



**KINGDOM OF CAMBODIA
NATION RELIGION KING**



**Ministry of Land Management
Urban Planning and Construction**

**CAMBODIA NATIONAL REPORT
FOR HABITAT III PREPARATION**

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Prepared by General Department of Housing



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Nation Religion King

National Report
– Habitat III –

**THIRD UNITED NATIONS CONFERENCE ON HOUSING AND SUSTAINABLE
URBAN DEVELOPMENT (HABITAT III)**

Cambodia

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FOREWORD

Cambodia, with the win-win policy of **Samdech Akka Moha Senapadei Decho HUN SEN**, Prime Minister of Cambodia, has achieved full peace, security, safety, and political stability, which are the key factors leading to the current strong and balanced development of all sectors. A challenge arising from this success is that the urban population has been increasing relatively faster than the rural population, which has led to the further challenges of job creation, provision of public services and the construction of a Cambodian urban identity. This rapid urban population increase has also put pressure on the demand for land and housing in municipal and urban areas, resulting in a housing deficit, overcrowding and poor living conditions in what is available and affordable to the growing population, particularly those at lower income levels.



With the aim to strike a balance between the often competing uses and functions of land, to provide for a sustainable territorial development, and to address the housing deficit throughout the country, the Royal Government of Cambodia (RGC) through the Council of Ministers (COM) approved the National Policy on Spatial Planning (April 08th, 2011). The COM also mandated the National Committee for Land Management and Urban Planning (NCLMUP) - under the chairmanship of the Ministry of Land Management, Urban Planning and Construction (MLMUPC) – to be the leading agency to implement spatial planning in Cambodia, and adopted a National Policy on Housing (NPH) on May 09th 2014. The NPH has the main vision of “enabling people throughout the country to have access to adequate housing to reside with welfare, peace and dignity, especially low and medium income households and vulnerable groups”. In order to make possible the implementation of the NPH, the RGC has established a permanent mechanism for housing (mid-2014) both at the National and Sub-National levels, set up under MLMUPC and Provincial Departments of Land Management, Urban Planning, Construction and Cadastre respectively.

In addition to addressing housing and settlement issues, Cambodia has also been actively working in close cooperation with United Nations Habitat (UN-Habitat). UN Habitat is a key development partner to support Cambodia in terms of housing and settlement resolution. Cambodia highly appreciates all outstanding support of UN Habitat and continues our cooperation with that institution for sustainable settlement and urban development.

In accordance with the guidelines from UN Habitat, the National Report of Habitat III of Cambodia consists of six main themes: (1) Urban Demographic Issues and Challenges for a New Urban Agenda, (2) Land and Urban Planning: Issues and Challenges for a New Urban Agenda, (3) Environment and Urbanization: Issues and Challenges for a New Urban Agenda, (4) Urban Governance and Legislation: Issues and Challenges for a New Urban Agenda, (5) Urban Economy: Issues and Challenges for a New Urban Agenda, and (6) Housing and Basic Services: Issues and Challenges for a New Urban Agenda. Both objectives and challenges, and an agenda for sustainable settlement and urban development, are clearly contained in these themes.

Hopefully, this report will serve as a basic reference and will help contribute towards the path of sustainable settlement and urban development within the nation and region.



Phnom Penh, 16 June 2016

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ABBREVIATIONS AND ACRONYMS

ACHR	Asian Coalition of Housing Rights
ADB	Asian Development Bank
AFD	Agence Française de Développement
CESSP	Cambodia Education Sector Support Project
CDF	Community Development Foundation
CDTA	Capacity Development Technical Assistance
CMDGs	Cambodian Millennium Development Goals
CRUMP	Cambodian Rural Urban Migration Project
CSES	Cambodian Socio-Economic Survey
EAC	Electricity Authority of Cambodia
EU	European Union
GDH	General Department of Housing
GGGI	Global Green Growth Institute
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
ICESCR	International Convention on Economic, Social and Cultural Rights
IDPoor	Identification of Poor Households Programme
ILO	International Labour Organization
IRITWG	Infrastructure and Regional Integration Technical Working Group
JICA	Japan International Cooperation Agency
KOICA	Korea International Cooperation Agency
MIH	Ministry of Industry and Handicraft
MoC	Ministry of Commerce
MoEYS	Ministry of Education
MoLMUPC	Ministry of Land Management, Urban Planning and Construction
MoLVT	Ministry of Labour and Vocational Training

MoP	Ministry of Planning
MoPWT	Ministry of Public Works and Transport
MoSVY	Ministry of Social Affairs, Veterans and Youth Rehabilitation
MPP	Municipality of Phnom Penh
NCDD	National Committee for Sub-national Democratic Development
NCLMUP	National Committee for Land Management and Urban Planning
NGO	Non-Governmental Organisation
NIS	National Institute of Statistics
NSDP	National Social Protection Strategy for the Poor and Vulnerable
NSSF	National Social Security Fund
PPWSA	Phnom Penh Water Supply Authority
RGC	Royal Government of Cambodia
SEZ	Special Economic Zones
SMEs	Small and Medium Enterprises
SNIF	Sub-National Investment Facility
SPV	Solar Photovoltaic
TVET	Technical Vocational Education and Training
UNDP	United Nation Development Programme
UNIDO	United Nations Industrial Development Organisation
UPDF	Urban Poor Development Fund
WEPA	Water Environmental Partnership in Asia
WFP	United Nations World Food Programme

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I. Urban Demographic Issues and Challenges for a New Urban Agenda

1. Managing rapid urbanisation

Cambodia's major centres have undergone rapid urbanisation over the last twenty years. This rather unplanned growth led to an unbalanced population and economic development in Cambodia with a high concentration particularly in the capital city Phnom Penh, which dominates with around 1.8 million inhabitants and is considered to be a primate city¹. The population of Phnom Penh doubled over a period of eight years, from 1998 to 2006. Five other major urban areas, which can be considered as secondary cities with an excess of 100 000 inhabitants, including Sihanoukville (located on a port, with manufacturing and tourism potential), Battambang (agri-business) and Siem Reap (tourism). The status of towns is defined by the difference between municipal and non-municipal towns. The 27 municipalities (most of them only established in 2008) comprise 2.9 of the 3.6 million urban residents².

The urbanisation rate of Cambodia measuring 27.1% in 2011 - published after a reclassification of the census data from 2008 – is still relatively low for the Asean Pacific region. This low urbanisation rate is connected to historical implications of the Khmer Rouge period in the 70s, which led to an emptying/ evacuation of cities to create an entirely agricultural based country. During the 1980s people started to slowly return to the urban centres and begun to occupy buildings and land informally. The growth at this time was still reluctant, as low intensity conflicts and international isolation continued until 1991 along with insurgency and political uncertainty³.

Following this period, Cambodia's urban areas grew at an average rate of 4.34% annually between 2000 to 2010, a rate considered globally as one of the highest⁴. This high growth rate can be attributed to large-scale rural-urban migration following the Paris Peace Agreement in 1991 and to natural population growth after three decades of civil unrest and war.

The current situation of Cambodia can be described as an early stage of demographic and economic transformation from an agrarian to a mixed industrial/agricultural economy and society⁵. This alteration from an agrarian to an urban-industrial pattern of development led and leads to an urban concentration, mainly in Cambodia's most fertile river valleys and flood plains as the existing urban agglomerations there provide regional resource endowment, transportation corridors and economic opportunities⁶. The following map shows the heavy concentration of population on less than half of the country's land, resulting in relatively high population densities. In figures this means, that around 90% of the 15 million Cambodian residents live on 80 000 km² which resembles 40% of the country.

¹ MoLMUPC 2015, 15 – National Urban Development Strategy Framework

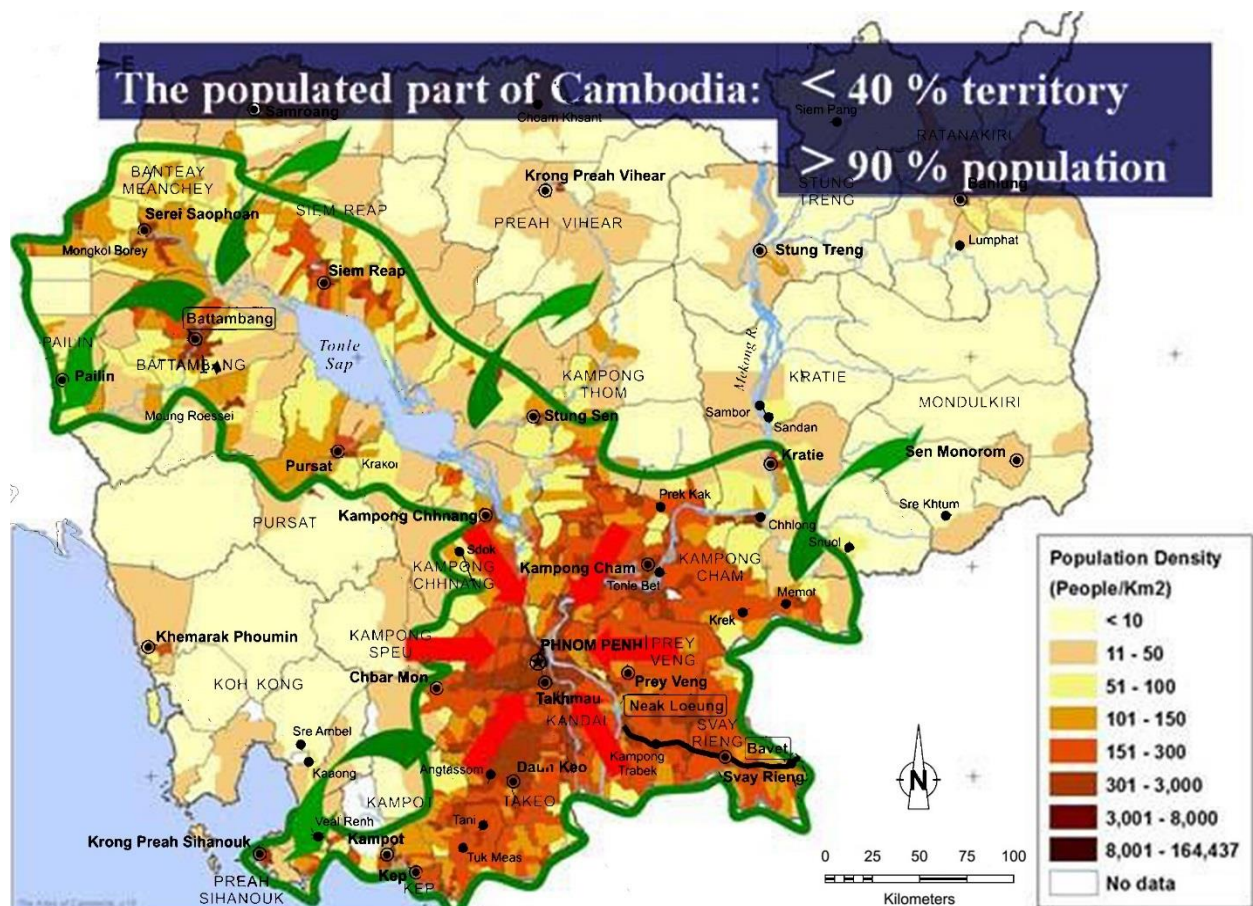
² Kammeier et al., 2015, v

³ MoP, 2010

⁴ World Bank cited in CDRI, 2012

⁵ Kammeier et al., 2015, v

⁶ MoLMUPC 2015



Currently the urban sector accounts for roughly 50% of GDP⁷. Whilst further urbanisation has the potential to generate many economic benefits for Cambodia, there is the significant threat that if not planned and managed well in the near future, social, economic and environmental costs will occur⁸. The Ministry of Land Management, Urban Planning and Construction (MoLMUPC) is therefore currently raising awareness in its framework for the 'National Urban Development Strategy', that a medium and long term, economic and environmental sustainable growth of urban centres is only possible, when the urban planning and development management on all levels is improved and compact and liveable urban areas are created⁹.

Furthermore, the Royal Government of Cambodia (RGC) released recently its new five-year overall strategy, the Rectangular Strategy Phase III, which defines the main activities of the RGC. Good governance is at the core of the strategy, as a prerequisite to sustainable development¹⁰. Urban areas were recognised as major engines for the future development of the country, as well as the need to put more focus on an integrated way of handling pressing urban issues instead of thinking of them on sectoral terms and managed by individual ministries. Therefore, in 2012 a National Committee for Land Management and

⁷ ADB 2012, p.2

⁸ MPP 2012

⁹ MoLMUPC 2015, 5

¹⁰ MoP 2010

Urban Planning (NCLMUP) was established, involving representatives of 24 line Ministries and agencies¹¹.



Recent road infrastructure development in response to rapid urbanization in Phnom Penh

2. Managing rural-urban linkages

Whilst Cambodia is still predominantly a rural country, it is experiencing high rural-urban migration¹². Based on the Report for the Cambodia Migration Project (CRUMP) rural-urban migration has become a significant issue, driven by economic pull factors like the garment factories around Phnom Penh, high construction activities in urban centres and a tremendous increase of tourist numbers, as more and more people around the whole globe are coming to visit Cambodia's unique cultural sites. In 1999 tourist numbers were estimated at 350,000 growing to 3 million in 2011¹³.

Therefore, Cambodia is 'on the move' - many people leave their rural homes to go to Phnom Penh and few smaller cities but also to neighbouring countries. Beside economic reasons and the option to fulfil labour needs, better educational possibilities (such as schools and universities) play an important role¹⁴. Figures of the CRUMP report indicate that almost everyone born before 1980 that now lives in Phnom Penh is a rural to urban migrant, which is connected to the circumstances of Cambodia's history and to the current rural-urban migration. These significant movements are further shown by the 2008 Cambodian Census, indicating that 47% of migrants living in Phnom Penh arrived within the last five years¹⁵. Besides incorporating a great potential, risks of immense human movements cannot be denied. Many of the rural-urban migrants find themselves living in informal settlements, mainly located in the peri-urban outskirts of cities. More specific measures of redress are taken, respectively more focus is put on this issue – for example within the housing policy of 2014.

¹¹ MoLMUPC 2015

¹² MoP 2012

¹³ MoT 2011

¹⁴ UNCT 2009

¹⁵ MoP 2012, 9

Following the results of the 2012 CRUMP report, rural-urban migration was highlighted as an issue in the Government's Guidelines for the National Strategic Development Plan (NSDP) from 2014-2018. The guidelines stress that many Cambodian people are moving from rural to urban areas, which is changing the population density in Cambodia's towns. Furthermore, is mentioned, that this change in turn has a wide range of implications, particularly on social services, land availability and infrastructure such as water and electricity. These need to be delivered in an increased amount, as it tends to be even more costly if happening in unstructured areas and schedules.

Beside these aspects other urban issues that require attention include: climate change resilience, disaster risk reduction, solid waste management, cultural heritage, and education. However, these issues of urban resilience cannot be discussed without keeping an eye on the link to rural areas. As urbanisation in Cambodia is mainly driven by rural-urban migration, the roots of most urban challenges are intertwined with rural problems. For instance, missed out decent basic education by a rural-urban migrant will more likely lead him/her to a deprived poor living area than a well trained one. Also, efficient rural-urban transportation systems for increased human mobility and an increasing urban demand for food and other goods is needed - to benefit both rural and urban communities. Related to this are environmental aspects as for example some rural communities need annual floods as fertilizers for their soil, while urban areas need to be protected from these floods. Financial rural-urban linkages occur, as data shows, that migrant remittances reduce the severity of poverty among rural living Cambodians¹⁶.

As highlighted by the Habitat Agenda, the urbanisation being experienced in developing nations such as Cambodia provides both new challenges and new opportunities. Thus, there is need to better understand and analyse the causes, patterns and trends of this urbanisation, which can often be particularly attributed to rural-urban migration. Furthermore, the Habitat Agenda highlights that there is a need to have a "regional and cross-sectoral approach to human settlements planning, which places emphasis on rural/urban linkages and treats villages and cities as two ends of a human settlements continuum in a common ecosystem"¹⁷. This approach needs to be fully implemented and prioritised in the Cambodian context.

3. Addressing urban youth needs

With around two thirds of the population aged under 30 years Cambodia is home to one of the most youthful population in Southeast Asia¹⁸. This is connected on the one hand to natural population growth and on the other to the baby boom between 1980 and 1990 following the end of the Khmer Rouge, which led to a population dominated of people born between 1980 and 1995¹⁹. According to the 'Situation Analysis of Youth in Cambodia', 26% of the population are aged between 15-24 years. Eighty percent of the latter group live still in rural areas and 35 % live below the poverty line²⁰.

