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**Royal Government of Cambodia**

**National Social Protection Strategy  
for the Poor and Vulnerable  
(2011-2015)**

**Executive Summary**

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This “Executive Summary of National Social Protection Strategy for the Poor and Vulnerable” is an exerted text from the “National Social Protection Strategy”, approved by Royal Government of Cambodia during the Full Cabinet Meeting on 18 March 2011, and the outcomes of policy and strategic discussion during the 2<sup>nd</sup> semester of 2011.

# Executive Summary:

# National Social Protection Strategy for the Poor and Vulnerable

## Summary of the National Social Protection Strategy

1. The document of National Social Protection Strategy (NSPS) is organised into six chapters. In the **First Chapter on “Introduction”**, this document provides the definition of social protection, social safety nets and other related terms and determines the scope of policy and activities and the development process of this strategy.
2. The **Second Chapter, “Social Protection as a Priority of the Royal Government of Cambodia”**, details the need for and importance of the development of such a strategy, based on the Constitution, the Rectangular Strategy for Growth, Employment, Equity and Efficiency Phase II, the NSDP Update 2009-2013 and national legislation, as well as international conventions to which Cambodia is a signatory.
3. The **Third Chapter, “Profiles of poverty and vulnerability in Cambodia”**, includes an analysis of types of existing and unseen risks, shocks and crises, based on research papers and data obtained from the 2008-2009 Cambodian Socio-Economic Survey (CSES). This chapter also raises the issue of the negative impacts of economic and financial crises and climate change on people’s livelihoods.
4. The **Fourth of Chapter on “Existing Social Protection for the Poor and Vulnerable”**, presents line ministries’ institutional structures, mandates, sectoral policies and strategies and existing interventions in terms of the provision of social protection services to the people. Informal/traditional social safety nets and civil society interventions are also described. This chapter links with the previous chapter on poverty and vulnerability to identify gaps in implementation.
5. Based on the legal framework analysis presented in the second chapter, the poverty and vulnerability profile in the third chapter and the review of existing social protection programmes and gaps in implementation in the fourth chapter, the **Fifth Chapter**, the **“National**

**Social Protection Strategy for the Poor and Vulnerable”,** describes in detail the approaches, vision, goal and objectives of the NSPS.

6. The **Sixth Chapter** of this document covers **“Coordination of Implementation, Monitoring and Evaluation”** of the NSPS. This chapter presents arrangements for the coordination, monitoring and evaluation of NSPS implementation through the active participation of all stakeholders and budget requirements for medium-term implementation of the NSPS.

## Background of social protection

7. **Following the recent global financial and economic crisis in 2008, the paradigm for development has been shifted,** so as the obligation and commitment of developed and developing countries to response positively. As developing country, the Royal Government of Cambodia took very concrete actions in response to the crisis as well as taking proactive steps to mitigate future uncertainties and risks. Through the difficult time where Cambodia challenged multiple risks, the step forward of Royal Government of Cambodia in social and economic development was always based on the philosophy to tackling the economic pulses and national integrity. The National Strategic Development Plan (NSDP) had been updated to reemphasize and reconfirmed the consideration on strategies for growth, employment, equity, and efficiency and the relationship between growth, poverty reduction, and the quality of life. Broadening the scope of social protection will contribute to the reduction of chronic poverty, help the poor to cope with shocks, promote human capital, strengthen vocational capacity, improve productivity and promote sustainable economic growth.

8. **Social protection is high on regional and international policy agendas. This owes to the convergence of the food, fuel and financial crises in 2008,** which increased the insecurities of millions of people by heightening economic and social risks, especially for those living in or close to poverty. Natural disasters and extreme weather events added to the pressures upon these people by destroying lives, property, community resources and local economies. The combined impacts of these setbacks prompted a shift in thinking about social protection. Instead of approaching it through reactive event specific interventions, Cambodia is now moving towards comprehensive, integrated and systematic solutions capable of strengthening coping capacities and resilience as crucial underpinnings of their vision of inclusive development: The development of **“National Social Protection Strategy for the Poor and Vulnerable in Cambodia”**. The resurgence of the food and fuel crises recently, and the continuing aftershocks of the global financial crisis lend new urgency to their efforts.

