation of improved decentralised service provision, MoI plays a critical role in identifying entry points to ensure quality and equitable provision of social protection at sub-national levels. MoP's contribution to identifying and targeting the poor through **IDPoor** is acknowledged as creating the basis for strengthening social protection provision and ensuring a streamlined approach to delivery.

Remarkable progress has been made towards achieving gender equality and women's empowerment in Cambodia through implementation of the RGC's gender strategy, **Neary Rattanak II 2004-2008,** by MoWA, which focused on the following priority areas: economic empowerment of women; enhancing women's and girls' education; legal protection of women and girls; promotion of the health of women and girls; promotion of women in decision-making; and gender mainstreaming in national policies and programmes.

4.2 Existing Arrangements for Social Protection Provision

The following types of programmes have been particularly successful in reaching large numbers of beneficiaries and effectively enabling access to services, food and income in Cambodia.

Food and Nutrition Interventions

- General food distribution to food-insecure areas in times of emergency;
- School feeding and take-home rations or food scholarships;
- Food for work programmes addressing food insecurity, seasonal unemployment, chronic poverty and sustainable asset creation;
- Maternal and child health and nutrition programmes, including transfer of fortified foods conditional on nutrition training;
- Food assistance to people living with HIV, TB patients and orphans and vulnerable children (OVC).

Health Interventions

- Measures to raise awareness on health promotion and vaccination.
- HEFs and CBHIs, addressing basic health protection for the general population.

Education, Technical and Vocational Training Interventions

- Scholarships – addressing poverty of schoolchildren;
- School feeding and take-home rations;
- Training programmes of the National Fund for Poverty Reduction;
- Training programmes of the Special Fund of Samdach Techo Prime Minister;
- Certified training programmes of pilots on post-harvest technology and the skills-bridging programme;
- Training programmes through technical and vocational training centres and community training programmes of the provincial Department of Labour and Vocational Training;
- Training programmes for indigenous and vulnerable people;
- Entrepreneurship courses for participants in training programmes;
- Targeted training programmes for particular stakeholders;
- Training and education programmes through NGOs, associations and private sector actors recognised by the RGC.

Social Welfare and Work Condition Interventions

- Occupational health and safety system inspection to ensure appropriate workplace conditions;
- Expansion of occupational health and safety protection for small enterprises and the informal sector;
- Affiliation to professional associations to establish conflict resolution at the workplace and Arbitration Council to promote harmony between employers and employees;
- Work injury insurance;
- Social safety net for migrants abroad;
- Prevention of all worst forms of child labour and forced labour;
- Social welfare services to special vulnerable groups, including disabled people, the elderly, orphans, etc.

Labour Market Interventions

- Establishment of a national qualification framework, national capacity standards and a capacity test package as tools to measure labour force capacity, promote productivity and transform skilled labourers into certified labourers;
- Ensuring the quality of technical and vocational education and training (TVET) through the recognition of training courses at technical and vocational training centres run by the public sector, the private sector, NGOs or associations;
- Public job service of the National Employment Agency, which complements existing private services to enable equity of labour market information for the labour force at provincial level;
- Thorough inspection of apprenticeship training to increase opportunities for apprentices to acquire a wide range of skills;

- Research on employment and vocational skills required by the market to manage and integrate the labour force gradually and prioritise the division of labour in labour markets.

Many of these schemes and accompanying or related services represent **the building blocks for a comprehensive system of social protection** for the poor and vulnerable in Cambodia.

Table 3 gives a snapshot of the current main government social protection interventions. A full inventory is provided in Appendix 1, which gives details of expenditure, beneficiaries and coverage. This is a work in progress: a comprehensive inventory will be developed during the implementation of the NSPS. Some of these programmes are implemented using **IDPoor,** a targeting methodology based on proxy means testing combined with community validation, implemented by MoP and sub-national government and community structures. The RGC intends to make IDPoor the primary targeting methodology for all social protection schemes, while still allowing for the use of complementary methodologies where their use is justified.