¹⁶ Kimsun cited in CRUMP 2012, 10

¹⁷ UN-Habitat 1996, No. 104 Habitat Agenda

¹⁸ NIS 2013a

¹⁹ MoP 2012

²⁰ UNCT 2009, 1

Migration to urban centres is particularly common among the youth²¹. Driving forces include decreased rural agricultural employment, search for improvement of livelihood and viable work, and new urban lifestyle possibilities. The following graphic (Fig. 2) show the high

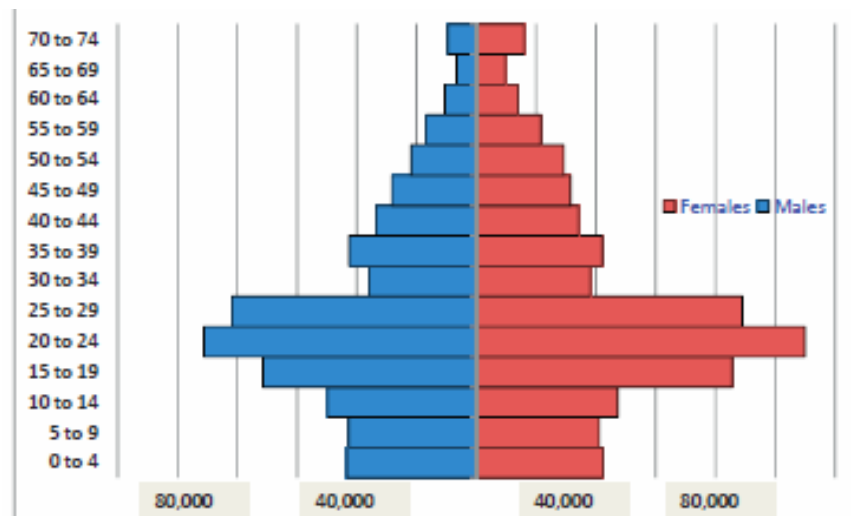


Figure 2: Population Pyramid for Phnom Penh, 2008

Source: CRUMP 2012, page 19

number of young people living in Phnom Penh, aged between 15-29 years.

Employment is the most important aspect for the youth in Cambodia today. About 300 000 people are joining the labour force every year and this number will most likely raise to 400 000 per year²². This situation is equally challenging for the government side as for the youth themselves. The majority of young people face difficulties to find adequate shelter and decent jobs. Even though the unemployment rate of the youth in the whole country is relatively low at 2,4% in 2014²³ the percentages in urban areas are tending to be higher (Phnom Penh 20.1% according to UNCT 2009). An additional problem is, that most young people are engaged in the informal economy as vulnerable workers²⁴.

Concerning primary and lower secondary education, progress has been made. The national expenditures for education is steadily increasing since 2000²⁵. Quality, reachability and accessibility to education increased, but there are still gaps between socio-economic groups and gaps resulting of different living locations: urban, peri-urban and rural²⁶. Vocational training possibilities are yet limited as well as their public acceptance and certification. Additionally a mismatch of skills and needs is present²⁷. However, these aspects are currently targeted by various documents, policies and cooperation with development partners, as shown in the following paragraph.

A number of fundamental international conventions were ratified by the RCG, among them: Forced Labour convention (No. 29); Equal remuneration (No. 100) and Worst Forms of Child

²¹ UNCT 2015, 5

²² UNCT 2009, 3

²³ NIS and ILO, 2015

²⁴ ILO 2013, ILO 2012, UNCT 2009

²⁵ UNCT 2009, 3

²⁶ ibid

²⁷ ILO 2007; UNCT 2015; World Bank 2010

Labour convention (No. 182). On the national level a significant achievement was the adoption of the National Youth Policy in 2012, which aims to promote capacity development, improve health care and encourage participatory decision-making at all levels²⁸. Moreover, the Ministry of Education (MoEYS) has created a Youth Department, which is in charge of youth development, policy and strategic formulation. The MoEYS has developed Educational Strategic Plans and programmes such as the 'education for all programme' focusing on the equitable access to basic and post basic education. The Ministry of Labour and Vocational Training focuses on job creation, work conditions improvement, social safety nets creation and human resource development. The Rectangular Strategy Phase III highlights the need to create "more jobs for people especially the youth through further improvement in Cambodia's competitiveness to attract and encourage both domestic and foreign investments"²⁹.

Political participation of young people is targeted but yet to be improved. Older people dismiss the quality input young people can have and rather advise them to keep out of political activities³⁰. A mainstreaming of youth participation into planning processes on several levels national and local is to be aimed at.

4. Responding to the needs of the aged

Despite the very high percentage of young people in Cambodia, the current age structure of the country is changing. The fertility ratio is gradually declining thus the percentage of children under 15 years is decreasing. The percentage of older people, with only 4.3% in 2008 National Census can be largely attributed to the fact that up to two million deaths were experienced during the Khmer Rouge period³¹. The number of elderly people will accelerate due to increasing longevity and the mentioned demographic conditions. It is assumed, that the age group out of the working force (i.e. above 65 and under 15 years) will stay constant for the next decade with round 35%, but shifting towards the elderly³². Thus, there is a need to plan for the age rise amongst the population, as it is predicted that the population aged 60 years and above will increase to 20% by 2050³³.

Steps into this direction were done by the RGC in 1999, when the National Committee for the World Health Day of Older People was established as an attempt to address issues for the elderly with a multi-disciplinary and multi-sectoral approach. A range of ministerial agencies are involved. One specific outcome of this National Committee has decided to establish a permanent secretary office and technical working group to develop the national policy to provide services to aging people in Cambodia. Furthermore, the government provides land to veterans and disabled soldiers through the provision of social land concessions and the Ministry of Social Affairs has implemented the law of pension fund to retired government officials.

²⁸ RGC 2014a

²⁹ RGC 2014a, 105

³⁰ UNCT 2009, 6

³¹ MoP 2012

³² MoLMUPC 2015

³³ MoH 2007

5. Integrating gender in urban development

Integrating gender equality into urban development is critical and a cross cutting issue. Within various levels and sectors a strong focus on promoting gender equality was put by the RGC within the last two Rectangular Strategies.

To protect women and girls effectively, a legal framework and educational training for the whole society is necessary. Several laws, promoting women rights were adopted, including the following ones: the Law on Prevention of Domestic Violence and Protection of Victims, the Law on Suppression of Human Trafficking and Sexual Exploitation, and the Criminal Code. Upon these cases of domestic violence were reduced from 41 500 in 2006 to 35 400 cases in 2009³⁴. Additionally, gender working groups, as the one from the Ministry of Health provide training to women in different provinces and municipalities improving access to primary and reproductive health information and prevention of HIV/Aids were established. These efforts are supported by many active civil society organisations as well as by numerous national and international NGOs. Furthermore, the implementation of the Safe Village-Commune Policy contributed to the promotion of women and family values and social morality on the local community level³⁵. To prevent human trafficking, which is still a crucial issue for women, migrating to neighbouring countries in the search for work opportunities, positive agreements were achieved on bilateral levels with Vietnam and Thailand.

Women in political decision making positions are yet limited. The number of female Ministers should be increased as well as the numbers of women in candidature lists for national and sub-national levels of elections and appointments. Also the number of female governors is contemplated to be increased. Thus female representation of civil servants increased from 32% in 2007 to 35% in 2012³⁶. Furthermore, since 2009, 24 ministries have developed and implemented Gender Mainstreaming Action Plans (GMAPs), including working groups, surveys and commissions for gender affairs.

The first Economic Census 2011 showed that 65% of the 505 000 establishments (i.e. units where economic activities are performed) are managed by women³⁷. The number of establishments increased significantly since 2007 with male and female representatives at almost the same rate. Female headed establishments are smaller in terms of persons employed – with 84 % among 1-2 person establishments. Upon the census, a strategy for Women's Economic Empowerment has been developed, aiming to enhance Small-Medium Enterprises (SMEs) led by women through micro loans. Planned skill trainings based on market demands will furthermore decrease wage disparities.

³⁴ RGC 2014a, 74

³⁵ Ibid.

³⁶ Ibid, 75 ff.

³⁷ NIS 2013b, 1

		Employment Status					
	Sex	Total	Employer	Paid Employee	Own Account Worker	Unpaid Family Worker	Other
Total	Both sexes	100.0	0.2	12.9	41.0	45.7	0.2
	Male	100.0	0.3	16.8	53.1	29.6	0.2
	Female	100.0	0.2	9.3	29.7	60.7	0.1
Urban	Both sexes	100.0	0.5	30.8	40.7	27.6	0.4
	Male	100.0	0.6	39.2	43.1	16.6	0.5
	Female	100.0	0.4	21.9	38.2	39.2	0.3
Rural	Both sexes	100.0	0.2	10.2	41.0	48.5	0.1
	Male	100.0	0.2	13.1	54.9	31.7	0.1
	Female	100.0	0.2	7.5	28.5	63.7	0.1

Figure 3: Population by Main Employment Status, Sex, and Region in Cambodia (in %)

Source: ADB 2012, 27 based on NIS 2008

The table above shows, these wage gender disparities. Interesting hereby is the better-off situation of females in urban settings. Additionally, within the last years the percentage of paid female workers increased, which is a positive sign towards gender equality³⁸. Therefore, it is not surprising, that population trends indicate an increase in women moving to the capital city of Phnom Penh and other urban areas due to opportunities to work, particularly in garment factories and tourism³⁹. An interesting development is, that a study by CDRI revealed, that a change in the role of women appeared especially in urban settings within the last decade. The patriarchal structure is diminishing as “roughly equal numbers of men and women think that women should undertake the same tasks as men, such as running their own businesses and engaging in service industry”⁴⁰.

6. Challenges experienced and lessons learnt in these areas

The management of urban growth in Cambodia is still in its early stage and consequently more profound planning is needed. For example, a national strategy for the management of urban development has not yet been developed. However, the framework for this strategy was completed at the end of 2015 in a joint effort of the Ministry of Land Management, Urban Planning and Construction (MoLMUPC) and the ADB and Japan Funds, who supported a Capacity Building Technical Assistance- CDTA Project. The completed National Urban Development Strategy (NUDS), will lead the way to solve the current rudimentary administrative classification of urban centres⁴¹. Policy and strategy development that stresses the development of less urbanised areas and sub-regions is essential. As current estimates are, half of the future rapid urban growth is going to take place in the capital region, this concentration needs to be appropriately managed to create a sustainable and equal growth between cities, but also between urban and rural areas.

The rapid urbanisation puts on the one hand pressure on the existing infrastructure and marginalised groups face difficulties to access various urban amenities.

³⁸ RGC 2014a, 74

³⁹ RGC 2011c

⁴⁰ CDRI 2012, 9

⁴¹ Kammeier et al. 2014

One disadvantaged group are the urban youth. The main employment opportunities such as construction, garment industry and tourism are not growing sufficiently to absorb all new market entrants⁴². Furthermore, skill mismatch and the lack of hard and soft skills lead to low-productive employment, which has negative impacts on the growth perspective of the country⁴³. The RGC has reacted on this challenge and developed a specific youth policy in 2011 and is putting its focus on Technical Vocational Education and Training (TVET); better cooperation with the private sector, development partners and civil society organisations and on the promotion of added-value products. The mainstreaming of youth concerns into all relevant national, subnational and local policies, strategies programmes and projects is currently undertaken.

The demographic changes taking place, are creating a growing amount of elderly people which will reach its peak in the mid of the 21st century, when the large current youth proportion, that can be ascribed to the baby boom within the 80 and 90s, is going to retire. At the present no agency is focused on the issue of planning and designing aged housing and managing housing programs for the ageing urban poor. Also the Housing Policy from 2014 does not yet mention elderly as a vulnerable group and therefore their needs keep untargeted. This is especially critical as “the proportion of older people living in slums and charity shelter is rising quickly and have become long-term slum-dwellers. Older people living in these settlements are at high risk for social isolation and poor sanitation and poor health”⁴⁴. Also the health care services do not yet incorporate specific components directed towards the health of older people.⁴⁵

Female dwellers face some difficulties in accessing urban amenities and in reaching equal gender distribution. The Cambodian Millennium Development Goals (CMDGs), promoting higher numbers of females in the parliament were not reached during the election in 2013. Also the number of governors and female civil servant workers needs to be significantly promoted. As written in the NSDP the supervision of gender mainstreaming in various capitals and provinces is lacking⁴⁶. Furthermore, insufficient laws and guidelines for the selection, promotion, participation and capacity development was recognised⁴⁷. In urban poor communities, there are significantly more households headed by women than the country average⁴⁸. Challenging hereby is, that they face often a significant double burden.

7. Future challenges and issues in these areas (1-5) that could be addressed by a New Urban Agenda

- **Urban data:** In order to inform urban policy, strategy and decision making to adequately manage the effects of Cambodia’s rapid urbanisation, there is an urgent need to develop adequate processes, technology, mechanisms and institutions to gather urban data. In this light, the government intends to establish a national

⁴² UNCT 2009, 3

⁴³ NIS and ILO, 2015.

⁴⁴ MoH 2007, 6

⁴⁵ ibid

⁴⁶ RGC 2014a, 57

⁴⁷ ibid

⁴⁸ MPP 2012

institute for urban planning to assist in policy formulation and management⁴⁹. Furthermore, the new institution is intended to help provide evidence base information (through the collection of statistics and indicators) for urban growth, land management and urban poverty issues.

The processes and mechanisms used by civil society to collect urban data such as community mapping of informal settlements should be promoted and recognised in formal urban policy and decision-making as supported by the RGC's Circular 03.

- **Integrated urban management:** In order to holistically address the multiple and diverse needs resulting from Cambodia's rapid urbanisation there is a need for integrated rather than sectoral urban planning. Integrated urban management strategies seek to achieve social, economic and environmental sustainability and can potentially help to manage future population growth, climate change and demographic changes through appropriate urban planning.
- **Collaborative and good urban governance:** In order to adequately address the interests of the diverse groups that live in Cambodian cities, there is a need to further decentralise urban management by incentive collaborative urban planning processes involving the participation of governments, civil society, poor urban communities and the private sector.
Collaborative and participatory urban management is a path towards good urban governance.
- **Liveable cities for the youth, elderly and women:** In order to tackle the opportunities of urbanisation there is a need for urban planning approaches to focus on developing liveable cities able to respond to the diverse needs of the old, the young and women. This entitles providing accessible, affordable public services such as transport in urban areas so that elderly, disabled, young people and women can participate fully in family and community life. The development and preservation of open spaces is also important to encourage and active, healthy and collective urban life. The provision of cultural spaces for the youth, the old and women is also an opportunity to develop and encourage the thriving of Khmer culture.
- **Appropriate understanding and management of rural-urban linkages:** In order to adequately manage and support Cambodia's transition from rural to urban there is a need to understand the existing rural-urban linkages and tackled their opportunities in order to achieve a balanced and sustainable urban and regional growth.
Stricter regulations for construction and preservation of environment, violation of natural resources, solid and other waste disposal need to be entrenched.
Develop functioning satellite towns by improving connectivity between villages, townships and cities, so that people rather commute for work and businesses than settling in cities, and by this reducing the pressure on inner urban areas. Furthermore, the development of nucleus cities with all basic amenities and commercial zones as special economic zones (SEZs) and other areas could be considered⁵⁰.

⁴⁹ ADB 2012

⁵⁰ MoP 2013

II. Land and Urban Planning: Issues and Challenges for a New Urban Agenda

8/9 Ensuring sustainable Planning, Design and Land Management

Concurrence and conflicts of interests are likely connected to all kind of resources that are needed and used to fulfil human needs and wellbeing. An integrated sustainable management of water, land, forest, biodiversity and other environmental resources becomes worldwide more and more crucial and critical.

The Ministry of Land Mangement, Urban Planning and Construction (MoLMUPC) is the responsible agency tasked with improving urban land management in Cambodia. However, there is the need for a comprehensive formal *urban* land management policy for Cambodia. Current 'ad-hoc' practices combined with a rapid urban growth is yet often resulting in arbitrary development and urban sprawl, which increases the costs of providing improved infrastructure, affects the environment and social equity⁵¹. Estimates for Phnom Penh assume, that the urban build up area grew from 110km² in 2000 to 160km² in 2010. Averaging 4.3% per year, the rate of urban spatial expansion was the second fastest in the region⁵².

The spatial setup of Cambodia includes 24 provinces plus the capital, 27 municipalities and additional non-municipality towns. Most of the 27 municipalities were established after 2008, providing them the status of a town and in turn specific financial and administrative concessions. However, an urban hierarchy of towns is yet to be developed, connected with a medium and small town programme, which takes into consideration economic corridors and de-concentration attempts (90 % of people are currently living on 40% of the territory)⁵³.