## Existing social protection programmes and projects

9. **Over the past 20 years, Cambodia has implemented a number of social safety net projects and programmes**, mostly funded by external sources, to improve the livelihoods and food security situation for the poor and to respond to emergency needs. Many successes have been recorded, especially in relation to delivering services to large numbers of beneficiaries and enhancing food and income security:

- Food distribution to food-insecure areas, school feeding, take-home rations and food for work have provided the basis for responding to issues of food insecurity, chronic poverty and malnutrition in some cases.
- Scholarships have helped address the poverty of school-age children.
- Public works programmes have helped address food insecurity, underemployment and chronic poverty among the working-age population.
- Health equity funds (HEFs) and community-based health insurance (CBHI) have provided the basis for protecting the health of the poor.
- Social welfare services for special vulnerable groups have assisted people with disabilities, the elderly and orphans, among others.
- Other programmes have been rooted in tradition and the culture of resource redistribution for humanitarian purposes.

10. **Yet Cambodia still does not have an effective and affordable social safety net system in place.** Many of the interventions have been patchy and ad hoc, and are highly dependent on specific donor funding sources. Coverage for the poor and vulnerable is still very limited: programmes do not necessarily focus on the poorest areas and efforts have been largely fragmented, with weak coordination between the many ministries and institutions involved.

## Process of National Social Protection Strategy (NSPS) development

11. **The NSPS has been developed based on a consultative process with active participation from line ministries at both national and sub-national level, development partners and civil society.** During the Cambodia Development Cooperation Forum (CDCF) on 3-4 December 2008, the Royal Government of Cambodia (RGC) and development partners agreed to undertake a scoping and mapping exercise and gap analysis on existing social safety nets and to identify a policy direction towards the development of a more integrated social safety net system commensurate to the socioeconomic situation of Cambodia. The Council for Agricultural and Rural Development (CARD) was tasked with ensuring effective coordination among the stakeholders involved. In February 2009, CARD set up an interim working group involving representatives from line ministries and development partners to develop a concept note and inventory of existing social safety net programmes. In July 2009, CARD organised the National Forum on Food Security and Nutrition under the theme of Social Safety Nets in Cambodia and was mandated to coordinate the development of a National Social Protection Strategy (NSPS)

for the Poor and Vulnerable. A number of technical consultations and field studies were carried out to review social protection policy, focusing on several aspects of social interventions, including cash transfer to address maternal and child nutrition, public work programmes<sup>1</sup>, education and child labour. At the beginning of June 2010, the NSPS was presented to the 3rd CDCF for endorsement and collaboration. Upcoming tasks will include a comprehensive analysis and detailed costing exercise for the design of specific activities in the strategy.

12. The final draft of NSPS had been finally submitted to Council of Ministers in October 2010. Until its endorsement and approval by April 2011 during the auspice of Full Cabinet Meeting, NSPS had undergone a numbers of significant changes in its scope, concept, and implementation modality. These changes marked inevitably the consultative process of dialogues between RGC, Development Partners and Civil Societies and between the national and sub-national dialogues. Social protection is not merely a cost, not a relief operation, not as a rescue package for the poor and vulnerable against the impacts of economic downturn. Social protection is an investment to country's development, offering returns in poverty reduction, increased demand, translating to expanded markets and a healthier, better educated, and more productive workforce. After 2 years of intensive and comprehensive consultative discussion, Royal Government of Cambodia approved NSPS on 18 March 2011.