Table 3: Snapshot of current government social protection interventions

Risks and shocks	Programme type	Programmes	Lead ministry
Situations of emergency and crisis	*Food distribution*	Emergency Food Assistance Project (free distribution of rice)	MEF
		Disaster response and preparedness; general food distribution (Ketsana)	NCDM
		Package of emergency relief to vulnerable and victims of emergency (including victims of mines)	MoSVY
	Budget support	Agriculture smallholder and social protection development policy operation	MEF
	Commune transfers for emergency assistance	Emergency assistance – cash and in-kind assistance to communes to support achievement of CMDGs	MoI
Human development constraints			
Poor maternal and child health and nutrition	*Nutrition programmes*	Child survival: components on improving maternal health and newborn care, promotion of key health and nutrition practices	MoH
		Maternal & Child Health and Nutrition Programme	
		Other interventions	
		Iodine salt production and distribution programme	MoP
Poor access to quality education	*Scholarships in cash*	FTI (Grades 4-6); CESSP (Grades 7-9); JFPR (Grades 7-9); BETT (Grades 7-9); EEQP (Grades 10-12); Dormitory (Grades 10-11); various projects (Grades 7-9)	MoEYS
		Emergency Food Assistance Project (Grades 5-6 & 8-9)	MEF
	Second-chance education programme	Training programmes of National Poverty Reduction Fund	MoLVT
		Training programme of Special Fund of Samdach Prime Minister	
		Training with certificates	
		TVET pilot on post-harvest technology and skills-bridging programme	
		Training courses through technical and vocational training institutions and community training course programmes	

Risks and shocks	Programme type	Programmes	Lead ministry
		of provincial Department of Labour and Vocational Training	
		Special training programmes for indigenous and vulnerable people	
		Entrepreneurship course for participants during training courses	
	Scholarships in cash	*Per diem* for participants in the Special Fund of Samdach Prime Minister	
Child labour, especially its worst forms	*Direct intervention and livelihood improvement*	Project of Support to the NPA-WFCL 2008-2012	MoLVT
Seasonal unemployment and livelihood opportunities	*PWPs*	Food for work	MRD
		Food for work (Emergency Food Assistance Project)	MEF
		Cash for work (Emergency Food Assistance Project)	MEF
	School feeding	School feeding	MoEYS
		Emergency Food Assistance Project	MEF
	Take-home rations	Take-home rations	MoEYS
	Financial support	Small-scale credit for self-employment in the National Poverty Reduction Fund	MoLVT
		Small-scale credit for self-employment in the Special Fund of Samdach Prime Minister	
Health shocks	*Fee waiver*	Exemptions at rural facilities for poor patients	MoH
	HEFs	HEFs in 50 ODs	
	CBHI	13 CBHI schemes	
Special vulnerable groups	*Social welfare for elderly*	Elderly persons' association support and services	MoSVY
	Social welfare for families living with disabilities	Physical rehabilitation centres/community-based rehabilitation services for people with disabilities	
	Social welfare and policy development for children and orphans	Orphans: allowance, alternative care, residential care; child victims of trafficking, sexual exploitation and abuse; children in conflict with the law and drug-addicted children	
		Child protection: helps develop laws, policies, standards and raise awareness to protect children at particular risk	
	Social welfare for families living with HIV/AIDS and TB patients	Social services and care to children and families of victims and people affected by HIV/AIDS; children in conflict with the law; and drug-addicted children	
		HIV/AIDS workplace programme for garment factory workers	MoLVT
		Food Assistance to People Living with HIV and AIDS	MoH, MoSVY
		Food Assistance to TB Patients	

Risks and shocks	Programme type	Programmes	Lead ministry
Other (labour market policy, social security, and insurance system)	*Ensuring decent workplace conditions*	Occupational health and safety protection for small enterprises and informal sector	MoLVT
		Affiliation to professional associations to establish mechanism for conflict resolution at workplace and Arbitration Council	
		Work injury insurance	
		Social safety net for migrants abroad	
	Labour market information	National qualification framework, national capacity standards and capacity test package	
		Public job service of National Employment Agency	
		Inspection of apprenticeship training	
		Skills and employment policy	
	Social security and pensions	Social security fund covering work injury	
		Civil servants' and veterans' retirement pensions NSSF employer-based pension schemes	
		Maternity benefits for all workers (except domestic workers), civil servants, armed forces and police; 90 days maternity leave; pay at half salary covered by employer (Labour Law Article 183)	
		Benefits for survivors (parents or dependants) of armed forces, spouses of disabled people, retirees or disabled persons	
	Insurance	Health insurance under NSSF for all workers (except domestic workers), civil servants, armed forces and police	MoLVT MoSVY

Note: BETT = Basic Education and Teacher Training; CESSP = Cambodia Education Sector Support Project; EEQP = Enhancing Education Quality Project; FTI = Fast-Track Initiative; JFPR = Japan Fund for Poverty Reduction; NPA-WFCL = National Plan of Action on the Elimination of the Worst Forms of Child Labour; OD = Operational District.