Through the Policy on Spatial Planning (2011), the Commune Law (2001), and especially through the 'Organic Law on Administrative Management of Capital, Provinces, Municipalities, Districts and Khans' from 2008, first steps to define roles regarding planning responsibilities for national and local authorities were done, yet they still are to play an increasing role. This applies equally to the local counterpart departments of the Ministry of Land Management, Urban Planning and Construction, which are located within the local administration.

The National Committee for Land Management and Urban Planning (NCLMUP) which was established in 2012, comprises 24 line ministries and agencies and encompasses the great possibility to further increase sustainable and effective planning, through discussing and mainstreaming cross-cutting issues as green city development and with it climate change adaptation.

⁵¹ MoLMUPC 2015, 8

⁵² World Bank 2015

⁵³ Kammeier et al. 2015, 12

Capacity development for urban management and planning in Cambodia has been completed in eight provinces by MoLMUPC. Still a challenge is, that needs appear on several levels concerning human and technical capacity and guidance⁵⁴. Thereby a continuing high dependency on external donor support is visible⁵⁵. This becomes clear by looking on the development of land use and urban master plans. Up to now there are just two plans approved: Battambang and Phnom Penh and two further ones are being developed: Kampong Chhnang, Ta Khmau - all the four of them in cooperation with different development partners. These land use master plans are crucial, as mentioned above to regulate conflicts of interests by defining and advocate for clear industrial zones, residential areas, agricultural sections, environmental protected zones and areas for institutional, transportation and public needs.

The history of Cambodia adds another layer of complexity. During the Khmer Rouge period all land rights were transferred into the ownership of the communist party in the attempt to create a purely agrarian county. The development of a new cadastral system, including hard- and software components, and the handover of tenure titles is still ongoing. Difficulties appear especially in urban areas and mainly among poor households where house ownership is not entirely verifiable. This fact connected with economic development aspiration can lead to an expel of poor communities into the peripheries and peri-urban areas of Cambodian cities.

Furthermore, the current situation is complicated due to a significant lack of data. There is the need for evidence based decisions making based on data concerning land use, type and use of buildings, expansions, migration trends etc.

The method to create compact cities, that are liveable, that don't rely on individual transport methods and reduce thereby energy demands and climate change effects is desirable for Cambodia and will build the foundation for further development and planning. The emphasis of sustainability and equity in a socio-economic and spatial development sense was targeted by the government through the 'White Paper on Land Policy' issued in 2012. Its objectives include the promotion of land use, land management and natural resource management. However its implementation needs to be fostered. Therefore the National Urban Development Strategy (NUDS) and the urban land use policy, which will be developed by the NCLMUP will guide the way into this direction.

⁵⁴ Kammeier et al. 2015, 16

⁵⁵ Ibid, 71

rural and urban areas is however not yet available⁵⁶. Food security and nutrition has been acknowledged by the government as an important aspect, as reflected in the Strategic Framework for Food Security and Nutrition in Cambodia 2008-2012, the Rectangular Strategy Phase III and the NSDP 2014-2018. However, in these documents the focus has been placed on rural areas. Currently there is no urban food production policy addressing issues around urban and peri-urban food production and security. Therefore, this will be addressed by the RGC in the upcoming years.

However, there have been some attempts to enhance urban and peri-urban food production by development agencies. For example, the EU provided funding to the Food and Agriculture Organisation of the United Nations (FAO) and to the Danish NGO Agricultural Development Denmark Asia to develop two food security projects in urban and peri-urban areas of Phnom Penh and Siem Reap⁵⁷. The first project focused on urban dwellers and migrants who have limited capacity to produce and/or purchase the food they need for their families. In particular, this project focused on reducing the cost of food and improving its quality through home based food production. The project finished in June 2014 and was implemented jointly with the Chantiers Ecoles de Formation Professionnelle and Provincial Training Center of Siem Reap. The second project, which was implemented jointly with Fisheries Administration, the Phnom Penh Municipality Department of Ministry of Agriculture, Forestry and Fisheries aims to enhance the food security, food safety and nutrition of poor vulnerable urban and peri-urban dwellers living along Phnom Penh's river banks. These aims are fostered through support to micro and small group enterprises that will generate income for the purchase of diversified and quality food, and through mainstreaming food safety interventions from production to commercialisation⁵⁸. As mentioned above, further consideration and investment by the RGC is required to enhance urban and peri-urban food production to ensure a sufficient amount and quality of food, available also for the marginalised population.

11. Addressing urban mobility challenges and reducing traffic congestion

In the last two decades a lot of effort was put into the building of infrastructure, yet it is still not sufficient to meet the new demands of rapid development⁵⁹. One challenge originates from Cambodia being a post-conflict country which is "struggling to rebuild many of the economic, social and physical foundations needed to ensure future growth and development"⁶⁰ as transport infrastructure was severely damaged and neglected during the times of conflict.

Due to the current rapid urban growth and the dominance of road transportation, traffic continues to become more congested, particularly in Phnom Penh and Siem Reap⁶¹. Nationwide the number of registered vehicles is increasing at an average rate of 19% each year. In Phnom Penh the increase from 2000 to 2012 was 170%. The share of different types of vehicles is 77% motorcycles, 20% light vehicles/cars and 3% heavy vehicles⁶². The massive increase of vehicles led to a decrease of speed in Phnom Penh's major

⁵⁶ WFP 2016

⁵⁷ EU, 2011a

⁵⁸ EU, 2011b

⁵⁹ IRITWG 2015, 115

⁶⁰ World Bank 2013

⁶¹ RGC 2014a

⁶² MoLMUPC 2015, 11; IRITWG 2015, 33

thoroughfares from 24 km /h to 15 km/h⁶³. Air pollution is significantly raising as well as travel times⁶⁴. This data shows that further efforts are needed to reduce raising economic and health costs.

To reduce traffic congestion in Phnom Penh currently major streets are improved and ongoing work is taking place on the development and completion of four ring roads.

Public transport in Cambodia's urban areas is still limited and there is a strong reliance on private vehicles, particularly motorcycles. Only in Phnom Penh a public transport system is existing as in 2014 three bus routes were installed and are planned to be extended.

Beside scarce public transport, traffic safety also remains a challenge⁶⁵. Due to lack of enforcement of traffic rules, the majority of accidents are caused by motorcycles in urban areas. An increased number of deaths and raising economic costs are the consequence⁶⁶.

Therefore the RGC approved two new laws to regulate and improve transportation aspects in 2014. This is on the one hand the 'Road Law', which distributes the responsibilities and tasks between three ministries/ agencies:

- Ministry of Public Works and Transportation (MPWT): expressways, National Roads and Provincial Roads
- Ministry of Rural Development: Rural Roads
- Sub-national Administration: planning, design, construction rehabilitation and maintenance of roads in the capital, cities and provincial towns ⁶⁷

On the other hand, the new 'Road Traffic Law' which composes aspects as traffic signs, handling of traffic accidents, penalties and vehicle inspections.

In 2009, MPWT revised the 'Road Development Policy and Strategy'. It acknowledged the need to connect better the main cities and development areas. Therefore, six strategies were developed, among them: enhancement of multi growth pole development, strengthening of economic growth corridors and the development of international corridors for Cambodian regional integration. Furthermore, existing but deteriorated and out of service railway-lines are currently reconstructed and plans exist to add further lines⁶⁸. Inland water ways are currently assessed to become strategic ways to connect cities and enable goods transfer.

The current Rectangular Strategy asserts that one of four priority areas is the further rehabilitation and construction of physical infrastructure. This infrastructure development especially within and between rapid growing urban centres is essential to support a "vibrant, safe and efficient logistic system aimed at contributing to the enhancement of national competitiveness and people's welfare"⁶⁹.

⁶³ ibid

⁶⁴ ibid, 10

⁶⁵ RGC 2014a

⁶⁶ MoLMUPC 2015

⁶⁷ IRITWG 2015, 11

⁶⁸ Ibid, 42ff

⁶⁹ Ibid, 8

12. Improving technical capacity to plan and manage cities

Despite major efforts, reforms and enhancements, improving technical capacity to plan and manage cities remains critical in Cambodia. The RGC highlights in its National Strategic Development Plan for 2014 to 2018, that “the participation and the responsibility of relevant institutions and the technical officers are limited, especially for land management and urban planning, making it difficult to prevent illegal constructions, and constructions which are either not in the form the permit list or are technically differently defined”⁷⁰.

Therefore, the MoLMUPC has made efforts to train technical staff at all levels: district, Sangkat/Commune Council, local authorities at district level, Sangkat/Commune Councils, local communities, and NGO staff (totally 3,533 participants) on the procedures of making Commune/Sangkat land use plan, reading and using maps, as well as projects monitoring and evaluation⁷¹.

These efforts will be further fostered, as there is a general shortage of technical skills within the government, which can be partly attributed to the country’s recent history. But also the current time displays shortages in education, as there are limited university degrees specifically concentrating on urban and regional planning. Therefore, for the time being, “the process is dominated by a few competent planners and technicians mainly at the ministerial level”⁷². Due to such institutional constraints, municipalities have to rely on national staff resources at the provincial level (even though these have their own limitations) to be delegated to perform local government tasks. These constraints affect the quality and performance of most tasks in urban management, including construction supervision, building permits, and general development control, including enforcement of environmental standards⁷³.

Given the very short experience with municipalities (most of them were formed in 2008) their development will naturally require some years of support and technical assistance. Programmes like the ‘Capacity Building and Technical Assistance-CDTA’ project number 8121, supported by the Asian Development Bank and by the Japan Fund for Poverty Reduction, utilize for example the development of a National Urban Development Strategy. Projects like this will significantly help to achieve improved technical and institutional capacity within the next years.

13. Challenges experienced and lessons learnt in these areas (8-12)

Compared to the rapid urban growth taking place in Cambodia processes of ensuring sustainable planning, design and land management; improving technical capacities and addressing urban mobility challenges are slow. Major efforts in all of these areas were done, especially the effort of distributing tasks and bring them down to the local level that effectively started within the last fifteen years through the adaptation of the ‘Law on Commune/Sangkat Administrative Management’ and the colloquially called ‘Organic Law’

⁷⁰ RGC 2014a, 31

⁷¹ *ibid*, 30

⁷² ADB 2012, 10

⁷³ ADB 2012, 10

from 2008. But the scarcity in technical capacity and knowledge leads to the absence of urban master plans. Therefore, the occurrence of arbitrary urban development is difficult to avoid.

To address this problem effectively more financial and technical capacity has to be provided especially on the subnational level besides transparency. Currently, technical knowledge is mainly available in the upper administrative level. The started intra-ministerial, - agency and –administrative level cooperation, as the Committee for Land Management and Urban Planning (NCLMUP) has to be strengthened and extended - especially if the aim is to develop *sustainable* development. Aspects like climate change adaptation, cultural sensitive and people centred planning, have to be brought to the forefront in forums– to be taken into consideration from the first moment of developing a master plan. The same accounts for urban mobility challenges. Awareness for cross cutting issues has to be developed and knowledge has to be spread with the subnational level within consultative processes.

Only Phnom Penh has up to now developed an urban transport master plan. The lack of public transportation possibilities in urban areas increases the use of privately owned vehicles, which increased air pollution, and which in turn leads to health problems. Therefore, clear political emphasis has to be put on non-motorised and public transport modes. These should be integrated into city development concepts, to ensure marginalised people, who are often living in the outskirts of the city have the possibility to gain access to urban amenities among others.

One critical issue in Cambodia, which is connected to land management is the most needed acceleration of issuing land titles and land registration. The current status, is not yet meeting the aims of the RGC.

14. Future challenges and issues in these areas (8-12) that could be addressed by a New Urban Agenda

- **Continuous capacity building and knowledge sharing:** In order to progress efforts to appropriately manage the challenges of urbanisation, there is a need to continue to invest in the capacity building of government staff to develop further skills in good urban governance, geospatial technologies, critical analysis, master planning, and community engagement. As well as encourage knowledge sharing between senior and lower level government officials on planning processes within the Cambodian context.
- **Public consultation:** In order to increase the effectiveness of the development and implementation of master plans for major cities and urban centres there is a need to enhance engagement with civil society by supporting consultation processes with key stakeholders and the general public.
- **Policy support to enhance urban and peri-urban food production:** Further investment and development of a legal framework by the RGC could enhance urban and peri-urban food production and ensure that a sufficient amount and quality of food is available for the increasing urban population. Urban and peri-urban food

production is important to mitigate the impacts of climate change, secure food and livelihood opportunities for marginalised and vulnerable groups in Cambodian cities.

- **Policy support for integrated and affordable transport:** The government can develop in partnership with the private sector and other relevant development partners a strategic and integrated public transport framework which considers infrastructure for motorised, non-motorised and sustainable forms of transport in cities as well as regional areas. Multiple options such as bus rapid transit systems (BRT), rail, bicycles lanes and increasing spaces for pedestrians should be considered to make future transport systems affordable and inclusive of Cambodian urban and regional population.
- **Continuous and effective land registration:** In order to achieve a sound management of urban and regional development there is a need for effective land registration and titling. Land registration and titling will aid diminishing land conflicts in Cambodia and provide long-term livelihood security to the Cambodian population. Despite important advances and efforts in Cambodia, following the abolishment of land records by the Khmer rouge regime, there is still the need for more effective processes, political commitment and support for land registration.

III. Environment and Urbanization: Issues and Challenges for a New Urban Agenda

15. Addressing climate change

According to the Climate Risk Index 1993-2012 Cambodia is the 26th most vulnerable country in the world to the effects of climate change⁷⁴ and one of the most vulnerable countries in South East Asia⁷⁵. Its vulnerability can be attributed to being located on a low elevation on a central plain, being a post-conflict society, and primarily agrarian country⁷⁶. Additionally, high exposure to floods and droughts and a lack of capacity through a combination of low-levels of income, skills and infrastructure increase Cambodia's vulnerability⁷⁷.

Rising sea levels and temperature (up to 2-4 degrees by 2100), changes in distribution and frequency of weather related disasters and changes in precipitation patterns will result from climate change in Cambodia⁷⁸, which in turn could lead to health and life hazards. Climate change was recognised by the RGC as threat to Cambodian's economy and growth prospects and therefore the Government commits to support and finance climate change adaptation and mitigation⁷⁹.

To reach this aim, Cambodia has made several efforts and commitments, which include the following - shown in a chronological order: In 1995 Cambodia ratified the United Nations Framework Convention on Climate Change. Seven years later the country acceded to the Kyoto Protocol. In 2007 the primary policy framework was developed, which is called National Adaptation Plan of Action (NAPA) and recommended priority projects which are now being implemented. In 2013 the Ministry of Environment (MOE), the National Climate Change Committee (NCCC) and the National Council for Green Growth, have formulated a National Climate Change Strategic Plan (2014-2028). This plan provides a national framework for engaging stakeholders to respond to climate change. The plan aims to mainstream climate change into national, sub-national and sectoral planning and covers both adaptation and mitigation. Furthermore, an update of the NAPA was produced with three main goals: 1) Reducing vulnerability to climate change impacts of critical (natural and societal) systems and most vulnerable groups, 2) Shifting towards a green development path by promoting low-carbon development and appropriate technologies, and 3) Promote education and participation of the public in climate change response actions. Further documents include a National Policy and strategic Plan on Green Growth Development. Moreover, to respond to the multi-dimensional effects of climate change, as crosscutting issues, nine line ministries and agencies have developed their sectoral climate change strategic plans.

⁷⁴ Kreft and Eckstein, 2013

⁷⁵ Yusuf and Francisco cited in MoP 2011, 43

⁷⁶ MoP 2011, 44

⁷⁷ UN-Habitat 2012, 3

⁷⁸ MoP 2011, 43 ff

⁷⁹ ibid

Climate change threats are widely seen in Cambodia as a problem in rural agrarian areas. But they are also likely to have an increasing impact on urban settings, however little assessment has focused on these. Effects from sealing areas for development purposes, increased traffic and industry and greenhouse gas emissions, combined with floods and heavy rains caused by climate change, lead to recognisable vulnerabilities within the urban population, especially among poor communities. Therefore, UN-Habitat in close collaboration with the government produced a vulnerability assessment in the coastal city of Sihanoukville in 2011. This was a participatory and community-focused assessment and considered stakeholders from the private sector and non-governmental organisations⁸⁰.

To further foster implementation the RGC has raised around 250 million USD from multi/bilateral sources to implement projects addressing climate change⁸¹. A pilot programme for climate resilience has assisted the RGC to strengthen the water, agriculture, infrastructure sectors to adapt to climate change, while the Cambodia climate change alliance programme has funded 21 projects on climate change. Additionally, Cambodia has approved 10 clean-development mechanism projects, nine of which have been registered by the UN Clean Development Mechanism Executive Board, having the projects to reduce approximately two million tonnes of greenhouse gas emissions.