## Scope of NSPS

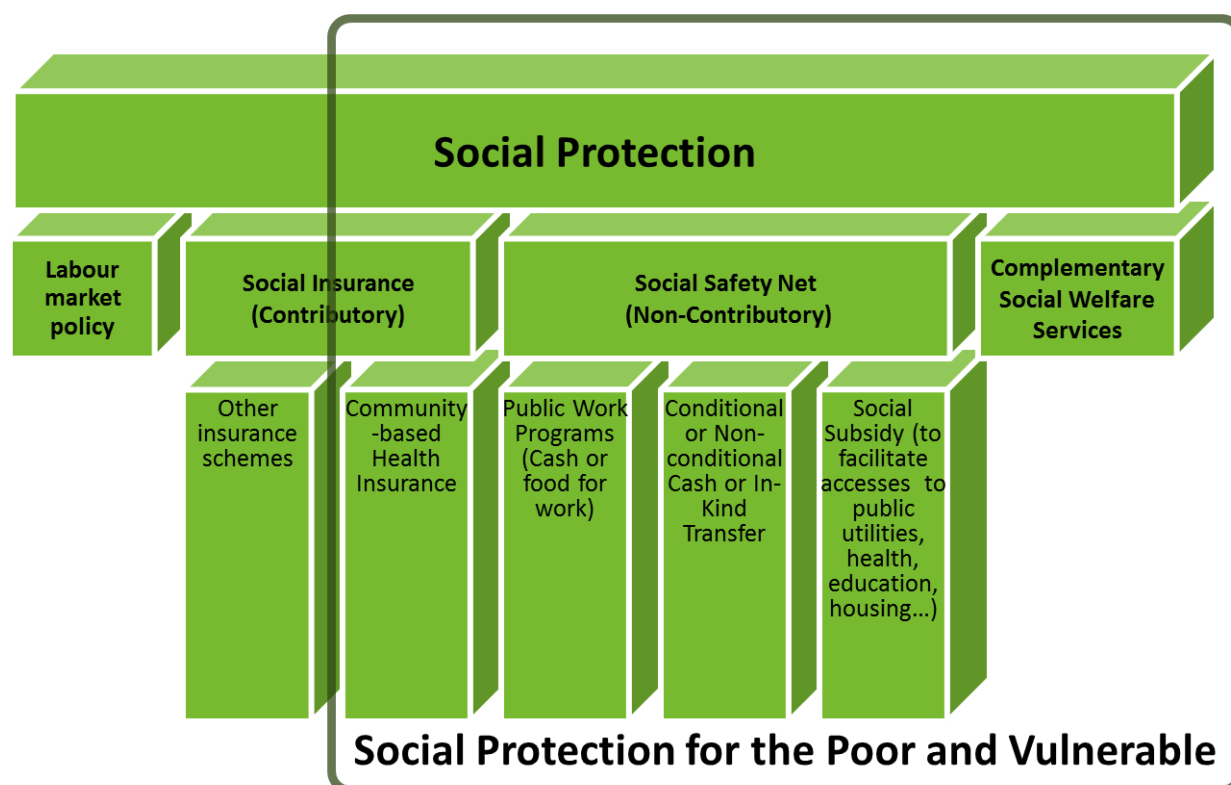
13. **The National Social Protection Strategy (NSPS) complements other sectoral policy, plans and strategies of line ministries and stakeholders involved directly or indirectly in social protection.** The strategy is aligned with and makes operational the priority actions laid out in the Rectangular Strategy and the National Strategic Development Plan (NSDP) Update 2009-2013.

14. **National Social Protection Strategy sets the framework for sustainable and comprehensive social protection for all Cambodians over the long term.** This includes both contributory and non-contributory schemes. The development of comprehensive social protection implies ensuring that the relevant components (non-contributory and contributory) are developed in parallel towards a sustainable system, whereby those who can afford social protection will access it based on their formal contributions and those, who cannot, will rely on the state for support until they develop such capacity over time. There are linkages and complementarities between the two major components of a comprehensive system of social protection.

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<sup>1</sup> **Public Work Programmes** referred to all activities involved construction, repair, and maintenance of physical infrastructure and employment creations.