Non-governmental organisations (NGOs) play a significant role in assisting households in distress. In 2009, NGOs channelled roughly 10.4% of total ODA in Cambodia (Council for the Development of Cambodia (CDC)), and approximately the same in 2010 (10.3%). Within the health sector, much assistance goes towards primary health care and access to hospitals and clinics. In education, it focuses on basic education for the poor and vocational training. NGOs are also very active in providing community and social welfare services through orphanages and general assistance to vulnerable children and youth.

Mutual help has traditionally played an important role in Cambodia, through kinship, family obligation and informal networks. **Informal safety nets** include assistance from family; exchange of labour and animals; sharecropping; sharing household equipment; informal credit arrangements; information exchange; provision of food; lending money at no interest; and self-help initiatives (e.g. funeral associations). Informal safety nets can be overwhelmed by major, repetitive and community-wide shocks and emergencies and they may exclude the most vulnerable households, which are not able to reciprocate assistance (e.g. in-migrants to communities, very poor households, ethnic minorities, the elderly and the infirm, chronically ill persons). Moreover, the practice of and foundations for traditional mutual support are eroding rapidly. Social networks and customs are changing as a result of rapid population growth,

increases in livelihood competition and depletion of common natural resources, as well as developmental trends such as urbanisation and migration.

4.3 Gaps and Challenges in Social Protection Provision

Based on the poverty and vulnerability analysis in Chapter 3 and intensive stakeholder consultations over the past year, the RGC identifies the following major gaps in the current provision of social protection:

- In situations of emergency and crisis, public works have been an effective instrument, especially in the rehabilitation phase, but there is currently limited coverage and coordination.
- To tackle seasonal unemployment and food insecurity, social protection interventions include food distribution, school feeding and public works, but again there is limited coverage and coordination of PWPs, and funding and assistance for these activities remain volatile.
- More needs to be done to address poor maternal and child health and nutrition, as coverage of existing programmes (nutrition, HEF) and facilities is not universal and outreach activities for behavioural changes are not yet showing the desired results.
- More needs to be done to address child labour incidence, especially the worst forms of child labour, as current coverage is limited.
- Scholarships and school feeding programmes need to be expanded to poor areas, but big efforts in improving quality of education are crucial to improving attendance.
- Vocational training has the potential to reach out-of-school youth at a greater scale, to match the requirements of employers more precisely and to benefit from a certification/accreditation system.
- Although technical and vocational training centres are present all over Cambodia (except in Preah Vihear and Mondol Kiri provinces), they still face financial problems and issues related to training capacity, as well as a shortage of dormitories for (especially female) students and a lack of buildings, laboratories and materials. TVET programmes have also not yet been responsive to the needs of the labour market and people's demands.
- The labour market information system needs to be further developed and expanded.
- Domestic and overseas worker/employee data management is not appropriate to the current economic situation.
- Access to small-scale credit for small-scale business is still limited.
- Gaps exist related to technical and vocational skills development and labour market demand, improved productivity and employment opportunities.
- There is limited assistance to special vulnerable groups like the elderly, ethnic minorities and people living with chronic illness, such as HIV, and/or disabilities.

Table 4 summarises progress to date in social protection provision, as well as gaps and challenges within the different responses to poverty and vulnerability.

Table 4: Gaps and challenges in existing interventions

Main risks and shocks		Most vulnerable groups	Progress to date in response	Gaps and challenges in response
Situations of emergency and crisis	Economic crises	• All poor and near poor	• Public works have shown to be an effective and rapidly expandable safety net instrument during crises and natural disasters	• Limited coverage and coordination of existing PWPs
	Climate, environmental, natural disasters	• All poor and near poor • People living in flood- and drought-prone areas		
Human development constraints	Poor maternal and child health and nutrition	• Girls and women of reproductive age • Pregnant women • Small children (0-5)	• Some maternal and child nutrition programmes are in place • Breastfeeding practices are improving	• Supply of maternal and child nutrition services remains limited and of poor quality • Coverage of these services is not universal • Other demand-side factors (eating, feeding and care practices) are not being adequately addressed
	Poor access to quality education	• School age (6-14)	• Scholarships and school feeding programmes are improving attendance	• Quality of education remains poor • Coverage of education services is variable • Coverage of scholarships and school feeding programmes does not reach all poor areas
	Poor access to quality second-chance programmes	• Youth (15-24)	• Establishment of vocational training curricula • Some programmes in place for second-chance education	• Quality of vocational training remains poor • Supply of second-chance programme is minimal • Poor link between training offered and employers' needs • No certification/accreditation system in place for private sector
Seasonal unemployment and livelihoods opportunities	Under- and poor nutrition	• All poor and near poor • Families with greater age dependency ratio • Landless and land poor	• Some targeted food distribution • PWPs are providing some assistance during lean season or crises	• Limited coverage and coordination of existing public works programmes • Funding and assistance remains volatile