Natural disaster resilience housing model designed by the General Department of Housing,
Ministry of Land Management, Urban Planning and Construction

16. Disaster Risk Reduction

The power of nature has been always respected by the Cambodian people. To respond to heavy rains, rural houses are built on stilts and keeping the rice stock for the dry season is a wide spread praxis. Problems are however occurring, when weather and climate patterns

⁸⁰ UN Habitat, 2012

⁸¹ RGC 2014a, 36

are changing and traditional adaptability is reaching its limits⁸². As this is taking place, natural disasters are happening with an increased frequency, thus they are a significant issue for Cambodia.

For example, in 2009, Typhoon Ketsana hit Cambodia, causing 43 deaths and widespread damage to houses, rice crops and infrastructure, estimated at about 132 USD million – requiring 191 USD million for recovery. Cambodia is located along the Mekong River experiencing flash floods usually after heavy rainfalls, particularly during the wet season. The 2011 floods led to 250 deaths, damages and losses of houses, agricultural and infrastructure sectors with the total amount of 451 USD million in costs. Two years later, in 2013, floods led to 168 deaths and damages of approximately 62,878 ha rice fields. There are an additional number of natural disasters that pose an issue in Cambodia, including droughts, lack of water for cultivation in certain areas, strong wind-storms and lightings. These, occur annually and have caused considerable damages and losses of human life, houses, and destruction of infrastructure⁸³.

Whilst a large proportion of the population is affected by flooding, poor communities living in dense urban settlements, and located near bodies of water are especially vulnerable. Thus they are more likely to lose their homes, belongings and livelihoods, as happened in Battambang, Siem Reap and Kampong Cham in October 2013. The National Committee on Disaster Management (NCDM), which was already established in 1995 has a coordination function and stresses the necessity to link Disaster Risk Reduction (DRR) strategies with Climate Change to achieve poverty reduction. In the course of the decentralisation process district and commune committees have been set up⁸⁴.

The years of 2015 can be seen as critical point for disaster reduction in Cambodia, as the Royal Government of Cambodia passed the country's first Disaster Management Law. The law establishes a clear framework of what should be done before, during and after disasters by the different ministries and other stakeholders. Beforehand a Strategic National Action Plan for DRR 2008-2013 was developed along with the integration of disaster management into the NSDP 2009-2013 and 2014-2018. The integration of climate change and disaster management was done among others in the Strategic Plan on Climate Change Adaptation for the Disaster Risk Management Sector. On a local level disaster management activities have been integrated into the Safety Village, Sangkat-Commune Guidelines. In 2014 small scale community based projects to rebuild houses and to build capacity at provincial, district and commune levels were funded by the European Commission's Humanitarian Department and other NGOs. On a regional level Cambodia is contributing 30 000 USD yearly to the 2012 established ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management⁸⁵.

To prepare and warn people for unusual and dangerous natural disasters the Mekong River Commission has established a regional forecasting centre in Phnom Penh. This centre has the aim to spread general awareness and knowledge of disaster risks to Cambodia's

⁸² The Cambodian Daily, 2015

⁸³ RGC 2014a, 37

⁸⁴ ADRC 2014

⁸⁵ Ibid, 38

population. Furthermore the Ministry of Education developed a textbook and incorporated it into school curriculums

17. Air Pollution

Air pollution remains a growing problem in Cambodia, particularly in the primate city of Phnom Penh, which is becoming increasingly urbanised and reliant on privately used motor vehicles. Health issues such as respiratory diseases, which can be caused by air pollution from vehicle emissions and dust, have a detrimental impact on human health and are known to be a leading cause of morbidity in Cambodia⁸⁶.

A sub-decree on air pollution and noise disturbance control was prepared by the Cambodia Government in 2000. It aims to protect the environmental quality and public health from air and noise pollution through setting standards, monitoring, curbing and mitigation activities. People can be fined or subject to legal punishment for violating this legal instrument. However, the dissemination of these legal instruments requires further improvement, to make people more aware⁸⁷.

Beside the fast rising of vehicle emissions, industrial sectors such as garment factories, construction and light manufacturing have a significant impact on air pollution especially in urban centres⁸⁸. Emission regulation for industries exist, whereas a National Air Quality Policy needs to be developed. The Ministry of Environment (MOE) has improved its surveillance on major pollution sources, such as factories and large enterprises, by encouraging installation of liquid waste treatment plants at source, air purification devices before emission, and noise reduction equipment⁸⁹. Three fixed air quality monitoring systems are in place in the form of roadside tubes in Phnom Penh. These systems will be expanded over different urban areas.

Municipal waste and/ or agricultural waste burning projects are being launched in collaboration with United Nations Industrial Development Organisation (UNIDO) to improve landfill options, decrease burning, increasing recycling and consequently reducing the amount of harmful emissions⁹⁰.

In line with the Habitat Agenda, open spaces can play a significant role in minimising air pollution, creating more suitable climatic conditions, and improving the environment in urban areas⁹¹. For example Phnom Penh has only a limited area of green public space, which is mostly located in the inner city area and has only few trees. The creation of a walkable and bike friendly urban setting with public transportation modes and green public spaces, can help to increase the health and wellbeing of urban dwellers.

⁸⁶ ADB and CAI-Asia 2006; UNEP 2015

⁸⁷ WEPA, 2005

⁸⁸ UNEP, 2015

⁸⁹ RGC 2014a, 36

⁹⁰ UNEP, 2015

⁹¹ UN Habitat 1996, Nr. 112

18. Challenges experienced and lessons learnt in these areas (15-17)

Despite the hard work that many government departments and development organisations are putting into the issue of climate change and disaster risk reduction, it is still not yet widely appreciated how much can be achieved through disaster risk reduction and how essential a multi-agency involvement is. There is a need for the well prepared national policy frameworks to be greater implemented at the sub-national level. This could be supported by launching a guideline showing the possibilities for the integration of climate change and disaster risk reduction into the regular five year local development plans. A further challenge is, that the National Committee for Disaster Management, especially the subnational Committees face difficulties as these are not adequately equipped with resources and capacities to fulfil their tasks and the requirements of the local communities⁹². Furthermore, some unclear distribution remains concerning the role and responsibilities from national to sub-national level as well as the monitoring and evaluation of projects and plans developed to respond on climate change and disaster risk reduction. Lack of data is also evident coupled with a limited database management system⁹³.

The understanding and appreciation of climate change adaptation and disaster risk reduction on the community level exposed to climate change impacts could be further enhanced through the provision of information explaining the hazards in a simple manner. On higher levels of decision making the transparent enforcement of laws needs to be enhanced. For example the former filling of wetlands and lakes in Phnom Penh for urban development purposes, which serve as natural flood control, contradicted partly the Law on Water Resource Management⁹⁴.

19. Future challenges and issues in these areas (15-17) that could be addressed by a New Urban Agenda

- **Climate Change/Disaster risk reduction:** In order to further strengthen climate change mitigation and adaptation and the intervened disaster risk reduction, an enhanced programmatic approach combined with a national fund is recommended. For the collection of reliable data, financial support is needed to invest in research and development, including appropriate technology. The sub-national level should be further included in conducting vulnerability assessments and distribution of information. Therefore inter-ministerial linkages between national and sub-national governments need to be improved for strengthened coordination and capacity development.
In order to achieve improved resilient house constructions there is the need to utilise resources and capacities of development partners, the private sector as well as governmental funds. Community-led adaptation and mitigation initiatives are a proven tool for successful implementation.
- **Decrease of air pollution:** The RGC should consider developing its legal framework for air pollution further including regulations for cleaner fuels, standards

⁹² RGC 2014a

⁹³ ibid

⁹⁴ Icem 2015

for new vehicles and controls on large stationary sources⁹⁵. To further decrease the air pollution a system that distinguishes between vehicle sizes and their allowed emission limits would be recommendable. Furthermore, incentives could be introduced to rise the production and installation of technologies that prevent air pollution as well as the promotion of usage of renewable energies could be enhanced.

Clean, public transport could be further invested in and promoted. In line with the Habitat Agenda, open spaces can play a significant role in minimising air pollution and creating more suitable climatic conditions and thus the environs of the urban area⁹⁶.

- **Raise public awareness:** In general, an increased awareness about the interlinkages of climate change, disaster occurrence and air pollution would be desirable.

⁹⁵ ADB and CAI-Asia, 2006

⁹⁶ UN Habitat 1996, Nr. 112

IV. Urban Governance and Legislation: Issues and Challenges for a New Urban Agenda

20. Improving urban legislation

Cambodia faced in the last decades significant changes, including in political, economic and demographic terms, moving from a social system to a free market economy in the 1990s. From these changes and developments, the Cambodian Government gradually developed a sound legal and policy framework concerning land regulation and administration. Yet most of the framework implicitly touches on *urban* issues. However, within the last few years, processes accelerated to develop documents that explicitly focus on urban development.

The following table provides an overview of relevant land related policy, laws and documents. Some of them are discussed below.

Documents	Date
Land Law	2001
Law on Administrative Management of the Capital, Provinces, Municipalities, Districts, and Khans, “the Organic Law”.	2008
Declaration of the Royal Government on Land Policy	2009
Law on Expropriation	2010
Circular 03: Resolution on temporary Settlement on Land which has been illegally occupied on the Capital, Municipal and Urban Areas	2010
National Policy on Spatial Planning	2011
Comprehensive Land Policy “White Paper”	2012
Royal Decree (No. NS/RKT/0512/463) and Sub-decree (N ^o 77) on the Establishment of Committees for Land Management and Urban Planning	2012
Circular on the Development of Coastal Areas in the Kingdom of Cambodia and associated Framework Plan.	2013
Spatial Planning Handbook: Provincial Spatial Planning	2013
The National Policy and Strategic Plan for Green Growth 2013-2030	2013
The Rectangular Strategy (RS)-phase III	2013
Law on Land Management and Urban Planning (DRAFT)	<i>Draft</i> , 2014
National Housing Policy	2014
National Strategic Development Plan (NSDP) 2014-2018	2014
Industrial Development Policy (IDP)	2015

Figure 4: Relevant policy documents and laws pertaining to urbanization
Source: NUDSF page 23/24, modified

The regulatory framework concerning land regulation was set in 1992, by adopting the new *Land Law*. It was updated in 2001 and regulates ownership aspects for immovable properties. Included are provisions concerned about land registration and indigenous land rights. The Ministry of Land Management, Urban Planning and Construction (MoLMUPC), which was found in 1999 and its local provincial and municipal departments, is responsible

for the development and implementation of land management and administration. The law, which is the foundation for land reforms that are currently taking place, is sustained by additional documents as sub-decrees and circulars. One example is Circular number 03. It is a 'Resolution on temporary Settlement on Land which has been illegally occupied on the Capital, Municipal and Urban Areas' and was developed in 2010. This document was especially issued to resolve illegal occupation of state public land. It is focusing on Cambodian's urban poor - people needing to build shelter and business to make a living. The document provides direction for a productive cooperation between local authorities and urban dwellers⁹⁷.

The Declaration of the Royal Government on *Land Policy* of 2009 strengthened three pillars for the land sectors: land administration (land ownership and land transfer); land management (manage and protect use of land and natural resources) and land distribution (public and private purpose land allocation). Further developed and enhanced was the Land Policy within the so called "*White Paper*", in 2012. It was created to apply better existing rules and laws on land use and to preclude future land disputes. Through the *Rectangular Strategy Phase III* and the *National Strategic Development Plan 2014-2018* the government confirmed its commitment to the three pillars for the land sector and acknowledges the need to further develop and implement policies and legislation on land management and use, land registration, issuing of titles and a transparent and fair distribution of resources and land⁹⁸.

Besides the White Paper Policy, the Land Law is further enacted and developed through the *National Policy on Spatial Planning*, which was developed in 2011. It is the policy's vision, that the "entire territory shall be used, organized, developed and protected by integrative, strategic territorial planning and the harmonization of regionally significant instruments and measures"⁹⁹. Connected and in support to this policy was the '*Spatial Planning Handbook: Provincial Spatial Planning*' drafted in collaboration with GIZ which will be published in mid-2016.

A concentration on urban areas is taking place since a few years, as they are recognised as major hubs, especially for economic development. A new *Law on Land Management and Urban Planning* was drafted in 2013. The law has eight key objectives including: pre-identify the locations of development, ensure their management and protection; prepare and implement land management to ensure socio-economic development, natural balance and food security in the short, medium and long term. A further step was the development of the National Urban Development Strategy Framework in 2015. The framework provides guidance for the development of the National Urban Development Strategy (NUDS), which aims to improve national economic efficiency and competitiveness, enhance the welfare of citizens, ensure environmental sustainability and reduce traffic congestion through consistent land management, urban planning and development. This comprehensive document will substantially improve the current urban and regional planning situation and will form a guidance document for the next years.

The step to move forward the micro-scale of planning, which is equally important for sustainable and equitable development, was done in 2014 when the *National Housing Policy*

⁹⁷ RGC 2010

⁹⁸ RGC 2013, 20; RGC 2014a, 130

⁹⁹ RGC 2011a

was announced. The policy includes progressive ideas such as active community involvement. Furthermore, it acknowledges, that it is necessary to coordinate different stakeholders i.e. government, local community, civil society organisations and the private sector to resolve housing problems¹⁰⁰.

The implementation of the laws, policies and further documents discussed above can only be achieved in a comprehensive and sustainable way, if several levels of public administration are involved and devolution of power, capacity and financial support takes place. The process of decentralisation and de-concentration was started in 2001 with *the Law on The Administration and Management of Commune/Sangkat* and pursued in 2008 with the *Law on Administrative Management of the Capital, Provinces, Municipalities, Districts and Khans*.

21. Decentralisation and strengthening of local authorities

A concept that can be widely seen in many developing and developed countries is the strengthening of sub-national level agencies in the framework of a decentralisation. Cambodia was formerly a centralised country. But, within the last two decades political, economic and administrative reforms took place aspiring towards decentralisation. Gradually change happened since the 1998 Law on Provincial and Municipal Budgets and Asset Management. In 2001 the Law on the Administration and Management of Commune/Sangkat was adopted, followed by the first local council elections in 2012, which mark the beginning of local self- administration¹⁰¹.

In 2008, the so called 'Organic Law' or with its full name: 'Law on Administrative Management of the Capital, Provinces, Municipalities, Districts and Khans' was endorsed, which accelerated the de-concentration process significantly. At this time 23 of the currently 27 existing municipalities were created. Since that the administration of urban development is theoretically organised around three levels of government, comprising the Central Government, intermediate municipality, and local Khans (districts) and Sangkats (communes). Directly elected are the Commune/Sangkat councillors for a period of five years. Since 2009 the district, municipality, capital and provincial councillors are elected by the Commune/Sangkat councillors whom they are in principle accountable to¹⁰². The Central Government is the highest tier of the RGC. The Ministry of Interior (MOI) headed by the Deputy Prime Minister is the leading central agency, with a broad mandate, including public administration (appointing of local staff), law enforcement and the judiciary.

The Organic Law promotes decentralisation, by devolving power from the national to the provincial/district/sub-national levels to improve service delivery, enhancing local democracy and improving livelihoods of local people¹⁰³. In the same year as the law – in 2008 - the National Committee for Sub-national Democratic Development (NCDD) was established by a Royal Decree. "It is the inter-ministerial mechanism for promoting democratic development through decentralization and deconcentration reforms throughout Cambodia"¹⁰⁴. For effective implementation of the Organic law, NCDD has established sub-committees which assist

¹⁰⁰ RGC 2014b

¹⁰¹ ADB 2012, 8

¹⁰² CDRI 2012, 12

¹⁰³ RGC, 2005

¹⁰⁴ NCDD, 2013

ministries to undertake functional review processes to identify duties and activities for a potential devolution to sub-national levels and to monitor these processes¹⁰⁵. Further tasks of the NCDD are among others: revision of civil service laws, mobilisation and harmonisation of development partner support, report annually to the government on implementation progress. The important role of NCDD becomes clear, as decisions done by it are required to be implemented by all ministries, agencies and sub-national administration levels. Failure of implementation will be reported to the prime minister and the MOI.

Local urban planning processes, as infrastructure provision, land use planning and design are to be done at the sub-national level by departments of the MoLMUPC on the provincial and municipal level. Yet, technical, human and financial constraints hinder the full fulfilment of these tasks. External Projects as CDTA are a very important contribution to the capacity development on urban management. Further helpful will be the completion of the “Provincial Spatial Planning Handbook” and the “District and Municipality Land Use Master Planning Handbook”, which are planned to be finished in the mid of 2016. They were developed in a joined effort of GIZ and the Ministry of Land Management, Urban Planning and Construction. They include advice and methods on data collection, analysis and management, production of maps for social service provision, physical infrastructure and land use planning. Furthermore, these point attention to aspects like monitoring and evaluation, demographic growth scenarios, climate change vulnerabilities and future economic structures.