**Fig. 1. Scope of National Social Protection Strategy by focusing on the poor and vulnerable**



## Approaches, vision, goal, and objectives

15. The National Social Protection Strategy (NSPS) is developed based on 3 main approaches:

- Protecting the poorest and most disadvantaged who cannot help themselves through the social services and supports (the provision of social assistances and the culture of redistribution, for instance the mission of Cambodian Red Cross)
- Preventing the impact of risks that could lead to negative coping strategies and further impoverishment (including pulling children out of school to enter into child labour, selling of lands and assets for coping to idiosyncratic shocks) through the expansion of basic social safety nets (fee exemption in health care for the poor and vulnerable, technical and vocational training)
- Promoting the poor to move out of poverty by building human capital (education, health, and livelihood support) and expanding opportunities

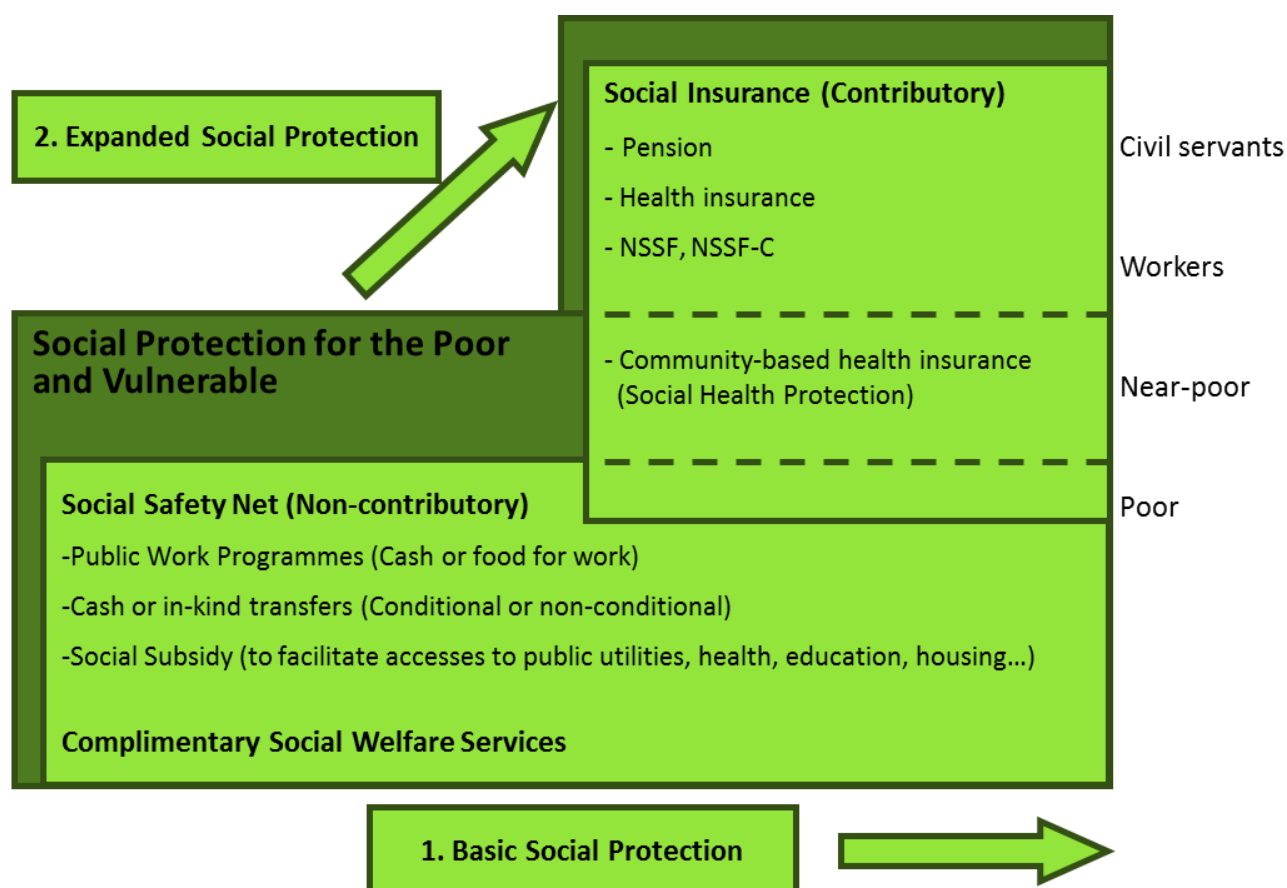
16. The broad vision of the NSPS includes contributory social security (social insurance) for formal sector and civil servants, as well as a high level of human development and appropriate opportunities for all Cambodians. The NSPS envisions that **“All Cambodians, especially the poor and vulnerable, will benefit from improved social safety nets and social security as an integral part of a sustainable, affordable and effective national social protection system”**. The main