Main risks and shocks		Most vulnerable groups	Progress to date in response	Gaps and challenges in response
Health shocks	Ill health, injury, illness, death, pandemics	• All poor and near poor • Pregnant women • Early childhood (0-5) • Elderly People with disabilities	• HEFs are financing health care for the poor in some areas	• Quality of health care remains poor • Coverage/access of HEFs is not universal
Special vulnerable groups	Inability to work, marginalisation	• Elderly • People with disabilities • People living with chronic illness • Ethnic minorities • Orphans • Child labourers • Victims of violence, exploitation and abuse • Veterans • Families of migrants • Single mothers	• Pensions for civil servants, NSSF for private sector employees • Some donor assistance to the disabled • Some assistance to ethnic minorities	• No pensions for the poor • Very limited assistance to people with disabilities • Limited assistance to other special vulnerable groups

In addition, the RGC has identified the following institutional and implementation constraints with regard to effective and efficient provision of social protection:

- Safety net implementation often reflects immediate priorities (such as the need to respond to the food and financial crises) rather than a shared longer-term vision for safety net development.
- Programmes are often implemented in parallel with the RGC structure, failing to build capacity in local government to gradually take over safety net management, therefore generating a vicious cycle of low local capacity and sustained parallel implementation of programmes.
- Limited coordination among social protection interventions has resulted in uneven coverage, duplication of efforts and lack of sustainability and overall impact.
- Geographic coverage of existing programmes, even the largest ones, is far from universal. Moreover, programmes do not necessarily prioritise poor areas.

- Targeting has not yet been mainstreamed into safety net implementation and many safety net programmes still rely on *ad hoc* targeting procedures whose accuracy has not been investigated, adding to transaction costs and inefficiencies.
- Few programmes or institutions are actually collecting critical monitoring information beyond inputs, outputs and the mere list of beneficiaries, which makes it difficult to assess the effectiveness of ongoing programmes and improve them on an ongoing basis. Even fewer are using monitoring data to improve their procedures on a continuous basis. Moreover, there are few rigorous and thorough evaluations of existing safety net interventions, making it difficult to assess how well they perform by international standards and where there are areas for improvement.
- Feedback and complaint resolution systems – a central pillar for guaranteeing good governance, transparency and effectiveness of safety net interventions – tend to remain underdeveloped. Very few programmes have evaluated the effectiveness of their feedback systems.
- 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 with the RGC system.

Chapter 5

National Social Protection Strategy for the Poor and Vulnerable

Chapter 5

National Social Protection Strategy for the Poor and Vulnerable

The NSPS complements other strategies and sector plans adopted by the RGC that pertain directly or indirectly to social protection. It is aligned with and makes operational the priority actions laid out in the Rectangular Strategy and the NSDP Update 2009-2013.

5.1 Vision

The RGC's long-term vision for social protection is to ensure a basic guarantee of social protection for the entire population through a package of benefits and complementary services. The vision of the NSPS comprises **targeted transfers to the poor** as well as **contributory social protection schemes.** It aims to achieve a high level of human development as well as equal choices and opportunities for all Cambodians. This long-term vision is in line with the concept of the SPF.

Vision of Social Protection for the Poor and Vulnerable

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.

5.2 Goal

An effective social protection strategy for the poor and vulnerable aims to relieve chronic poverty and food insecurity, assisting the poor to cope with shocks and building human capital for the future to help break the cycle of poverty. The strategic goals of the NSPS thus have three elements:

- Protecting the poorest and most disadvantaged who cannot help themselves;
- Preventing the impact of risks that could lead to negative coping strategies and further impoverishment;
- Promoting the poor to move out of poverty by building human capital and expanding opportunities.

Goal of Social Protection for the Poor and Vulnerable

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.