22. Improving participation and human rights in urban development

The framework of the Cambodian decentralisation and de-concentration process promotes participation, civic engagement, transparency, responsiveness and good governance¹⁰⁶. Thereby this supports communities to be empowered, as local councils are accountable to the people. Councillors are required to consult and represent the views and preferences of local people in terms of community, planning and development needs¹⁰⁷. To be able to develop a local comprehensive five-year development plan and three-year investment plan, participation of all concerned stakeholder is crucial.

Concerned about participation and urban planning and management aspects, is the framework for the National Urban Development Strategy (NUDS), which was developed in 2015. The document will guide the way for the formulation of the upcoming NUDS, which sought to show direction for the structuring of further urban growth and development. The framework requests clearly multi-stakeholder consultation and participation for the development and the implementation of the NUDS to reach a socially inclusive outcome. Furthermore, the framework highlights the importance for the public to have the possibility to obtain information in an objective manner: on the progress of urban development plans, on the challenges and constraints faced as well as on who is responsible for managing, decision making and implementation of actions written in the local development plans¹⁰⁸.

¹⁰⁵ ADB, 2011, 22

¹⁰⁶ RGC 2014a, 97

¹⁰⁷ CDRI 2012

¹⁰⁸ MoLMUPC 2015, 19ff

Overall, the RGC is in its fifth legislature period prioritising and encouraging participation of all concerned parties. Among others it promotes fighting against corruption, disaster management, transportation, land planning, health and employment.

Policies and reforms were developed in the last decades to promote human rights and participation. One example is the Legal and Justice Reform. Accelerated actions took place to strengthen the protection of fundamental rights and freedoms, and to provide better access to legal and judicial information¹⁰⁹. Another important example is the newly approved National Housing Policy. It emphasises the progressive ideas of active community involvement and mobilisation of dwellers to find adequate housing solutions. The document emphasises, that participation from the government side, the private sector, but also the community and civil society organisations side is requested.

Human rights and obligations as the right to adequate housing, have been voluntarily accepted by the Royal Government of Cambodia through its ratification of various international human rights instruments, in particular the International Convention on Economic, Social and Cultural Rights (ICESCR), the Covenant on Civil and Political Rights, the Convention on the Elimination of All Forms of Discrimination against Women, and the Convention of the Rights of the Child. Under the Constitution, the RGC is bound to recognise and respect the Universal Declaration of Human Rights. This includes for Cambodians to receive the right to adequate housing, sanitation, livelihood opportunities, security and social services.

To create a meaningful voice and bridge to the government the Cambodian Human Rights Action Committee was created in 1994. Twenty-one NGOs are members and are working for the promotion and the respect of human rights, democracy and rule of law in Cambodia¹¹⁰. One omnipresent topic in the Cambodian context is the attempt to improve the issuing of land titles and the solving of land disputes, which are partly originating from the historical destruction of a cadastral system by the Khmer rouge regime.

¹⁰⁹ RGC 2014a, 9

¹¹⁰ CHRAC 2008



Consultative and participatory workshop and seminar on public affordable housing conducted by the General Department of Housing, Ministry of Land Management, Urban Planning and Construction throughout the country in order to collect feedbacks from all relevant stakeholders.

23. Enhancing urban safety and security

Cambodia transformed within the last two decades from a region of uncertainty, war, internal strife and instability into a country with sustained peace, security and social order¹¹¹. Furthermore, the RGC recognises and emphasises in its Rectangular Strategy III a peaceful and secure environment as imperative for future national growth and wellbeing.

According to the global report on Human Settlements, UN-Habitat defines three main themes as important to be handled and improved by urban policy, governance and planning in terms of urban safety and security.

The first theme is crime and violence. An important step in Cambodia was the enactment of the 'Safe Village/Commune' policy in 2010. Measures are proposed for the reduction of crime on the local level related to domestic violence, human trafficking, gambling, drugs, gang activities and the illegal use of weapons. Additionally, the policy tries to develop the work of police forces¹¹². Through this policy a significant reduction in crimes were reached, however the incidences of armed robberies, murders, illegal drug circulation and trafficking, rapes, women and children trafficking, and violation of law and money laundering are still high¹¹³. For example, the opportunistic for financial gains performed street robbery, bag and phone snatching occur mostly in urban areas, often via passing motorbikes or stealing from Tuk-Tuk (three wheeled vehicle) passengers¹¹⁴. Juvenile delinquency is often connected to difficulties to find decent jobs, or to the struggle to take part in the new urban lifestyle. Some migrant workers face difficulties as they lost their familiar security network and are faced and exposed to sexual health risks, gender-based violence, gang violence and drug abuse in their new urban setting¹¹⁵. The number of traffic accidents is still too high, whereby often motorbike riders are injured¹¹⁶. Furthermore, a stricter enforcement of traffic rules are

¹¹¹ RGC 2014a, i

¹¹² CCHR 2012

¹¹³ RGC 2014a, 17

¹¹⁴ OSAC, 2015

¹¹⁵ UNCT 2009

¹¹⁶ RGC 2014a, 17

aspired. Positive results were reached by the prohibition of private possession of handguns since 1999.

The second theme is tackling the insecurity of tenure and forced evictions. Within the NSDP 2014-2018 the RGC emphasises that “people in all places need land titles to ensure their land tenure security, to reduce land disputes and to improve their living standards, as well as to develop the national economy”¹¹⁷. For the context of urban settings in Cambodia it is important to recognise, that during the Khmer Rouge Regime, all existing land records were destroyed. Therefore, everybody returning back to the cities was a squatter. The revised land law from 2001, guarantees the right to request a land title, after having peacefully occupied a land for five years. Many titles were since then provided, yet there is no uniform title registration system. This situation is a challenge especially for urban poor communities. A lack of awareness and understanding of the process for registration on the side of affected people can be observed, as well as a lack of resident proof of land occupation. Further challenges are the costs connected to upcoming disputes. Many urban marginalised settlers are therefore still waiting for their titles and are threatened by evictions¹¹⁸. This situation is stagnating as priority is given to dispute-free areas in order to fast enhance the number of issued titles.

The last and third theme is concerned about natural and human made disasters. Cambodia is Asian wide one of the countries at highest risk to be hit by natural disasters. As stated in the chapters 15 and 16, several programmes, platforms, committees, and strategic plans were formed and developed to tackle the risks of climate change and disasters. Yet governmental planning and research attention has to be focused on urban context also keeping the impact of environmental modifications through human actions in mind.

24. Improving social inclusion and equity

The years between 2004 and 2011 were marked by one of the highest economic growth rates in the world. Together with this there was an increased household consumption of around 40%¹¹⁹. Notably the growth at this time benefited not only the rich, but also the poor. The poverty rate in Cambodia dropped from 52,2% to 20,5 %¹²⁰.

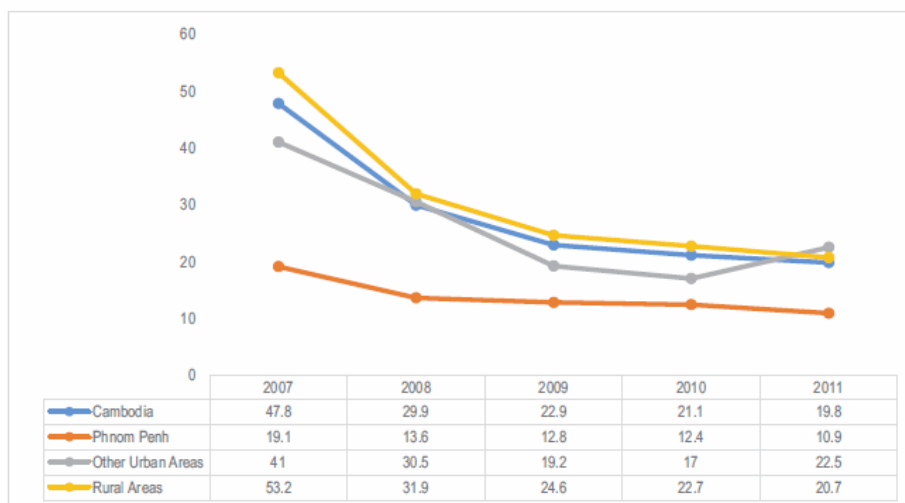
Cambodia was therefore ranked 5th out of 76 poor countries in terms of poverty reduction, measured for the progress in achieving the MDGs. Figure 5 shows the decrease and emphasises the outstanding development in Phnom Penh.

¹¹⁷ RGC 2014a, 31

¹¹⁸ UN-Habitat 2007, 122

¹¹⁹ Word Bank 2013b

¹²⁰ *ibid*



Positive drivers for poverty reduction in urban areas were: increasing industry and foreign investments, raising salaries, improvements of the health system, a decrease in inequalities for the access to education and improved infrastructure. In rural areas an increasing rice price played a very positive role for decreased poverty.

Despite the significant drop of the poverty rate, a problem until now, which is acknowledged by the RGC is, that many people are just slightly above the poverty line, always being endangered to fall under it again¹²¹. Further attention needs the fact, that despite inequality is decreasing since 2007 (the Gini index fell to 0,282 in 2011), the gap between rich and poor increased in absolute terms¹²². Additionally, urban centres have experienced an increase in the wealthy elite¹²³.

Within article 36 of the Cambodian Constitution it is written: “Every Khmer citizen shall have the right to obtain social security and other social benefits as determined by law”. Laws, that codify social protection are: Labour Law (1997/8), Insurance Law (2000), Laws on Social

Figure 5: Trends in Poverty Rates in Cambodia by Broad Strata, 2007-2011
Source: RGC 2014a, 85

Security Schemes for Persons defined under the Provision of the Labour Law, Law on the Prevention of Domestic Violence and the Protection of Victims (2005), Law on Suppression of Human Trafficking and Sexual Exploitation (2007), Law on the Protection and the Promotion of the Rights of People with Disabilities (2009).

An important step to take into account especially for the need of the poor, was the development of the National Social Protection Strategy for the Poor and Vulnerable (NSPS) in 2011. Key areas named are¹²⁴:

- Ensure: all people are able to receive support meet their basic needs, including food, sanitation, water, shelter in times of emergency and crisis
- Provide: secure income - Educational and Working opportunities
- Establish: Physical and social infrastructure
- Ensure: health affordable health care and financial protection in case of illness

¹²¹ RGC 2014a, 65

¹²² Word Bank 2013b

¹²³ ADB, 2012

¹²⁴ RCG 2011b, 12

- Especially vulnerable group (i.e. including orphans, the elderly, single women with children, people with disabilities, people living with HIV, patients of tuberculosis...) receive income, psychosocial support and adequate social care

Instruments used for the achievement are: Cash and in-kind transfers and fee exemption; Public works programmes and Social welfare services.

Some further areas that are crucial to achieve social equity are: education, job availability and working conditions, infrastructure provision and security of tenure.

The access to education – equally for boys and girls has improved within the last decades, as the net enrolment rate of primary and lower secondary education significantly raised¹²⁵. Furthermore the number of poverty targeted scholarships was increased¹²⁶. The unemployment rate is low with 1.6% (2012)¹²⁷ and work conditions could partly be improved as the one of garment workers. Their minimum salary was increased, as well as their rent increases were capped.

Further inclusion of people in terms of infrastructure coverage was reached within the last years in terms of improved water and electricity coverage.

An important step that is currently in the process of creating social inclusion and equality in the urban context, is the extension of the 'Identification of Poor Household Programme (IDPoor) into urban areas. The programme started in 2006 in rural areas and aims to establish a comprehensive and regularly updated national 'poor database'. According to established multiple criteria people are selected and registered. The database is used for the provision of free or discounted medical services (eg. through Health Equity Funds or Social Health Insurance), scholarships or other financial support to poor pupils and students, allocation of social land concessions and many other uses. This programme helps to lift poor people out of poverty and to protect them from impacts of shocks¹²⁸. The extension of the programme is essential, as the urban poor also face many difficulties as poor housing conditions, insecure tenure and limited access to social support services¹²⁹.

25. Challenges experienced and lessons learnt in these areas (20-24)

The concentration or specific focus on the - urban context - within governance and legislation, can be still considered to be at the beginning. Compared to the very rapid urban growth the development of urban policies and legislation is in slow progress¹³⁰. A full prioritisation of the urban agenda within important strategic documents like the NSDP did not yet take place. It is recommended to put a stronger focus on urban poor dwellers by explicitly including the aim of poverty alleviation to be one of the main objectives in urban development policies. This should especially be taken into consideration during the upcoming development of the National Urban Development Strategy (NUDS).

Though documents produced by the national MoLMUPC or other concerned ministries are generally of high quality, full implementation remains a challenge. Furthermore, a lack of policy implementation can be seen at the sub-national level due to shortfalls in capacity

¹²⁵ UNCT 2009, 3

¹²⁶ RGC 2014a, 64

¹²⁷ ILO 2012

¹²⁸ MoP 2016

¹²⁹ MoP 2015

¹³⁰ Kammeier et al. 2014, 45

development of staff and allocation of resources. The NCDD, which is entrusted with the implementation of the decentralisation process, and should therefore be responsible for the devolution of tasks and resources, faces by itself a lack of financial budget and the power to implement all decisions done¹³¹. A higher interaction, cooperation and proximity of different levels is aimed at, which facilitates information sharing, establishment of capacities and trust.

The legislation supporting civic participation in policy and decision-making made since the time of the last Habitat II Global Urban Agenda significant developed. Through the decentralisation and de-concentration process local communities gained the possibility to directly infer, and advocate for their rights. Challenges are yet faced on the one hand by some local governments to mobilise people and on the other hand by communities, as their input is not yet fully valued by the local government. The latter is especially a concern for urban poor communities and new migrants who are facing inadequate housing situations, lack of social services and insecurity of tenure¹³².

Insecurity and safety is further experienced, by all urban inhabitants, through robbery and crime. Despite a reduction of incidents, inter alia money laundering, armed robberies, murders and illegal drug use the numbers are still high¹³³. An improved law enforcement is needed. This is also valid for example in case of traffic accidents. They could be reduced by stronger implementation of existing and new developed laws. Insecurity that occurs due to natural disasters is increasing, as the number of extreme climate conditions are increasing. Therefore, people of all societal levels have to be informed about adaptation and risk reduction possibilities. Furthermore, additional money has to be mobilised to actually implement developed adaptation and mitigation means.

Despite the great achievements of the reducing of poverty from a rate of 52,2 to 20,5% (from 2004 to 2011)¹³⁴ the situation stays still critical, as most people are just slightly positioned above the poverty line. Therefore, the implementation of the national Social Protection Strategy (NSPS) requires more coordination and harmonised actions across government entities. Furthermore, these need to be evaluated and then scaled- up¹³⁵. The important tool, called IDPoor, that is used for the selection of people eligible for social support is so far just used in rural areas. The planned implementation in urban areas needs to be accelerated to bring these necessary amendments also to the marginalised people living in the urban context.

To ensure social inclusion and equity, enhanced transparency is needed in decision making, which includes the fighting of corruption. Additionally, the lack of political commitment to approve documents and in the case of urban planning land use plans, needs to be tackled¹³⁶. Furthermore, social inclusion and equity is challenged by unequal distribution of economic growth. This is valid in terms of distribution between people, but also in a spatial sense, as economic development is currently very much focused on Phnom Penh and a very limited number of few other cities¹³⁷.

¹³¹ ADB 2011, 23; ADB 2012, 11

¹³² Kirn and Devas cited by CDRI 2012, 13ff

¹³³ RGC 2014a, 17

¹³⁴ Word Bank 2013b

¹³⁵ RGC 2014a, 195

¹³⁶ Kammeier et al. 2014, 45

¹³⁷ Kammeier et al. 2014

26. Future challenges and issues in these areas (20-24) that could be addressed by a New Urban Agenda

- **Continuous and effective urban legislation development:** The started process of the evolution of the National Urban Development Strategy (NUDS) in from of a released framework in 2015, needs to be carried further. Capacity and financial gaps have to be overcome, to force a timely NUDS development, to catch up or better build a foundation for the planning of the current rapid urban development.
- **Continuously support decentralisation and good urban governance:** To ensure effective functioning of local governments, support should be provided in terms of guidelines, manuals and trainings. To ensure their concerns and needs are communicated to higher level governments, a recurring urban forum, where different levels and departments of government meet to discuss urban issues (including housing policy, decentralisation, spatial planning and climate change issues), should be organised. Furthermore mechanisms to also to incentive a two-way communication system between different tiers of government as well as accountability structures should be aimed at.

