



World Bank Group Consultations on Cambodia's Development Challenges and Opportunities
Sub-national Consultations
June 30 – July 6, 2015
SUMMARY OF FEEDBACK

The World Bank Group (WBG) met with 380 representatives from provincial councils, district councils, and commune councils in 18 provinces and municipalities between June 30 and July 6, 2015 in Kampong Cham, Siem Reap, Preah Sihanouk and Phnom Penh. The objective was to exchange views and perceptions on Cambodia's development opportunities and pressing challenges, and ways to address them in the next two to three years. The discussion focused on three guiding questions:

1. What are Cambodia's development opportunities in the next 2-3 years?
2. What are Cambodia's most pressing challenges to be addressed in the next 2-3 years?
3. What policies, reforms and investments will be most important for Cambodia over the next 2-3 years to realize these opportunities and overcome these challenges?

1. What are Cambodia's development opportunities in the next 2-3 years?

- Cambodia has peace, political stability, social justice, respect for human rights, and the rule of law.
- Cambodia has a clear strategy (Rectangular Strategy), a National Strategic Development Plan, village/commune-sangkat safety policy, open sky policy, rice export policy.
- Government policies have reduced poverty, encouraged investment by simplifying investment procedures; provided tax exemption, and delegated power and allocated budget to sub-national level.
- Cambodia has good natural resources (river, water systems, forestry) and the potential for agricultural development (land availability for agriculture and agro-industry, as well as for plantations).
- Cambodia has increased development of large-scale irrigation system for agricultural farming.



<ul style="list-style-type: none">• Cambodia has good potential for tourism development (ancient temples and a range of tourist sites—beautiful beach, mangroves, mountain and other eco-tourism sites).
<ul style="list-style-type: none">• Cambodia can have more investment from local and foreign countries (FDI) particularly in garment factories and cement factories.
<ul style="list-style-type: none">• Cambodia has increased infrastructure development (road, school, irrigation system, hydropower, built national electricity network...) and communities have their own master plan for infrastructure development.
<ul style="list-style-type: none">• Health centers are available at the community level and poor people have access to the Health Equity Fund.
<ul style="list-style-type: none">• Increased investment in small-scale handicrafts.
<ul style="list-style-type: none">• Cambodia has a growing young population.
<ul style="list-style-type: none">• CSOs and development partners are contributing to community development.
2. What are Cambodia's most pressing development challenges to be addressed in the next 2-3 years?
<ul style="list-style-type: none">• Delegation of power from national level to sub-national level is still limited.
<ul style="list-style-type: none">• Commune/Sangkat budget allocation does not meet the needs of the community. Budget from tourism sector is not shared at sub-national level, particularly for the provinces where the tourist sites are situated.
<ul style="list-style-type: none">• Service provision to local people remains slow (family record and issue ID card for people).
<ul style="list-style-type: none">• Although poor people now have access to the Health Equity Fund and more health centers have been built at the community level, health issues remain a challenge. For example, malnutrition remains high and there is a lack of skilled nurses and ethical health staff.
<ul style="list-style-type: none">• Poor quality of education (corruption, poor quality of teaching, low salaries, high student drop-out rate, lack of teaching materials).



<ul style="list-style-type: none">• Low and fluctuating price of agricultural products; lack of markets (both domestic and international); inadequate irrigation system (lack of secondary and small canals, sources of water and basin); lack of technical skills; lack of means to support farmers in applying modern agricultural techniques; lack of farmer associations; lack of funds to support the expansion of agro-businesses; lack of labor in the countryside due to migration; quality of agricultural products and food safety practices do not meet the standards of the international community/tourists.
<ul style="list-style-type: none">• Lack of roads in rural areas, lack of road maintenance, lack of access to electricity in rural areas, and high incidence of traffic accidents.
<ul style="list-style-type: none">• Interest rates from micro-financial institutions or money lender is too high.
<ul style="list-style-type: none">• Lack of investment in expanding the potential areas for tourist sites, lack of private participation in this sector, lack of tour guides, visa issuing at the border is slow, etc.
<ul style="list-style-type: none">• Lack of land tenure causes land disputes; lack of land distribution for social land concessions.
<ul style="list-style-type: none">• People emigrate illegally; more and more people migrate to Phnom Penh, leading to overcrowding.
<ul style="list-style-type: none">• Gender is not widely mainstreamed in all sectors.
<ul style="list-style-type: none">• Natural disasters
<ul style="list-style-type: none">• Cambodia has poor standards of investment, corruption, lack of social protection and social service delivery.
3. What policies, reforms and investments will be most important for Cambodia over the next 2-3 years to realize these opportunities and overcome these challenges?
<ul style="list-style-type: none">• Promote and implement education reform and vocational/technical training; improve the quality of education service delivery and technical skills training.
<ul style="list-style-type: none">• Continue to implement deep reform on D&D and delegate more power to the sub-national level. Improve public service and move it closer to the community. Eliminate complicated administrative service by establishing "one-window service" offices in every district. Continue and reinforce the implementation of good governance; increase investment at the district and commune levels.



<ul style="list-style-type: none">• Increase agriculture production while meeting food safety standards; construct irrigation system (basin, second and third canals); find new markets and keep price stable; provide agriculture skill training; build more modern rice mills; decrease tax on imported agriculture equipment and inputs; and provide loan with low interest rate to farmers.
<ul style="list-style-type: none">• Attract more investors to build factories in rural areas; reinforce labor law and factory management; factories should provide accommodation for workers.
<ul style="list-style-type: none">• Increase skills in industrial and agricultural sectors.
<ul style="list-style-type: none">• Improve visa issuance procedures at the border checkpoint, set up standard price of tourism-related services; budget generated from tourism sector should be distributed to provinces where the tourism sites are located; encourage people to keep beaches clean and participate in making the beach a safe-place for visitors; encourage private sector to invest in eco-tourism sites; and provide skills training to tour guides and the hospitality sector.
<ul style="list-style-type: none">• Promote and support income-generating activities at the community level.
<ul style="list-style-type: none">• Expand access to electricity in rural areas and build more rural roads; impact on housing or farming from road construction should be well informed including providing clear benefit to the people who are affected.
<ul style="list-style-type: none">• Provide social land concession to the poor and continue to provide land tenure and communal land titles.
<ul style="list-style-type: none">• Be prepared for the natural disasters.
<ul style="list-style-type: none">• Build more Commune/Sangkat offices.
<ul style="list-style-type: none">• Reinforce peace, social security and political stability and reinforce the safety of village and commune.
<ul style="list-style-type: none">• Reinforce reform of justice system, court, land, forestry and fisheries.
<ul style="list-style-type: none">• Prevent all import of bad quality of goods.
<ul style="list-style-type: none">• Reduce maternal and child mortality and build more hospitals and health centers.
<ul style="list-style-type: none">• The World Bank should engage in Cambodia now.