5.3 Common Strategic Steps for Achieving the Goal

The NSPS has been developed in the context of crisis (food, fuel and financial), which has placed more of a burden on the poor and vulnerable in the country. Its framework entails the bridging of existing programmes by establishing systematic and integrated objectives to enable improved service delivery for the poor and vulnerable, protection from poverty and the promotion of investments in human capital. To achieve such linkages, the NSPS includes several strategic steps.

The achievement of these objectives requires a **mix of programmes that cover both chronic and transient poverty as well as hunger and also help promote human capital.** Addressing major (uncovered) sources of vulnerability will take priority, while simultaneously building the milestones of an effective safety net system that can be further developed.

Matching main sources of vulnerability and existing programmes requires **scaling up and harmonising existing interventions.** HEFs, school feeding, scholarships and public works are already addressing major vulnerabilities faced by the poor and are proving effective. However, as we have seen, some of these programmes, such as public works, tend to be implemented by multiple development partners on an *ad hoc* basis without much coordination, and their medium-term sustainability is often questionable. In scaling up these interventions, it will be of the utmost importance to harmonise processes and ensure regular financing, so as to guarantee medium-term sustainability. In addition, coverage of existing programmes will be reassessed and better aligned with poverty and vulnerability levels of provinces and districts.

The current **mechanism for identifying poor households, IDPoor, will be evaluated** to pinpoint areas for further improvement if necessary. Such an evaluation will determine the effectiveness of the mechanism and complementarities with the **Commune Database** and will identify any categories of poor and vulnerable groups that the current mechanism does not cover.

Ongoing interventions of limited coverage will be scaled up and implementation will be assessed to improve efficiency and effectiveness. New interventions will be piloted, evaluated and scaled up based on effectiveness and sustainability.

Existing social protection gaps for the poor and vulnerable will be addressed by new programmes that intend to help both relieve chronic poverty and promote human capital, such as cash transfers focusing on improvement of child and maternal nutrition, health and

education outcomes and reducing child labour, as well as second-chance programmes that promote skills development for out-of-school youth and provide support to child labourers to re-enter the school system.

5.4 Objectives

The NSPS identifies five objectives, as well as key interventions to achieve them, based on the vulnerability and gap analysis and the consultation process in 2009 and 2010. Table 5 summarises the objectives and medium-term programme options. Indicators to track the progress against the objectives are summarised in the Results Matrix (Table 8).

Table 5: Objectives of the NSPS[12]

Priority area and related CMDG	Objective	Medium-term options for programmatic instruments
Addressing the basic needs of the poor and vulnerable in situations of emergency and crisis *(CMDG 1, 9)*	*1. The poor and vulnerable receive support including food, sanitation, water and shelter, etc., to meet their basic needs in times of emergency and crisis*	• Targeted food distribution, • Distribution of farm inputs • Other emergency support operations
Reducing the poverty and vulnerability of children and mothers and enhancing their human development *(CMDG 1, 2, 3, 4, 5)*	*2. Poor and vulnerable children and mothers benefit from social safety nets to reduce poverty and food insecurity and enhance the development of human capital by improving nutrition, maternal and child health, promoting education and eliminating child labour, especially its worst forms*	• Cash, vouchers, food or other in-kind transfers for children and women towards one integrated programme (e.g. cash transfers focusing on maternal and child nutrition, cash transfers promoting education and reducing child labour, transfer of fortified foods to pregnant women, lactating mothers and children) • School feeding, take-home rations • Outreach services and second-chance programmes for out-of-school youth and supporting social welfare services
Addressing seasonal un- and underemployment and providing livelihood opportunities for the poor and vulnerable *(CMDG 1)*	*3. The working-age poor and vulnerable benefit from work opportunities to secure income, food and livelihoods, while contributing to the creation of sustainable physical and social infrastructure assets*	• National labour-intensive PWPs • Food for work and cash for work schemes
Promoting affordable health care for the poor and vulnerable *(CMDG 4, 5, 6)*	*4. The poor and vulnerable have effective access to affordable quality health care and financial protection in case of illness*	• Expansion of HEFs (for the poor) and CBHI (for the near poor) as envisioned in the Master Plan on Social Health Protection (pending Council of Ministers

[12] The nine CMDgs are Eradicate Extreme Poverty and Hunger, Achieve Universal Primary Education, Promote Gender Equality and Empower Women, Reduce Child Mortality, Improve Maternal Health, Combat HIV/AIDS, Malaria and Other Diseases, Ensure Environmental Sustainability, Forge a Global Partnership for Development and De-mining, Explosive Remnants of War and Victim Assistance.

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