The next phase of good governance might require efforts to bring-in E-governance, which is planned to make urban management more effective and accessible. For this to happen, the government will require 'electronic-wiring' of the whole country, developing on-line databases at different levels, and providing e-services. Investment in human capacities within the government and physical investments, required for modernisation, will thus assume an important place.
- **Public participation and human rights:** Further support and implementation of existing participatory mechanisms and spaces in urban governance such as the support for civic involvement in commune investment plans should continue and scale up to city levels. The establishment and promotion of urban forums and discussions with participation from different urban actors including private sector, civil society and local authorities should be encouraged.
- **Inclusion and Equity:** Especially economic growth needs to be distributed equally among poor and rich and among all parts of the country. Economic corridors should be planned and implemented to strengthen underdeveloped areas. A regional approach and collaboration is recommended.

V. Urban Economy: Issues and Challenges for a New Urban Agenda

27. Improving municipal/local finance

In the course of the Organic Law from 2008 reforms in three main public management sectors are taking place. The first one are the decentralisation and de-concentration reforms, the second public administration reforms and the third one are the public financial management reforms. The latter ones are improving cash planning and cash-flow management, implementation of property tax, developing of new standards for external assisted projects, creating new debt sustainability analysis and putting further priorities onto capacity building and integration into local five year strategic plans¹³⁸.

Through the Organic Law every sub-national administration is obliged to develop each five years a new strategic plan. This is accompanied by a three-year rolling investment plan. The commune councils present their plans to the district and the budget is approved and developed. Development partners, NGOs and the public are able to take part.

Currently functional assignments are taking place mainly in the five line ministries health, education, rural development, agriculture, fisheries and forestry, and social affairs to finalise functional mappings and to proceed with the devolution and transfer of tasks. Some ministries are still hesitant to assign responsibilities as there is a lack of financial support, capacity and knowledge, resulting in low productivity of local staff and unclear and overlapping agency mandates¹³⁹.

Despite the few years of starting the process in 2008, major improvements have been reached in terms of improved local and municipal financing. Concerning direct financing, District Development Funds have been established since 2015, transferring 1% of national revenues. Furthermore, the above mentioned public finance reforms encourages close work relations of implementing ministries and agencies with the subnational level¹⁴⁰. Additionally, oversight Institution as the National Audit Authority and additional processes continue to be established - yet having a limited coverage - but being processed with external audits, guaranteeing independence¹⁴¹. To make local administration more independent, potential capital gains through increased opportunities for revenue via local taxation (as the one of property taxation) will play an increasing role in the future. As one step the General Directorate of Taxation expanded its automatic declaration system in all provinces, and recruited and trained more than 300 new customs officers¹⁴². This and further steps to involve the private sector in service delivery will help to reduce the strong reliance on external funding/ loans as well as on the funding from the central government¹⁴³. To accelerate this process, the Sub-National Investment Facility (SNIF) will be established as

¹³⁸ ADB, 2014

¹³⁹ ADB 2014, 1

¹⁴⁰ RGC 2014a, 105

¹⁴¹ ADB 2014, 2

¹⁴² RGC 2014a, 20

¹⁴³ ADB 2012; MoLMUPC 2015, 18

complementary element of the local financing system. The mobilisation of financial resources will be the objective of SNIF to support local investment projects within key development sectors. Good project preparation of sub-local administrations will be remunerated via a competitive project selection and with a project specific fiscal transfer, and furthermore assistance for capacity development will be offered to weaker administrations. Additionally, the borrowing of funds at appropriate conditions will be enabled, what will be a 'milestone' for the development of decentralisation¹⁴⁴.

28. Strengthening and improving access to housing finance

Improved and strengthened access to housing finance is becoming visible within the last years in Cambodia. Former and some continuing challenges stems from civil unrest and war during the Khmer Rouge time. During this period, there was no individual ownership of land. After 1979, a collective form of land ownership evolved in which occupation of land and buildings were tantamount to ownership. In 1989, the Government began to move towards private ownership, permitting Cambodians to request recognition of ownership of the land they were occupying. Currently, especially in the urban areas, there is a very high construction rate and an immense growth of real estate development, which is one major driver of economic growth, but at the same time one challenge as it is accompanied by rising land prices, especially in urban centres¹⁴⁵.

The purchase of a house or flat is in the majority of cases one of the biggest investment people do in their life. From 2004 on, banks introduced housing loans in Cambodia. The increasing, but still moderate use of them is twofold. On the one hand there is a cultural adversity to borrow (Cambodia is still substantially a cash economy) and on the other hand there is a lack of product awareness¹⁴⁶. Additional factors for the moderate demand are the prerequisites of having a fixed income and a hard property title.

To overcome these challenges, and especially to provide access to housing finance for marginalised groups in urban areas, the Urban Poor Development Fund (UPDF) was set up in 1998. This was a joint effort of the Municipality of Phnom Penh and the Asian Coalition for Housing Rights (ACHR). UPDF was established to connect and scale-up community based saving groups and to provide loans to low-income families in poor communities for the construction and improvement of their houses¹⁴⁷. Up to May 2010 were 1300 million riel mobilised to provide micro-finance loans, which helped poor households to better generate incomes and improve their livelihoods¹⁴⁸. The UPDF has now evolved into the Community Development Foundation (CDF) and works in partnership with the Ministry of Land Management and Construction. Loans and grants for housing, upgrading and income generation expanded from the poor communities in Phnom Penh to other cities and rural areas in Cambodia.

¹⁴⁴ ADB 2012a, 8; ADB 2012b, 4

¹⁴⁵ IMF 2014

¹⁴⁶ Phnom Penh Post 2010

¹⁴⁷ CDF 2016

¹⁴⁸ RCG 2010, 1

With the 2014 approved National Policy on Housing an institutional setup and mechanism for housing finance is planned. One major goal of the policy is “to provide people in general, especially low and medium income households and vulnerable groups, with access to adequate housing or to improvement of their housing”¹⁴⁹. One achievement is the planned establishment of a National Housing Fund structure to provide the poor with finance. Additionally, seven financial options to access housing finance have been developed. Among them: saving and loans - support of community saving groups; contractual savings, special housing funds and pre-paid housing saving cards. Furthermore, the access to lower priced housing will be strengthened by public rental housing construction, private sector agreements and the providence of land to poor communities¹⁵⁰.

A fast implementation of the housing policy is aimed, as the population is expected to grow rapidly and additionally the average household size is shrinking. The implementation will help to provide the needed amount of at least 1.1 million new housing units until 2030¹⁵¹.



Community saving and loan for housing of the urban low income communities in Phnom Penh

29. Support of local urban economic development and its integration into national development policy

Whilst there was no economic development during the Khmer Rouge period from 1975-1979¹⁵²

with even major persisting negative effects, as at this time the educated elite was killed, the RGC has since then successfully embraced economic liberalisation and integration in the global economy, which stimulated economic growth and helped reduce poverty. Annual economic

¹⁴⁹ RGC 2014a, 1

¹⁵⁰ RGC 2014a

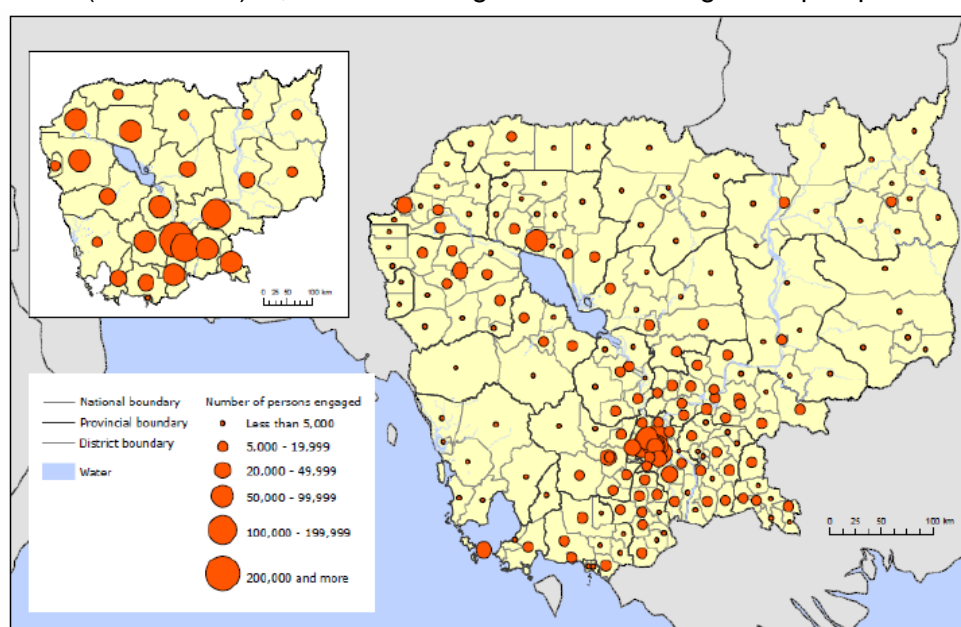
¹⁵¹ RGC 2014b, 1

¹⁵² MoP 2012,7

growth rates were around 8- 10% in the period from 1994-2007. After a short period of stagnation following the global economic shock (2008/9) the Cambodian economic growth has been stabilised around 7% per year. Determinants of the growth were a stable macroeconomic environment, creation of critical institutions and prudent financial policies¹⁵³.

Cambodia's urban areas now contribute around 50% to the GDP and the share is expected to continue to increase to 70% by 2020¹⁵⁴. These figures show the general transformation from a rural to an urban based economy. The main sector of economic growth can be found in the garment, tourism and construction sector - mainly located in urban areas. The growth of the agricultural sector is declining. Generally, a shift from primary sector employment to secondary and tertiary employment can be seen. The bulk of the secondary and tertiary employment is located in towns and cities,

The conducted Economic census in 2011 was the first ever done in Cambodia. It showed, that there is a high concentration (79 %) of small establishments with only one or two persons engaged – both in the urban and the rural area. Beside this, it manifested the extreme concentration of establishments (19%) as well as workforce (33%) in Phnom Penh and its vicinities (Kandal 9%)¹⁵⁵, as seen in Fig. 6. The following most prosperous economic



provinces and municipalities are: Siem Reap, Battambang, Sihanoukville, BanteayMeanchey and Pursat.

Figure 6: Economic establishments and persons engaged by province and district
Source: Kammeier 2014, 28

Remarkable is, that half of the 50% of the urban contribution to the GDP's share was produced in Phnom Penh, which results as well in a high rural urban migration especially to Phnom Penh. The above map shows that the northeast and south-west regions are rather sparsely populated with few establishments/ working people.

¹⁵³ ADB 2012a

¹⁵⁴ Ibid, 2

¹⁵⁵ NIS 2013b, xxvii

The growth of the urban sector is inevitable, but its uneven distribution across the country is and can be further influenced by good urban policies. The successful performance of the first Economic Census was essential to proceed with evidence based analysis, planning and policy implementation. However, this process is still at its beginning.

Sustainable, inclusive and equitable employment generation has been addressed through the RGC's key documents, which are the Rectangular Strategy and the NSDP. To achieve a well-balanced economic structure, the National Policy on Spatial Planning (2011) envisions: "The entire territory shall be used, organized, developed, and protected by integrative, strategic territorial planning and the harmonization of regionally significant instruments and measures"¹⁵⁶.

To reach the decentralisation of opportunities, the Ministry of Industry raised inter alia the following objectives in its Industrial Development Policy 2015-2025: creation of an enabling environment for regional and global investments; attract new industries and value added production, reduce number of informal enterprises and strengthen small and medium enterprises. In a spatial perspective the Ministry of Industry puts its focus on strengthening new industrial corridors, special economic zones (SEZ) and urban/city development plans. To manage, plan and promote these the Cambodian Special Economic Zone Board was established. The government's purpose in establishing SEZs is to promote diversification of the industrial activities and their location. Economic corridors are designated growth regions mainly along major transport routes. The project of the Greater Mekong Subregion (GMS) corridor will connect the towns, Phnom Penh, Sihanoukville, Battambang, Bavet, Poipet and Svay Rieng and will be continued in the neighbouring countries. The main activities that will be part of the project include: (i) formulation of strategic local economic development plans, (ii) implementation of strategic infrastructure investments, and (iii) implementation of capacity development activities to sustain project implementation and strengthen capacities to liaise with private sector partners¹⁵⁷.

The National Policy of Industrial Development incorporates a matrix on policy measures and action plans. Among these are the preparation of urban/city development plans to transform them into industrial centres, by creating an institutional coordinating mechanism¹⁵⁸. The contribution and coordination with the following ministries and institutions is planned: Ministry of Land Management, Urbanization and Construction; Council for Development of Cambodia; Ministry of Public Works and Transportation; Ministry of Economy and Finance.

Further documents that advocate and request for an equal distribution in a spatial manner are the Land Policy from 2009, the "White Paper" from 2012 and the National Policy on Spatial Planning (2011). Clear ways towards special distribution of sustainable economic development is currently developed in the National Urban Development Strategy (NUDS), among other via the establishment of a secondary and small city development programme.

¹⁵⁶ RCG 2011a,3

¹⁵⁷ ADB 2012a

¹⁵⁸ RCG 2015, appendix D

30. Creating decent jobs and livelihoods

The poverty rate, especially in urban settings is decreasing in the last decade¹⁵⁹. This can inter alia be traced back to an increase in salaried jobs among man and women in urban areas as Figure 7 shows.

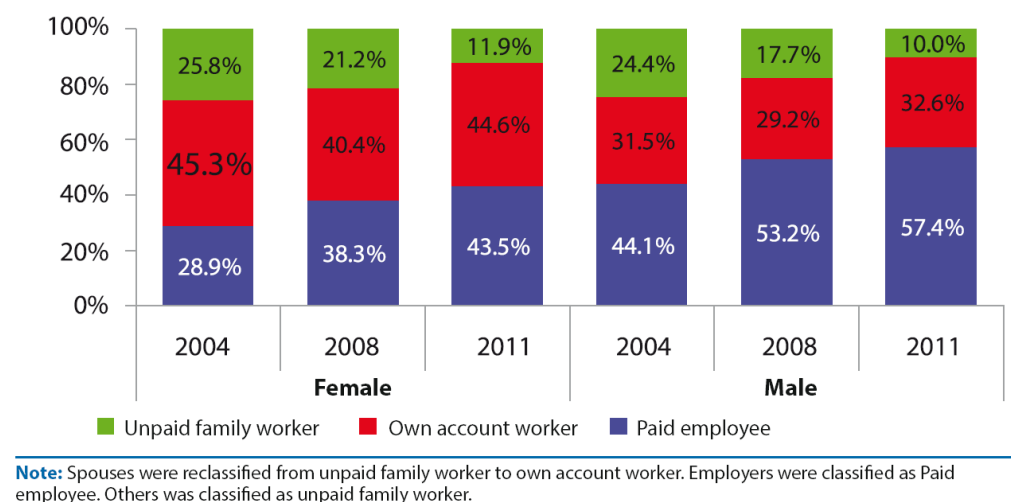


Figure 7: Urban Male and Female Employment Share
Source: World Bank 2013b, 29

The specific demographic history in Cambodia – with a significant decrease of population during the Khmer Rouge Regime, which was followed by a baby boom - leads to the fact, that the workforce is remarkably young. Two-thirds of all Cambodians were born after 1993¹⁶⁰. This population pyramid represents a challenge as every year 300 000 – 400 000 people are entering the labour market¹⁶¹. The labour market absorbs these numbers still, as the unemployment rate of 1,6% in 2012 indicates¹⁶². Some of the offered or created jobs are however not providing fully appropriate working conditions¹⁶³.

To enhance the situation, the RGC keeps its long term goal of creating jobs, ensuring working conditions and increasing the standards of living. Therefore, one component was to establish the National Social Security Fund (NSSF) under the Labour Law and the Social Security Law, which had in 2011 700,000 members. The three schemes focused on are the occupational risk insurance, medical insurance and a pension fund¹⁶⁴. To spread these services further effort is put to decrease the number of informal establishments, which are currently forming the majority¹⁶⁵. Thus the Ministry of Commerce (MoC) reformed the commercial procedure for the registration for Small and Medium Enterprises (SMEs).

¹⁵⁹ RGC 2014a, 85

¹⁶⁰ World Bank 2013b, 27

¹⁶¹ UNCT 2009, 3

¹⁶² ILO 2012

¹⁶³ Ibid; UNCT 2009

¹⁶⁴ CAMFEBA 2011

¹⁶⁵ NIS 2013b

Reduced were the needed document, the deposit capital (by 80%), the time period for registration (now 3-5 days) and the administration fee. Since the reform in 2005 the number of registered companies has increased every year¹⁶⁶.

