

# Cambodia Country Partnership Framework 2019-2023

## *Summary of Consultation Discussions with Development Partners*

Phnom Penh, January 30, 2019

Development Partners were represented by: 25 representatives from bilateral and multilateral development partners working in Cambodia

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. The WB emphasized that coordination and alignment with other development partners will be key to avoid duplication or a disorganized approach. Participants then discussed questions posed by the Bank team.

Top issues raised in discussion: Social protection, environment, agriculture, accountability/governance

Areas of discussion	Key points raised
<b>What are Cambodia's most pressing development challenges and needs?</b>	<ul style="list-style-type: none"><li>▪ The lack of social protection systems and vulnerability of population to shocks are major areas for development that many partners are interested to engage in.</li><li>▪ Rising debt and the macro environment: not at critical levels yet, but worth examining and supporting capacity and strategic planning in public investment management.</li><li>▪ Household indebtedness and migration are interrelated issues - quantitative data may be lacking, but qualitatively these issues are well-known. In-country migration and urbanization are also challenges for Cambodia's cities as well as the human resources available in rural areas.</li><li>▪ Accountability / transparency remains a cross-cutting issue.</li><li>▪ Environmental issues are of growing concern as well as the vulnerability of population to natural disasters.</li><li>▪ Agriculture diversification is another important issue, as it is difficult for Cambodian agricultural products to compete with those of neighboring countries.</li></ul>

<p><b>What would be the priority areas for WBG support over the next 5 years? What should the WBG do more or less of?</b></p>	<p><b><i>Human Development:</i></b></p> <ul style="list-style-type: none"> <li>• Social protection is a key area to be developed that the WB seems well-positioned to engage in, based on its international experience. Are there any openings for the Bank to engage in this area? (ie. medical insurance)</li> <li>• Other development partners have also noted social protection as an accelerator for development, so this may be an area for cooperation in the future. Many DPs want to better link social protection to human capital, economic growth and mitigation of economic risks to make this topic more relevant.</li> <li>• Nutrition and youth issues remain important human development areas for WB support, and provide opportunities for DP alignment and cooperation.</li> </ul> <p><b><i>Governance:</i></b></p> <ul style="list-style-type: none"> <li>• WB has good experience on public financial management and accountability, particularly related to procurement and transparency, so this may be an area of comparative advantage.</li> <li>• Governance related to opportunities for innovation and digital economy would be a good area to explore. Digital economy would be an area of interest and upcoming priority for potential WB support, as well as PPPs. There is government interest in bringing in the private sector whenever possible.</li> </ul> <p><b><i>Environment and Agriculture:</i></b></p> <ul style="list-style-type: none"> <li>• Water resources management is important for Cambodia as a downstream country. It is noted that WB continues to engage through the Mekong Integrated Water Resources Management work as well as pipeline work on environment. It would be useful to look at this from a regional and governance perspective.</li> <li>• DPs would like to understand how WB embeds gender into its work, as this is a cross-cutting issue identified by many.</li> <li>• Natural resource management can be linked to community development and sustainable growth as there are still good ecotourism opportunities, which could be linked to environmental protection. WB noted that ecotourism is upcoming in a pipeline project.</li> <li>• Agriculture is identified as a priority sector for support, so many participants are pleased to see this in the pipeline. There are many partners in this sector, sometimes resulting in a piecemeal approach.</li> </ul>
<p><b>What could be the most significant implementation challenges and how could they be mitigated?</b></p>	<ul style="list-style-type: none"> <li>• Existing sector coordination mechanisms are not always effective. Development partners need to work more closely together to avoid working in silos.</li> <li>• Capacity of public administration agencies or fragmentation of responsibilities for sectors between different agencies can pose challenges to project implementation.</li> <li>• Other development partners also face disbursement issues. It is important to identify bottlenecks and use these to guide future strategies.</li> </ul>

<b>Other comments</b>	<ul style="list-style-type: none"><li>• Participants expressed appreciation of the WB’s SCD diagnostic work. Most DPs mentioned that they were in development stages of their own country engagement strategies, and many stated that there is significant alignment and overlap in their findings and potential pillars of engagement, particularly related to human development. Some DPs stated that they will have greater focus on green growth and the environment as well as competitiveness.</li><li>• DPs discussed the need to compare and share upcoming and ongoing strategic planning to ensure that work is not fragmented and can be cooperative whenever possible.</li><li>• Would like to discuss interconnectedness of the various country strategies with SDGs, as well as how different agencies are handling cross-cutting issues.</li><li>• The place of Cambodia in the ASEAN Economic Community and regional integration is another area for future DP discussion.</li></ul>
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