goal of the NSPS is that **“Poor and vulnerable Cambodians will be increasingly protected against chronic poverty and hunger, shocks, destitution and social exclusion and benefit from investments in their human capital”**.

17. Within the framework set in place for working towards 2015, the NSPS will link existing programmes by establishing systematic and integrated objectives to enable improved service delivery for the poor and vulnerable, protection from poverty and the promotion of investments in human capital. To achieve this, the NSPS entails several strategic steps:

- Promote the development of a mix of programmes that cover both chronic and transient poverty as well as hunger and that also help promote human capital;
- Strengthen the coordination, scaling-up and harmonisation mechanisms of current programmes to ensure they match the root causes of vulnerability;
- Evaluate and, if necessary, improve the current IDPoor programme (the mechanism to identify poor households);
- Scale up coverage of ongoing interventions and improve efficiency and effectiveness;
- Pilot, evaluate and scale up new programmes based on effectiveness and sustainability to fill the gaps in existing social protection programmes.






**Fig. 2. Gradual progression towards comprehensive social protection**























18. Under this goal, the NSPS has the following objectives:
- The poor and vulnerable receive support, including food, sanitation, water and shelter, etc., to meet their basic needs in times of emergency and crisis.
  - Poor and vulnerable children and mothers benefit from social safety nets to reduce poverty and food insecurity and enhance the development of human capital by improving nutrition, maternal and child health, promoting education and eliminating child labour, especially its worst forms.
  - The working-age poor and vulnerable benefit from work opportunities to secure income, food and livelihoods, while contributing to the creation of sustainable physical and social infrastructure assets.
  - The poor and vulnerable have effective access to affordable quality health care and financial protection in case of illness.
  - Special vulnerable groups, including orphans, the elderly, single women with children, people with disabilities, people living with HIV, patients of TB and other chronic illness, etc., receive income, in-kind and psychosocial support and adequate social care.

### Objectives of the NSPS and linkage with Cambodia Millennium Development Goals (CMDG)<sup>2</sup>

Priority area and related CMDG	Objective	Medium-term options for programmatic instruments
<b>Addressing the basic needs of the poor and vulnerable in situations of emergency and crisis (CMDG 1, 9)</b>  	<i>The poor and vulnerable receive support including food, sanitation, water and shelter, etc., to meet their basic needs in times of emergency and crisis</i>	<ul style="list-style-type: none"> <li>• Targeted food distribution,</li> <li>• Distribution of farm inputs</li> <li>• Other emergency support operations</li> </ul>
<b>Reducing the poverty and vulnerability of children and mothers and enhancing their human development (CMDG 1, 2, 3, 4, 5)</b>   	<i>Poor and vulnerable children and mothers benefit from social safety nets to reduce poverty and food insecurity and enhance the development of human capital by improving nutrition, maternal and child health, promoting education and eliminating child labour, especially its worst forms</i>	<ul style="list-style-type: none"> <li>• Cash, vouchers, food or other in-kind transfers for children and women towards one integrated programme (e.g. cash transfers focusing on maternal and child nutrition, cash transfers promoting education and reducing child labour, transfer of fortified foods to pregnant women, lactating mothers and children)</li> <li>• School feeding, take-home rations</li> <li>• Outreach services and second-chance programmes for out-of-school youth</li> </ul>

<sup>2</sup> The nine CMDGs are  Eradicate Extreme Poverty and Hunger,  Achieve Universal Primary Education,  Promote Gender Equality and Empower Women,  Reduce Child Mortality,  Improve Maternal Health,  Combat HIV/AIDS, Malaria and Other Diseases,  Ensure Environmental Sustainability,  Forge a Global Partnership for Development and  De-mining, Explosive Remnants of War and Victim Assistance.

