

Cambodia Country Partnership Framework 2019-2023

Summary of Consultation Discussions with Civil Society Organizations

Phnom Penh, January 29, 2019

Participants: 41 representatives from civil society organizations, including provincial based NGOs

Introduction: The World Bank team opened with a presentation outlining the country context and development priorities as identified in the Systematic Country Diagnostic (SCD), as well as the proposed areas of focus for the upcoming Country Partnership Framework (CPF), which align with priorities of the Royal Cambodian Government's (RCG) Rectangular Strategy. The proposed CPF focus areas include: 1) promote state efficiency and boost private sector development, 2) foster human development, 3) improve agriculture and strengthen sustainable use of natural resources; and a cross-cutting theme of strengthening governance, institutions and citizen engagement. In addition to the SCD pathways and RCG strategy, the CPF aims to consider the WBG's areas of comparative advantage. Participants split into breakout groups to brainstorm and record responses to the WB's discussion questions and then presented their conclusions.

Top issues raised in discussion: Human capital, social protection, social accountability, environment, SMEs

Areas of discussion	Key points raised
What are Cambodia's most pressing development challenges and needs?	<ul style="list-style-type: none">• Human development and education: many students are not prepared for higher education, and there is only a 60% high school passing rate in some areas. The quality of education is uneven, leaving many youths with low skills levels, and unprepared for the job market, which perpetuates a cycle of poverty.• Social cohesion, corruption, and low public trust of institutions remain key issues. There is little trust between CSOs and the Government, and this still needs to be developed.• Land governance is an ongoing issue in Cambodia, and particularly affects indigenous people. There needs to be better management of land concessions to avoid overlapping boundaries between communities and private companies. When conflict occurs, the mechanisms for resolution do not function well. The Communal Land Titling process is slow and complicated.• Migration is a pressing challenge. This affects labor and skills, social protection, and the economy. Cambodia needs a mechanism to manage its human capital and find a way to use migration to improve the national economy. Safe migration should also be promoted. In-country migration also leads to issues related to urbanization.• Related to migration are the irresponsible lending practices of some microfinance institutions. These need to be better regulated, as some people are heavily indebted and choose to migrate as their only means to paying this off.

	<ul style="list-style-type: none"> • There has been some development on social protection, but it still falls short of needs. This also links to general improvements needed in public service delivery. Universal Health Coverage is social protection area of interest. • While economic growth has been strong, it is not fairly distributed among the population. Many vulnerable and marginalized groups do not have the opportunity to benefit from growth. • Many people cannot access justice systems or information. • Cambodia has developed some good policies, but there is a gap between policy and implementation. Poor law enforcement still prevails, particularly at the lower levels of government. • Drug use, particularly among youth, is an issue draining the human capital of the country. • The agriculture sector falls behind other countries and is in need of further development and commercialization. Climate change has negative impacts on the agriculture sector, and many rural farmers need irrigation. • SMEs need further development, as well as simplified procedures for starting a business. • Many health centers are of uneven quality with differing levels of skill and equipment.
<p>What would be the priority areas for WBG support over the next 5 years?</p> <p>What should the WBG do more or less of?</p>	<ul style="list-style-type: none"> • In general, the WB could do less infrastructure investment and focus on other priorities, as Cambodia is able to get financing for infrastructure from other lenders. <p><i>Human Development</i></p> <ul style="list-style-type: none"> • Social protection was raised as a priority for WB support from many participants. As much as possible, social protection schemes should be linked to ensure responsiveness to shocks and avoid working in silos. • WB should consider engaging in high school education, not just higher education sector. • Participants inquired whether there is any opportunity for the WB to engage on migration management, as this is an ongoing challenge and results in insufficient labor and skills in the country for economic development. • WB should work to ensure fair distribution of growth to reach the most vulnerable people, considering many categories: people with disabilities, LGBT, children, women, indigenous people. This should be a consideration during the implementation of WB projects. Are these people being reached? • WB engagement on human capital is appreciated and should be a continuing area of investment at all levels, including early childhood development and youth. • Work should be done to improve both food security and nutrition outcomes. • WB health projects should focus both on equity and quality of healthcare. <p><i>Governance and Economy</i></p> <ul style="list-style-type: none"> • Social accountability: WB support should be considered to public sector reform at all levels and policies to reduce corruption and promote social justice. • The WB should support more trustworthy justice systems however possible.

	<ul style="list-style-type: none"> • Participants supported the WB selection of focus area 1 and suggested more allocation of funding to support good governance and social accountability. This can include improving capacity of public sector and supporting civil service reform. • WB should work on strengthening capacity for improved Communal Land Titling processes. The LASED project should be continued. • Capacity development is needed for sub-national level government to improve the effectiveness of public service delivery. <p>Private Sector</p> <ul style="list-style-type: none"> • The WB should work on SME regulation and support. This can include improved legal frameworks and making registration easier. • Local products need support to be able to receive fair prices and compete in with imported projects, as well as in regional markets. • In its engagement with the private sector, promotion of Corporate Social Responsibility should be a priority for the WB. • The technology sector has potential for Cambodia and could be a new area for the WB to explore. • Social impact investment funds would be a good option to make a difference to social inequality. • It is difficult for many people to access finance, particularly rural farmers. This should be integrated into existing projects. <p>Environment and Agriculture</p> <ul style="list-style-type: none"> • WB should consider green growth and environmental sustainability as a priority area. Globally, development investment needs to go toward climate resilience. The RCG has a green growth strategy, which the WB could support. • Appreciate upcoming WB support to agriculture. In WB engagements in agriculture, participants suggest supporting establishment of irrigation system and related agriculture infrastructure. • WB project should promote improved agricultural production and commercialization, including access to finance and alignment with markets. • Participants agree with WB engagement on Integrated Mekong Water Resources Management and emphasize that this should be continued. • There should be projects supporting the tourism sector, and ecotourism in particular. This can provide communities with incentives for conservation. • The WB should invest in renewable energy as a way to provide low cost energy in rural areas.
<p>What could be the most significant implementation challenges and</p>	<ul style="list-style-type: none"> • Corruption remains a challenge across the board. This can be mitigated by supporting the improvement of public financial management and supporting Government institutions for more effective implementation. IT was also raised as having potential to make operations more transparent in the future. Building transparency is a slow process but can be done through setting clear standards and processes. • Participants raised the issue of political challenges – both within and outside the country – which have impacts on projects.

<p>how could they be mitigated?</p>	<ul style="list-style-type: none"> • CSOs raised concerns whether investment always meets the needs of concerned groups and encouraged WB to ensure that voices of the local citizens are promoted and valued when monitoring ongoing projects. Participants asked whether there might be some mechanism for public participation beyond the consultation stage. • There are still limited human and technical resources for project implementation, particularly at the sub-national level.
<p>Other comments</p>	<ul style="list-style-type: none"> • Participants agreed that better information sharing from the WB would be beneficial. They would like more clarity on opportunities and entry points for coordination between CSOs and WB (and other DPs). • CSOs welcome further discussion with the WB on how to engage citizens through projects and how to improve channels of communication. • Some participants suggested better alignment with SDGs and work with communities, DPs, Government, and CSOs to develop a better understanding of SDGs and how they can be implemented into programs, as well as how to measure progress. • The participants also suggested the World Bank to look at the issue of debt (people borrowing from banks or MFIs).