One of the best possibilities to link people to decent work opportunities is the provision of education. This will reduce their vulnerability and lift their future livelihoods¹⁶⁷. Through the Education for All National Plan (2003-2015) Cambodia made significant improvements of school enrolment rates, especially for the primary (97% in 2013) and for the lower secondary level (56.5 in 2013)¹⁶⁸. The duration of education attainments varies from rural to urban areas as can be seen in Fig. 8. By 2011, each year of education wages increased by 5.6 %¹⁶⁹. Via the Cambodian Education Sector Support Project (CESSP) the provision of scholarships to girls and poor students was increased and thereby the existing gaps could

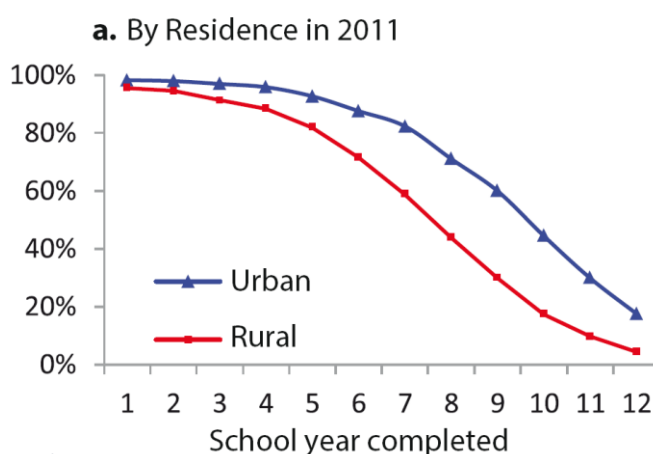


Figure 8: School years completed by residence
Source World Bank, 2013b, 58

be decreased. As well further efforts will be put in reducing the dropout rates.

The RCG recognises that it is a challenge to ensure that skills of new entrants match with the requirements of their new job, which requires more efforts focused on the expansion of technical and vocational education¹⁷⁰. Therefore, the Ministry of Labour and Vocational Training (MoLVT) set up seven new vocational training centres in various provinces and six new private and non-governmental establishments for extending technical and vocational trainings. Furthermore, partnerships are strengthened between the state, the private sector, trade unions, civil society organisations and development partners to enhance the quality and provision of technical and vocational education and training. The Korean International Cooperation Agency (KOICA) is for example providing auto mechanic and software skills, the Japan International Cooperation Agency (JICA) is offering training for a diploma in electricity. On the meantime national capacity standards for competition, particularly in the sector of mechanics, construction, ICT and business services are continued to be developed¹⁷¹.

¹⁶⁶ RGC 2014a, 58

¹⁶⁷ UNCT 2009

¹⁶⁸ RGC 2014a, xi

¹⁶⁹ World Bank 2013b, 31

¹⁷⁰ RGC 2014a, 55

¹⁷¹ RGC 2014a, 172

Finding a decent job is eased by the National Employment Agency and its connected job centres. In the future, these will be promoted to ensure information sharing between different stakeholder and an increased awareness.

The situation of Cambodian workers migrating to neighbouring countries or overseas, both legally and illegally is enhanced by improved procedures and protection¹⁷². Thus a new MoU is for example planned to be signed at the end of 2016 between Thailand and Cambodia, ensuring migration workers basic rights and the recognition of work experience¹⁷³.

The RCG has put in the last years specific efforts on the improvement of workplaces. Thus the government helped for example to improve the health system and work safety through 1,338 occupational health inspections at 586 establishments in 2012¹⁷⁴. An important further step to provide adequate workplaces was the development of the Better Work program which grew out of the Multi-Fibre trade Agreement between the US and Cambodia. The Better Work program is led by ILO and supported by the government, work unions and the Garment Manufactures Association of Cambodia. Monitoring and recording of the conditions for workers in Cambodians garments factories is conducted beside the provision of help for the improvement of productivity and the working conditions. The success of this program was proven by several studies: companies being part of the program were less likely to be shut down, their reputation increased, the working conditions significantly improved and all in all their competitiveness was not undermined, but increased¹⁷⁵. The conditions of garment workers further increased when the minimum wage was set at 140\$ by the Ministry of Labour in 2015 beside agreeing on a law that monitors and controls increases in rent for garment workers.

31. Challenges experienced and lessons learnt in these areas (27-30)

For improved service delivery an efficient and transparent public finance management is crucial. Currently the municipalities face a limited allocation of financial resources, and complex administrative processes¹⁷⁶. Furthermore, municipalities have to cope with low salaries which is reducing the productivity of staff. These aspects lead to the fact, that coverage and services on the local level stays limited. In some cases the composition of public expenditures could be improved. Notably is the absence of local stakeholders in local investment strategies¹⁷⁷. However quantitative data on investment on a regional or municipality level is not yet available¹⁷⁸. Closing this data gap combined with the fast establishment of the Sub-national Investment Facility (SNIF) will enable different levels to interact and support each other and in the long run it will improve the local finance capacities significantly.

A lack of reliable data also is noticeable in terms of housing demand. Further efforts are needed to clarify how many flats are needed; in which price segment; what is the current housing price in which area. This is important as alone in 2012 the construction approvals for

¹⁷² Ibid, 191

¹⁷³ ILO 2016

¹⁷⁴ RGC 2014a, 55

¹⁷⁵ World Bank 2013b, 34

¹⁷⁶ CEDRI 12; ADB 2014

¹⁷⁷ ADB 2012, 8

¹⁷⁸ Kammeier et al. 2014, 22

residential units in Phnom Penh quadrupled. Problematic is this, as the flats are mainly build for the upper or higher middle-class – but the demand in this sector is limited, leaving many flats unoccupied. IMF is further noting, that the funding source of some real estate developers “remain largely obscure and beyond regulatory supervisory oversight”¹⁷⁹.

To support housing financial access for the urban poor, which still form a significant group of the population, pro-poor mechanisms such as the UPDF/CDF loan system should be included as part of the implementation of the new housing policy and the planned National Housing Fund. Rapid establishment of pro-poor financial mechanisms in partnership with the urban poor are needed coupled with the construction of planned social housing is central.

The strong urban economic development in Phnom Penh leaves some smaller centres in other parts of the country underdeveloped. International investors are facing the challenge, that enabling infrastructure is as well mainly limited to a few areas. To promote local urban economic development these shortcomings, have to be even stronger emphasised and supported by the RGC. As the vast majority of establishment is run by one or two persons (over 90%), who have often not the capacity to invest in their business more microfinance institutions need to be supported by the government or regulated, to provide access to local economic development via reasonable interest rates.

The working conditions of persons in smaller and in bigger establishments, companies and industries still vary significantly in Cambodia. Joint governmental initiatives, like the unique Better Work program, which successfully transformed - in cooperation with ILO and the Garment Manufacturers Association - the working conditions of many employees within the apparel industry, need to be spread to further sectors like the food, entertainment and tourism field. The program includes aspects as minimum wages, human capacity development and improvement of the working place condition. Volunteering agreements between the private sector and the state and/or development partners are a very efficient way to create increased awareness for existing laws and international conventions. For sectors and establishments that are not controlled by programmes like the above mentioned, labour inspector officials need an improved training to control effectively working conditions¹⁸⁰.

Since Cambodia is facing a shortage of skilled workers, the awareness of the value of technical and vocational education and training has to be risen, as well as the current curricular has to be adapted to the needs of the labour market¹⁸¹. Beside the lack of skills, the matching possibilities of employers and employees is expandable. The existing database and information is limited which requests a joint effort of the private sector and the government¹⁸²

¹⁷⁹ IMF 2012

¹⁸⁰ World Bank 2013b, 35

¹⁸¹ RGC 2014a, 57.

¹⁸² *ibid*

32. Future challenges and issues in these areas (27-31) that could be addressed by a New Urban Agenda

- **Collaborative financial mechanisms and approaches:** In order to finance the New Urban Agenda a multi-stakeholder approach should be pursued in Cambodia comprising the private, government, international donors and community sectors. This is relevant for the provision of infrastructure and services as well as housing for the overall population.
- **Access to housing finance by low-income and urban poor groups:** New housing policies and mechanisms currently being developed in Cambodia should build on existing efforts in the country, including those of the Urban Poor Development Fund and the Community Development Foundation in reaching to low-income and poor populations by the provision of flexible finance, including low interest loans and grants. These efforts should be supported and scaled up with government support as well as in partnership with the private sector.
- **Support to enhance decent work:** Creation of platforms to promote knowledge sharing of companies having adopted improved working condition. Furthermore, the value and acknowledgement of technical and vocational training has to be risen, to fulfil labour gaps and to enhance individual skills, which lead to improved self-esteem and by this to solid negotiation positions.
- **Support of small and medium enterprises:** Improvement in laws commonly regulating small and micro enterprises is among the most needed actions to promote a sustainable, inclusive economic growth.
- **Regional cooperation:** Since 2015 Cambodia is integrated into the ASEAN community. Thus the influx of skilled and unskilled labour needs to be regulated on a national and regional basis.

VI. Housing and Basic Services: Issues and Challenges for a New Urban Agenda

33. Slum upgrading and prevention

As recognised by the RCG rapid population increase and unplanned urbanisation has led to the creation of poverty pockets, which will most likely - if no integrated planning is provided – expand, due to high urban pressure: economic boom, population growth, the pressure of scarce inner-city land and the need for modernisation of infrastructure. However, the “data on urban poor communities and their living situation is limited due to lack of systematic data collection and analysis”¹⁸³.

This data is necessary for evidence based planning, interventions and resource mobilisation. A full data collection on poor urban settlers was agreed on in the course of the decision to extend the IDPoor Programme, which was established 2006 for rural areas, now into urban areas. Up to now, there is already data existing on urban poor communities for Phnom Penh, as the Municipality conducted in 2012 ‘The Phnom Penh Urban Poor Assessment’.

The report showed, that poor urban communities are mainly located along sewage pipes, small rivers, railway tracks or national roads. Over the last decades they settled without much regulation. For the assessment over 2000 individuals were interviewed and it was revealed that there are around 500 urban poor areas with a population estimated between 250 000 and 400 000 people in Phnom Penh¹⁸⁴. The housing conditions are mainly small wooden or concrete houses, build as permanent structures. The household sizes are bigger than in the rest of Phnom Penh and the socio-economic conditions are challenging. A conclusion that was drawn out of the assessment was, that there is not a ‘one solution fits all’ way. Therefore, individual solutions are aimed at. One important step to reach these individual solutions is, to get organised and recognised by the government. Many poor communities achieved this within the last years¹⁸⁵.

Within this context the Urban Poor Development Fund (UPDF) has played a significant role in slum upgrading and poverty reduction. UPDF was established in 1998, evolving out of the Urban Poor Federation (a network of community saving groups) and concerned NGOs with the support of the Asian Coalition of Housing Rights (ACHR). The aim of UPDF, which evolved into Community Development Foundation (CDF) is to provide “loans and grants for land acquisition, upgrading, house building, income generation and food production, but also gives community savings groups the chance to improve their knowledge, their confidence and their capacity; most critically, it supports them to develop better relations with government agencies”¹⁸⁶. This community driven process led to the government’s policy to ‘upgrade 100 slums per year’ as announced in 2003. The vice-governor of Phnom Penh said: “the city is now very keen to find a way that poor people in inner-city slums can live in

¹⁸³ MPP 2012, 5

¹⁸⁴ MPP 2012

¹⁸⁵ *ibid*

¹⁸⁶ Phonphakdee et al. 2009, 569

good houses, in secure and well-serviced settlements”¹⁸⁷. The achievements of UPDF and CDF are wide-ranging. For example just within the time period of 5 years (2009 – 2014) CDF implemented the ACCA Programme (Asian Coalition for Community Action), which is supported by ACHR in 28 cities. Thereby 223 so called ‘small projects’, like street and sewage system upgrading and 13 ‘big projects’, like full-on site upgrading with the handover of land titles were conducted. Savings of more than half a million Euro were collected through 372 saving groups¹⁸⁸. All these project were possible, as good connections between poor communities and local authorities have been established. National and local authorities contributed with financial and human capital and land provision¹⁸⁹.

To further improve the situation of poor urban communities and to reduce relocations, the ‘Circular 03: Resolution on Temporary Settlements on Land which has been illegally occupied in the Capital, Municipal and Urban Areas’ was developed by the RGC in 2010. The circular requests the collection of demographic and spatial data in a joint effort between the local administration and the poor communities in order to find negotiated solutions for land tenure security. Focus is put on on-site upgrading with the delivery of basic infrastructure and services, and relocation only in the case that the area is not suitable for on-site-upgrading. Problem solving takes place in a participatory manner, incorporating all affected stakeholders and the beneficiaries are eligible to receive land titles after ten years of continuous occupation of the approved location¹⁹⁰. The Housing Policy, endorsed in 2014 also provides emphasis on the need for cooperation with local poor communities to solve existing housing issues¹⁹¹.



Low income community road improvement in Phnom Penh

34. Improving access to adequate housing

Despite rapid construction of housing in Cambodia's urban areas (particularly in Phnom Penh), provision of adequate housing remains an issue. According to the National Housing Policy, the Cambodian Government is committed to implementing the principle of human rights, especially the right to ‘adequate housing’ for all citizens by setting out the following

¹⁸⁷ UPDF cited in Phonphakdee et al. 2009, 575

¹⁸⁸ ACHR 2014, 24

¹⁸⁹ ibid

¹⁹⁰ RGC 2010

¹⁹¹ RGC 2014b, 5

strategies: Good Governance Action Plan; Poverty Reduction Strategy; Circular 03; National Strategic Development Plan; Rectangular Strategy; in order to ensure the right to adequate housing for all Cambodian citizens, especially poor and vulnerable groups.¹⁹²

The vision of the National Housing Policy, which has been developed with assistance from UN Habitat, is to enable people and communities throughout Cambodia to have access to adequate housing to live with welfare, peace and dignity - especially, paying attention to low and medium income households and vulnerable groups.

The goals of the National Housing Policy, which was endorsed in 2014, are:

- To identify housing solution for citizens with appropriate quality and quantity
- To provide options to access housing especially for, low and medium income households and vulnerable groups and to provide financial options for construction or improving houses
- To mitigate the number of inadequate housing households that are living in a narrow and un-organised structure, and are settling temporary on public space, by providing them with adequate housing
- To set aside land for housing the poor, low-income households and vulnerable groups (e.g. via social land concessions), in suitable locations i.e. within city planning, rural and urban planning, and land use planning; with a guarantee to land tenure security.

Consistent with these policies, at the national level, the National Housing Committee has been established and is led by the deputy prime minister of MoLMUPC. Other line ministries are the Ministry of Interior, Ministry of Economy and Finance, Ministry of Public Works and Transport are members. This National Housing Committee was formed in order to study current housing practices, housing demand, viable ways of providing housing supply as well as land allocation and preparations for future housing. For achieving this work in a sustainable manner, the General Department of Housing (GDH) was set up at national level under the Ministry of Land Management, Urban Planning and Construction by the Sub-Decree No. 180 in mid-2014. At Sub-National Levels, 'Offices and Units of Housing' are established at the municipal and provincial departments of Land Management, Urban Planning, Construction according to the Ministerial Parka No. 238.

The key tasks and responsibilities of the newly established housing bodies are to implement the National Housing Policy and other relevant government instructions related to housing including the Circular No. 03 on 'Resolution on Temporary Settlements on Land which has been illegally occupied in the Capital, Municipal and Urban areas'.

Currently, the General Department of Housing is working actively on the preparation and development of the public housing policy. An MoU has been signed with the CDF and ACHR that will enable, beside funds from the national budget and the private sector, the construction of first social housing projects in 2017/ 2018, which will be either available to buy or to rent .

¹⁹² RGC 2014a

35. Ensuring sustainable access to safe drinking water

In 2004 the RGC enshrine within the Rectangular Strategy for Growth, Employment, Equity and Efficiency the right of all citizens to have access to clean water as well as protection from water related diseases. Since 2013, the responsibility for urban water is within the Ministry of Industry and Handicraft (MIH) and municipal authorities. MIH's strategy for increasing people's access to water in urban areas includes encouraging the private sector to participate in developing the sector; human resource development and capacity building; institutional building and strengthening; improving financial efficiency and management; maintaining, improving and expanding infrastructures and improving technical efficiency; providing a subsidy scheme for poor families; and protecting the environment and water sources¹⁹³.

A considerable improvement of urban water supply can be seen in urban areas within the last 10-15 years. The coverage rate of piped water supply increased from 52% in 2008, to 68% in 2012. The number of households having access to safe drinking water raised in this period from 269,755 to 400,181¹⁹⁴. The improvement of access targeted by the MDGs is measured from the baseline in 1998. Cambodia had the aim to reach 80% improvement in 2015, this goal was met ahead of time with an improved coverage 81% in 2014¹⁹⁵. The development over time and the values for urban and rural settlements can be seen in the following Figure 9.