Priority area and related CMDG	Objective	Medium-term options for programmatic instruments
 		and supporting social welfare services
<b>Addressing seasonal un- and underemployment and providing livelihood opportunities for the poor and vulnerable (CMDG 1)</b> 	<i>The working-age poor and vulnerable benefit from work opportunities to secure income, food and livelihoods, while contributing to the creation of sustainable physical and social infrastructure assets</i>	<ul style="list-style-type: none"> <li>• National labour-intensive PWPs</li> <li>• Food for work and cash for work schemes</li> </ul>
<b>Promoting affordable health care for the poor and vulnerable (CMDG 4, 5, 6)</b>   	<i>The poor and vulnerable have effective access to affordable quality health care and financial protection in case of illness</i>	<ul style="list-style-type: none"> <li>• Expansion of HEFs (for the poor) and CBHI (for the near poor) as envisioned in the Master Plan on Social Health Protection (pending Council of Ministers approval)</li> </ul>
<b>Improving social protection for special vulnerable groups (CMDG 1, 6, 9)</b>   	<i>Special vulnerable groups, including orphans, the elderly, single women with children, people living with HIV, patients of TB and other chronic illnesses, etc., receive income, in-kind and psychosocial support and adequate social care</i>	<ul style="list-style-type: none"> <li>• Social welfare services for special vulnerable groups</li> <li>• Social transfers and social pensions for the elderly and people with chronic illness and/or disabilities</li> </ul>

## Implementation of National Social Protection Strategy

19. **Implementation of the strategy will require scaling-up of existing interventions, design of institutional arrangements and the introduction of new programmes to cover existing gaps.** Social Protection for the poor and vulnerable is a crosscutting task and demands effective coordination and collaboration of many sector ministries and government agencies, as well as an active dialogue with supportive development partners and civil society organizations. Most of the programs in the NSPS are by nature inter-sectoral and there is a strong need to coordinate across ministries to avoid thematic and geographical overlaps, harmonize implementation procedures, and coordinate the use of available funds from national budget and development partners.

20. **The next stage in preparing for the implementation of the strategy is to identify and define in more detail the practical next steps in the short term, in order to maintain the momentum achieved over the last year in advancing the social protection agenda.** In the short and medium term, NSPS prioritises the development of effective and sustainable social safety nets targeted to the poor and vulnerable, with complementary social welfare services for special vulnerable groups. For the long term, the NSPS sets the framework for sustainable and comprehensive social protection for all Cambodians by achieving universal coverage for risks and vulnerabilities with a basic package of transfers and services commensurate with the economic development of the country. This comprises both contributory social security mechanisms for the formal sector and improved social safety nets for the informal sector. Toward this long-term vision, consideration will be paid on:

- Since NSPS is developed as a coordinating strategy rather than a sector strategy, a more consolidated and comprehensive action plan together with active dialogues among line ministries and CARD has to be further developed
- In moving from a safety net and hand-feed system to a comprehensive and broad social security system, Cambodia must be careful with the social disparity resulting from specific focus to only one particular group in the society. Inclusive growth must be ensured.
- The achievement of NSPS objectives requires a mix of programmes that cover both chronic and transient poverty as well as hunger and also help promote human capital
- Addressing major (uncovered) sources of vulnerability will take priority, while simultaneously building the milestones of an effective safety net system that can be further developed
- Matching main sources of vulnerability and existing programmes requires scaling-up and harmonising existing interventions
- In scaling up some interventions, it will be of the utmost importance to harmonise processes and ensure regular financing, so as to guarantee medium-term sustainability. In addition, coverage of existing programmes will be reassessed and better aligned with poverty and vulnerability levels of provinces and districts.
- Existing social protection gaps for the poor and vulnerable will be addressed by new programmes that intend to help both relieve chronic poverty and promote human capital

