



CAMBODIA AND THE WORLD BANK GROUP

A Partnership to End
Extreme Poverty



WORLD BANK GROUP



ABOUT THE WORLD BANK GROUP

The World Bank Group is the world's largest development institution offering financial assistance, policy advice, research and analysis for 189 member countries.

Our twin goals by 2030

◆ END EXTREME POVERTY

Decrease the percentage of people living on less than \$1.90 a day to no more than 3 percent

◆ PROMOTE SHARED PROSPERITY

Foster the income growth of the bottom 40 percent of the population in every country

FIVE INSTITUTIONS, ONE GROUP

The World Bank Group consists of five organizations:

THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD)

provides lending and technical solutions to governments of middle-income and creditworthy low-income countries

THE INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)

gives concessional loans and grants to governments of the poorest countries

THE INTERNATIONAL FINANCE CORPORATION (IFC)

blends investment with advice and resource mobilization to help the private sector advance development

THE MULTILATERAL INVESTMENT GUARANTEE AGENCY (MIGA)

promotes foreign direct investments by offering political risk insurance and guarantees to investors and lenders

THE INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES (ICSID)

provides international facilities for conciliation and arbitration of investment disputes

CAMBODIA

COUNTRY PROFILE

Following more than two decades of strong economic growth, Cambodia has attained lower-middle-income status as of 2015, with gross national income (GNI) per capita reaching \$1,070. Growth has been driven by garment and tourism exports, agriculture, and more recently, construction and real estate.

Cambodia has achieved dramatic poverty reduction, with poverty incidence under the national poverty line falling from 50.2 percent in 2004 to 10.1 percent in 2013. During the 2007–2009 period, at the peak of the agriculture price boom, poverty declined by 21 percentage points and 2.6 million people escaped poverty. Nonetheless, about 1.5 million people still live in poverty and more than half of the population remain in an economically vulnerable situation, with about 90 percent of them living in the countryside.

Cambodia has made significant progress in achieving the Millennium Development Goals (MDGs), halving extreme poverty and maternal mortality over the past fifteen years. At the same time, malnutrition among children and educational attainment are some of the still persistent human development challenges in Cambodia.



CAMBODIA ENGAGEMENT NOTE

The Country Engagement Note, or CEN, outlines the 2016-2017 partnership between Cambodia and the World Bank Group to support the government's twin strategy of growth and poverty reduction.

The CEN's broad objectives, which link to the country's development goals, are to support the export driven economy, help the poorest and most vulnerable people withstand shocks by improving service delivery, and build their livelihoods.

PROGRAMS

The World Bank is administering around \$250 million in IDA funding for fiscal year 2017. The funding has been allocated to eight main project areas and knowledge products and advisory services.

RECENTLY APPROVED PROJECTS

◆ HEALTH EQUITY AND QUALITY IMPROVEMENT

The World Bank has provided financial support with \$30 million for five years to build upon the successes Health Equity Fund (HEF) has brought to health equity and quality. The HEF reduces out-of-pocket costs for the poorest users of the service, while Service Delivery Grants improve the quality of health services by focusing on in-clinic improvements to facilities management, staff attendance and health coverage.

The project is jointly financed by the government, the World Bank, and a \$50 million multi-donor trust fund with contributions from the Australian government, the German Development Bank and the Korea International Cooperation Agency. Japan's Policy and Human Resources Development trust fund with the World Bank will also provide an additional \$1 million to strengthen monitoring and evaluation.

◆ MEKONG INTEGRATED WATER RESOURCES MANAGEMENT

This newly implemented \$15 million project is to improve the management of the country's fisheries and water resources and, in so doing, reduce rural poverty in the Mekong Basin and sustain the livelihoods of communities that rely on fisheries activities.

◆ ROAD ASSET MANAGEMENT II (RAMP II)

Under RAMP II, the World Bank expands a \$60 million pilot project in four provinces – Kampot, Preah Sihanouk, Tbong Khmum and Kratie – that aims to improve 218 kilometers of roads for better connectivity and travel times, and to make them more resistant to seasonal flooding.

◆ LAND ALLOCATION FOR SOCIAL AND ECONOMIC DEVELOPMENT PROJECT II (LASED II)

LASED II, a World Bank-funded project, showed how private state land could be distributed equitably to landless and land-poor beneficiaries. The \$25 million project provides agriculture extension services to previously landless and land-poor families in 14 communities across five provinces. More than 5,000 families from these communities will receive agricultural livelihood support and benefit from better roads, schools and health clinics.





PROJECTS UNDER PREPARATION

◆ EMERGENCY AND DISASTER MANAGEMENT

This project will help improve infrastructure to make it more resilient. The project will also continue the work done on boosting coordination and information systems, and will assess whether the government should create a disaster risk fund.

◆ LIVELIHOOD ENHANCEMENT AND ASSOCIATION FOR THE POOR (LEAP)

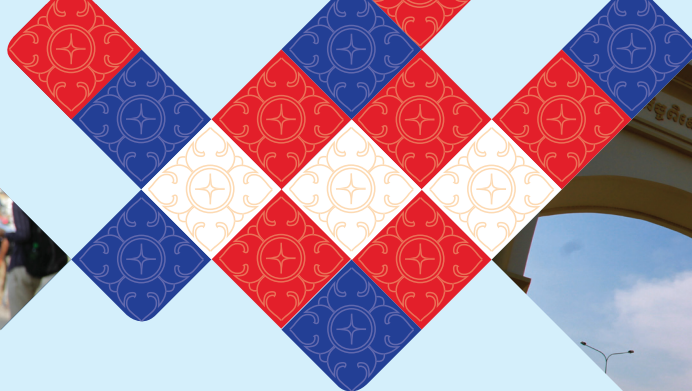
From 2010-2012, the World Bank successfully tested a pilot project in Siem Reap that set up 100 local self-help groups that transitioned into savings and credit groups. The result was improved livelihoods and increased incomes that came from investments in agriculture, livestock and handicraft production.

The government, which will use this model as part of its poverty reduction for Phnom Penh's urban poor communities, has asked the World Bank to support the scaling-up of the LEAP program. The object of this project is to improve the livelihoods of targeted rural and urban poor households by increasing incomes, improving access to finance and markets, and better delivering key services.

◆ SECONDARY EDUCATION IMPROVEMENT PROJECT (SEIP)

The SEIP will provide support to increase the enrollment rate of lower-secondary school students in target areas nationwide by building more schools, classrooms and facilities and improving teachers' proficiency in Khmer, Math and Science through teacher training.





KNOWLEDGE PRODUCTS AND ADVISORY SERVICES

SYSTEMATIC COUNTRY DIAGNOSTIC

The World Bank Group is preparing a Systematic Country Diagnostic (SCD), in close consultation with national authorities, private sector representatives, international donors and civil society. This study is intended to help the different stakeholders to focus their efforts on activities that have high impact and are aligned with the global goals of ending extreme poverty and boosting shared prosperity. The SCD will be based on the best possible analysis, drawing on available evidence, and is not limited to areas or sectors where the World Bank Group is currently active.

ANALYTICAL AND ADVISORY SERVICES

The World Bank Group assists the government with analytical and advisory services targeting the following key areas: promoting trade and investment; improving management in the financial sector; capacity building for poverty measurement; enhancing fiscal and macroeconomic policies; and further developing social infrastructure.



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