Indicator	1998 Baseline	2004 Actual	2010 Actual	2015 Actual	2015 Target
Rural Areas	24.0 %	35.5 %	43.5 %	50.0 %	50 %
Urban Areas	60.0 %	52.7 %	80.5 %	80.7 %	80 %

Figure 9: Increased percentage of people who have access to potable water

Source: ADB 2012a; MoRD and CSES

Notably the coverage in Phnom Penh is with 85% significantly higher than in other urban areas, where the percentage ranges around 50%¹⁹⁶. This success can be accounted to a transformation of the Phnom Penh Water Supply Authority (PPWSA), which started in 1993 and was supported by different development partners. Since then enlightened management takes place, with dedicated and competent staff. The distribution and coverage of water increased tremendously, the tariffs stayed stable, and its cost recovery and the amount of taxes paid to the RGC increased¹⁹⁷. This success model of good governance and autonomous structure, which allows the operation as independent business-like institutions, was and is currently duplicated in further Siem Reap.

The coverage of water supply in urban poor communities was assessed for Phnom Penh in 2012 via the 'Phnom Penh Urban Poor Assessment'. The result shows, that 85% of the

¹⁹³ RGC 2011c

¹⁹⁴ RGC 2014a, 46

¹⁹⁵ RGC 2015b, 47

¹⁹⁶ RGC 2014a, 46

¹⁹⁷ Biswas and Tortajada 2010

communities have access to clean water, of which 96% is provided by the PPWSA¹⁹⁸. Communities near to the city centre have higher access than the ones located in the peripheries. Different civil society organisations and NGOs supported by local authorities are also active in Phnom Penh and in the other urban areas installing community-lead water supply.



Safe water system installment in low income community in the outskirt of Phnom Penh

36. Ensuring sustainable access to basic sanitation and drainage

The second important Cambodian MDG 7 target, besides increased water coverage is the extension of available sanitation. Responsible for urban sanitation is the MIH and the municipalities. Roles are divided within the devolution of functions under the decentralisation and de-concentration programme.

Sanitation targets in urban areas surpassed 2015 targets and recorded 89% in 2014 versus the target set at 74%. Rural sanitation has been changed from 30% to 46% by 2015 since MRD proposed in the work-plan 2014-2018. As a result, rural sanitation was achieved up to 46.2%, exceeding the new target (46%)¹⁹⁹.

Indicator	1998 Baseline	2004 Actual	2010 Actual	2015 Actual	2015 Target
Rural Areas	8.6 %	15.0 %	29.2 %	46.2 %	46 %
Urban Areas	49.0 %	47.5 %	86.6 %	89.0 %	74 %

Figure 10: Increased percentage of people who have access to sanitation
Source: ADB 2012a; MoRD and CSES

¹⁹⁸ MPP 2012, 20

¹⁹⁹ RGC 2015b, 47

Sewage system in the communities defined as poor, in Phnom Penh have a coverage of 71,8%. The availability of an own toilet varies between 63% and 91%, depending on the income level²⁰⁰.

To improve waste management, the Ministry of Environment has undertaken measures. Thus, the sewage management systems at the subnational levels have been strengthened by setting up wastewater treatment plants in the cities of Preah Sihanouk, Battambang, Siem Reap, the coastal provinces, and provinces surrounding the Tonle Sap Lake²⁰¹.

The role of promoting oral health, hygiene and sanitation is carried forward by the RGC, international institutions as Unicef, ADB and NGOs like WaterAid. The supply of sanitation and drainage systems in poor urban areas is strengthened within community-lead process supported by NGOs like the CDF and supported by local authorities. Additionally, capacity and cooperation gaps in the WaSH sector on the local-administrative level are currently assessed and overcome by a joint project between UN-Habitat and the RGC focusing on the Greater Mekong Region.



Drainage installment in low income community in the outskirt of Phnom Penh

37. Improving access to clean domestic energy

Within the NSDP of the last legislature period and within the current one, the RGC focuses on the expansion of the electricity coverage, on strengthened institutional mechanisms and management capacities as well as on decreasing electricity tariffs. Due to this efforts, significant progress has been made in expanding the electricity network and in increasing the available supply²⁰². New transmission lines and networks were built between Bantea Menchay, Siem Reap and Battambang; Cambodian-Vietnam border; between Phnom Penh, Pursat and Battambang; Takeo and Preah Shianouk and between Phnom Penh and Kompong Cham.

Despite these efforts yet only 26% of the population has access to grid electricity, which is one of the lowest rates in Asia. However this is nevertheless a big step, as in 2003 the

²⁰⁰ MPP 2012, 20ff

²⁰¹ RGC 2014a, 36

²⁰² RGC 2014a, 47

coverage rate was 12%²⁰³. A significant difference can be seen in the access to electricity in rural and urban areas. While the coverage in rural areas is 11%, the electrification rate in the major urban Cambodian areas (Phnom Penh, Sihanoukville, Siem reap, Kampong Cham, Takeo and Battambang) is around 90%²⁰⁴.

The electricity consumption can be divided into the following sectors: residential (50.5%), commercial and public services (27.7%) and industry (18.2%)²⁰⁵

The electricity generation origins from: 38.1% hydropower, 17.8% coal, 6.7% diesel and heavy fuel²⁰⁶. Due to these limited domestic energy sources, Cambodia is reliant on imported fossil fuels to cover the remaining percentages for energy generation²⁰⁷.

A number of policies and activities that promote renewable energy production were developed in 2013. These are the National Policy on Green Growth; National Strategic Plan on Green Growth and the Cambodian Climate Change Strategic Plan. Furthermore the Rectangular Strategy Phase III and the National Development Plan 2014-2018 are besides referring to a development of oil and gas resources, to a planned expansion of new and clean energy sources²⁰⁸. As an electricity energy demand increase is expected for the next years with annually around 20%²⁰⁹, the RGC plans to install until 2020, 3.300MW of new generation possibilities. 63% of these will be covered by clean energy through new constructed hydro dams in the Mekong River or in Western Cambodia. Thereby Cambodia is expanding its estimated potential of 10 000MW for hydropower generation, whereof currently 223MW are installed²¹⁰. Besides hydropower the usage of renewable energies is yet limited. Biofuels and solar photovoltaic (SPV) accounts for around 1%²¹¹. As there is a strong solar resource potential first steps are considered. However these are yet in their pilot stage, as Cambodia does not have the necessary technology and financial support to enable access. Therefore, the RGC is encouraging the private sector to participate and invest²¹². Some small scale and pilot programmes, promoting SPV and biogas gasification were carried out among others by UNDP, AFD, KOICA and the EU²¹³. These projects mainly concentrated on rural areas. Urban areas were focused by a project of the French NGO GERES. As the use of charcoal and firewood for cooking and heating is still very common in urban areas – leading beside deforestation to respiratory diseases – the NGO focused on the introduction of improved cook stoves²¹⁴. Generally, a further introduction of SPV home systems connected with water heaters is encouraged by the RGC.

38. Improving access to sustainable means of transport

The rapid urban growth within the last decades was accompanied with an immense increase in private vehicle use. All cities except Phnom Penh did not yet have the chance to develop

²⁰³ GGI cited in icem 2015, 33

²⁰⁴ ADB 2012b

²⁰⁵ ADB 2011b

²⁰⁶ EAC 2014

²⁰⁷ RGC 2011c

²⁰⁸ RGC 2014a, 156

²⁰⁹ ADB 2015a

²¹⁰ ADB 2015b

²¹¹ IEA 2015b

²¹² RGC 2014a, 47; RGC 2015a

²¹³ GGIC cited by icem 2015, 38

²¹⁴ GERES 2013

a specific Urban Transport Master Plan. The Municipality of Phnom Penh got assistance by JICA, who formulated a first 'Urban Transport Master Plan' in 2001. In the same year a trial of an installation of public buses were introduced in Phnom Penh in the framework of a pilot project. This however failed due to missing subsidies, lacking physical amenities around bus stops and a lack of public interest²¹⁵. The original 'Urban Transport Master Plan' was revised and relaunched with an improved integration of decent public transportation system, in 2012. This "Comprehensive Urban Transport Plan' provides guidance until the year 2035²¹⁶. The plan aims at a public transport share of 30% by 2035. Therefore a second trial of public bus transport system was started in 2014 by JICA and then later on handed over to the municipality. Three lines with fifty buses are now running, which offer free transport for students, monks and the elderly. The acceptance from the people is increasing and the passengers' number is around 6,000 – 7,000 per day. With the support of JICA the number of bus lines is planned to be increased to ten, covering all major roads²¹⁷. The long term vision for Phnom Penh includes a commuter train and tramways and special bus lanes (rapid bus system) as well as lanes for two-wheelers. If implemented, these mobility features would enhance the opportunity for people living in outskirts of major cities, be it poorer settlers or people living in satellite towns, to commute in a comfortable, fast and affordable manner.

The connection between cities is currently covered by overland buses of private companies. In former times connections between Phnom Penh and Poi Pet (Northern Line) and Phnom Penh and Sihanouville (Southern Line) existed. The first being built by the French Colonial Government in the 1930s and the later was built with support from the People's Republic of China, France and West Germany in the 1960s. Both lines are currently not open as public transport possibility due to their superannuated situation. However they are at the present rehabilitated and planned to reopen within the next years²¹⁸.

A new initiative, which started in 2015, is the so called 'Cambodia Green Urban Development Program'. The RGC and the Global Green Growth Institute (GGGI) with the support of the International Centre for Environmental Management are developing a 'Methodology for Green City Strategic Planning'. The methodology will advise and assist district, communes and municipalities officials across Cambodia to analyse, plan and implement new, greener and more sustainable means of transportation by integrating these aspects in their development plans²¹⁹.

39. Challenges experienced and lessons learnt in these areas (33-38)

As estimations found out, in the course of the 2012 conducted assessment of Phnom Penh's poor settlements, the number of people living in these areas amounts for at least 250 000. Other numbers stated by the MPP even assume that one fourth of the 1.6 million people live in poor communities²²⁰. These numbers reveal the challenge to significantly improve the living conditions in these poor communities. Despite the development of pro poor policies like the circular 03 'resolution on temporary settlements on land which has been illegally

²¹⁵ IRITWG, 2015

²¹⁶ IRITWG 2015

²¹⁷ The Phnom Penh Post, 2016

²¹⁸ IRITWG, 2015

²¹⁹ Icem, 2015

²²⁰ MPP 2012, 5

occupied in the capital, municipal and urban areas' the reality saw few improvements as the implementation is still slow and difficult. Learned during the last years was the need to promote community-led and participatory approaches for urban development and poverty reduction. UPDF and now CDF have been displaying a way on how poor communities can effectively be integrated into development processes in partnership with local authorities. The housing policy stresses therefore the goal to develop poor settlements with the people together as well as to support in-situ upgrading rather than relocation to the outskirts.

This approach can however only be successful if data, resources and political commitment is available. The government decided to extend the IDPoor Program to urban areas. This will provide all administrative departments of urban centres with the needed demographic and spatial data to make informed and evidence-based planning decisions. Furthermore, resources are being mobilised to implement adequate housing projects as the one currently planned under the new housing policy and the upcoming social housing program. Furthermore, the government aims to reduce existing capacity gaps, especially at sub-national level, by establishing offices to strengthen new mechanisms for affordable housing provision.

Concerning water and sanitation provision Cambodia fulfilled all MDGs which were agreed on. This encourages the RGC to continue its path. Additional emphasis need to be put on the licensing of private water operator, to control water safety. Also more effort will be put in transforming public waterworks. The examples of Phnom Penh and Siem Reap showed, that more autonomy has a positive impact in several levels. Up to now, the waterworks beside the two mentioned ones, face difficulties, as water tariffs remain below full cost recovery levels, which leads to a lack of space to invest in a upgrading and extension of the often dilapidated water production and distribution system. Therefore, currently the sector remains largely dependent on contributions of development partners²²¹. The strategy of forming independent entities can significantly help to decrease the described situation and to extend the important services further into the outskirts of the city, where often marginalised people are living.

Larger investments effort of the RGC are yet necessary to establish water treatment plants around the whole country to avoid a deterioration of the water quality and an increasing health risk.

The current coverage of electricity connectivity is with its 26% one of the lowest in Asia and the prices are one of the highest. In combination with an additionally predicted increase of needed energy of around 5% percent annually and even 20% increase of electrical power, these aspects present a challenge for Cambodia²²². The potential of hydropower is estimated to be 10 000MW. Yet, just 223 MW are installed²²³, which in turn could be a great possibility. However consideration has to be given to the fact that within the dry period the capacity falls to 25-30%. Cambodia's location provides high potential for solar photovoltaic systems. The support of solar home system would be a suitable solution for urban areas, however private investment would be needed to bring this solution to the forefront combined with reduced interest rates for microloans, provision of feed-in tariffs and improved awareness of the systems and their benefits. Furthermore challenging is the situation that

²²¹ RGC 2014a

²²² ADB 2015a

²²³ ADB 2015b

Cambodia does not have the necessary technology and financial support to enable access to carbon markets²²⁴.

High energy consumption is also connected to increased individual transportation in private cars. Yet, for the promotion and installation of public transport systems proper planning in the most urban areas is lacking. This is often connected to scarce human and technical resources. Lessons were however learned and with the initiation of the Green Urban Development Program all levels of administration will obtain a guidance.

Challenging are all the raised topics by its own - yet is the combination of all the topics – but only the integration of sustainable means of transportation, urban poor, clean energy production and economic growth distribution into **one** joined urban plan, for each city, can lead to fulfilment of the RGCs aim to reach “growth, employment, equity and efficiency”.

40. Future challenges and issues in these areas (33-38) that could be addressed by a New Urban Agenda

- **Integrated and participatory slum upgrading:** A holistic approach should be pursued for upgrading informal settlements in Phnom Penh and other urban areas in Cambodia - consisting in the provision of land, housing, infrastructure and livelihood opportunities for the urban poor. This approach requires the involvement of multiple stakeholders, in particular the urban poor to prioritise development and investment, as well as share the financial responsibilities collaboratively. The approach should be built in and stressed within **the implementation of existing legal frameworks** such as Circular 03, the Land Law 2001 and the recent National Housing Policy. Furthermore the existing community-led slum upgrading experiences such as those supported by the UPDF/CDF as well as the involvement of the private sector should be focused and stressed. A city-wide approach to slum upgrading has to be targeted - embedded in a city-wide development plan - in order to move in a sustainable manner and scale up upgrading interventions from the project to the city level.
- **Forster access to adequate housing and livelihood:** Housing development initiatives should be coupled with livelihood support for urban poor households and communities. For example housing design should make provision for home businesses and incremental growth of families. In situ upgrading should be supported in order to preserve existing social and employment networks. In the case when relocations are seen as the only feasible option, these initiatives should provide land close to employment, health and education centres. Forced evictions should be always avoided as these directly impact the livelihoods and right of the urban poor, instead negotiated and collaborative solutions should be sought.
- **Urban infrastructure delivery for marginalised groups:** The development of a financing strategy for safe water supply and sanitation focusing mainly on urban poor and vulnerable households is needed.

²²⁴ RGC 2011c

- **Continuous fair expansion of energy distribution and regulation:** The current fragmented electricity grid is focusing on few major cities with a concentration on Phnom Penh, indicating the necessity to reduce the disparities between the capital and the other urban areas. Furthermore, energy-saving opportunities were identified and should now be disseminated and fostered. This can be accelerated if energy efficiency standards are developed and promoted. To avoid further deforestation and rising greenhouse gas emission, and to achieve an independency from neighbouring countries renewable energy solutions, as SPV and biogas, need to be targeted and codified in form of renewable energy targets.

INDICATORS

To be filled by the ministry – or NIS

#	Urban Indicators	Progress in percentages		
		1996	2006	2013
1	Percentage of urban population living in slums			
2	Percentage of urban population with access to adequate housing			
3	Percentage of people residing in urban areas with access to improved drinking water			
4	Percentage people residing in urban areas with access to adequate sanitation			
5	Percentage people residing in urban areas with access to regular waste collection			
6	Percentage people residing in urban areas with access to clean domestic energy			
7	Percentage people residing in urban areas with access to public transport			
8	Level of effective decentralization for sustainable urban development measured by:			
	(i) Percentage of policies & legislation on urban issues in whose formulation local and regional governments participated from 1996 to the present;			
	(ii) Percentage share of both income & expenditure allocated to local and regional governments from the national budget;			
	iii) Percentage share of local authorities' expenditure financed from local revenue			
9	Percentage of city, regional and national authorities that have implemented urban policies supportive of local economic development, creation of decent jobs and livelihoods			
10	Percentage of city, regional and national authorities that have adopted or implemented urban safety & security policies or strategies			
11	Percentage of city, regional and national authorities that have implemented plans and designs for sustainable and resilient cities that are inclusive			
12	Share of national GDP that is produced in urban areas			~50%

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