## **Enabling the environment for the coordination of NSPS**

21. The development of effective and efficient implementation procedures and institutional arrangements for the NSPS is still in progress and **Guiding Principles** and prioritized options are laid out in the Strategy, and need to be further detailed during the first year of implementation to enabling the environment for the coordination of the NSPS.

**22. To avoid excessive coverage of certain beneficiary categories at the expense of other groups, coordinating efforts across programs of similar type, as well as across various interventions, are essential.** CARD is mandated by the RGC for the overall coordination of the NSPS and will undertake this task in close cooperation with SNEC, MoP and MOI. Appropriate structures and mechanisms to ensure effective coordination and monitoring of the NSPS will be defined. Implementation of the specific social protection programs will be entirely the responsibility of sector ministries. For successful implementation the active involvement of decentralized structures of Government (Provincial, District and Commune Councils) is essential. The Social Protection Coordination Unit (SPCU) was created, as identified in the strategy, for the implementation of the NSPS. Fundamentally, the SPCU could lead on social protection policy oversight, costing the NSPS implementation, partnership and dialogue, communication, monitoring and evaluation, and information management.

**23. Close monitoring and evaluation of the interventions and programs and the strategy as a whole will be a crucial requirement for an effective dialogue on social protection in Cambodia.** The NSPS as a "living document" must be able to adjust to the changing environment and sources of vulnerability, and needs to take into account in a systematic manner lessons learnt during the implementation of programs and interventions. Therefore a results matrix for the NSPS has been established outlining key outcome indicators for the 5 objectives. In addition a mechanism to monitor the use of available resources will be introduced to ensure cost-efficiency and transparency. Monitoring of specific interventions and programs will be implemented by the respective implementing ministries; however CARD, as the coordinating agency of the NSPS, will be entrusted to oversee and provide technical advice for monitoring and evaluation activities on social protection. CARD will also organize an independent review of the NSPS to support a more informed dialogue on the overall coordination and further development of the strategy.

**24. Information and Knowledge Management (IKM) on social protection is central to the support of effective coordination.** Capacities for IKM will be strengthened to ensure the up-to-date collection, generation and dissemination of information among involved stakeholders.

**25. Capacity building on the design and implementation of specific programs as well as the coordination and monitoring of the entire strategy will be provided for national and decentralized government institutions.** To ensure understanding and effective implementation a trainer pool, comprising staff from various sector ministries and government agencies will be established and in a cascade-system, focal points at provincial and district levels will be trained to support commune councils in being effectively involved in the implementation. Further capacity building and institutional arrangements are needed in order to achieve this goal in the longer term. However, with these initial activities it is possible to launch coordinated programs in various SP areas in the medium term (i.e. 2013-2015, the latter part of the period of the NSPS).

26. **Appropriate targeting mechanisms are crucial for the effective and cost-efficient implementation of the NSPS.** An integrated approach for the selection of beneficiaries for the interventions and programs, combining self-targeting, area targeting, and household targeting will be used to optimize beneficiaries selection. A harmonized approach for pre-identification of poor households based on a set of standardized procedures and criteria for all kinds of social transfers and fee exemptions was developed over recent years in Cambodia. The "Identification of Poor Households Program" (ID Poor) currently covers more than 7100 villages in 17 provinces and its expansion to all villages is planned for 2011. The approach developed by the MoP in discussions with stakeholders has proven to be effective, with low inclusion and exclusion rates, is largely accepted by communities, and has become increasingly adopted for targeting of safety net interventions. IDPoor will be the key instrument for household targeting and may be combined with post-identification mechanisms to cross-check and fine-tune household targeting for specific interventions. The expansion of ID Poor coverage to all rural villages, regular two-yearly updates of the poverty lists, evaluations of the system's accuracy, as well as setting up a targeting mechanism for the urban poor, will all be part of the NSPS implementation plan.

27. **Re-alignment and Harmonization: Implementation of the specific social protection programmes will be the responsibility of line ministries and decentralised government institutions based on a set of commonly shared guiding principles.** Moreover, for successful implementation, the involvement of decentralised structures of government (provincial, district, commune councils) is essential. The RGC will ensure effective coordination of social protection activities among implementing departments of ministries and civil society organisations at provincial and district level. The Commune Council (including the Consultative Committee for Women and Children (CCWC)) will oversee targeting and implementation of social protection activities at local level. Within this context, CARD is coordinating with development partners in order to achieve harmonization and policy cohesion between DP's and the RGC in preparing their respective country assistance programmes for the next 5 years and beyond.

28. In order to move forward the social protection agenda, it is also important for RGC to optimize DP support. Joint financing of technical experts could be a way of supporting capacity building activities, while specific technical and financial responsibilities could be more efficient for specific program design based on comparative advantage. However, collaboration and feedback among the broader DP groups should take place on a regular basis in the context of a permanent working group. Financing should evolve to consolidated models like program-based or sector-wide approaches, which will prevent fragmentation and facilitate coordination of social protection interventions.

## Definition of some essential terminologies

**Social protection** : helps people cope with major sources of poverty and vulnerability while at the same time promoting human development. It consists of a broad set of arrangements and instruments designed to protect individuals, households and communities against the financial, economic and social consequences of various risks, shocks and impoverishing situations and to bring them out of poverty. Social protection interventions include, at a minimum, social insurance, labour market policies, social safety nets and social welfare services.

**Social insurance programmes** : are designed to help households insure themselves against sudden reductions in work income as a result of sickness, maternity, employment injury, unemployment, invalidity, old age (i.e. pensions) or death of a breadwinner. They include publicly provided or mandated insurance, such as social health insurance schemes to provide access to health care. Social insurance programmes are contributory, meaning that beneficiaries receive benefits or services in recognition of their payment of contributions to an insurance scheme. The terms “social insurance” and “social security” are often used interchangeably. **Social security** is closely related to the concept of social protection and can be defined as the protection that a society provides to individuals and households to ensure access to health care and to guarantee income security, particularly in the case of sickness, maternity, employment injury, unemployment, invalidity, old age or loss of a breadwinner.

**Labour market policies** : include interventions to address direct employment generation, employment services and skills development as well as income support for the working poor. Also covered is the setting of appropriate legislation on minimum wages, social security/social insurance contributions, child labour and other labour standards, to ensure decent earnings and living standards.

**Social safety net programmes** : consist of targeted interventions designed for the poorest and most vulnerable and financed out of general revenues – taxation or official development assistance (ODA). This is in contrast with social insurance schemes, which rely on prior contributions from their recipients. Safety net interventions include **public works programmes** (cash for work and food for work); **unconditional and conditional transfers** (in cash or kind); and targeted **subsidies** designed to ensure access to health, education, housing or public utilities, such as water or electricity (CARD, 2009).

**Social welfare services** : cover child care, elderly care, care for people with disabilities, home-based care and referral support for people living with HIV, return and reintegration of refugees, family preservation, family and community support services, alternative care, rehabilitation support for out-of-school youth, drug users and child labourers and psychosocial services, including in situations of emergency and distress. They are complementary to cash or in-kind benefits and help reinforce outcomes

generated by the former. Identifying points of contact between cash and in-kind transfers and social welfare services is essential in a coordinated and integrated approach to social protection.

***Social Protection Floor (SPF)*** : is a basic guarantee of social protection for the entire population through a package of benefits and complementary social services to address key vulnerabilities throughout the life-cycle, for children, pregnant women and mothers, the working-age population and the elderly. Instead of focusing only on demand (for health, education, food, minimum income security, etc.), the SPF takes a holistic approach by ensuring the availability of social services.

