I. Project Context

Country Context

The Kingdom of Cambodia is emerging as an increasingly confident state after a tumultuous final quarter of the 20th century. From a period of emergency support and rehabilitation, the Kingdom of Cambodia has entered a sustainable development phase, based on consistent medium- and long-term policy directions. The economic growth averaged 7.9 percent per annum over 2003–2013 and poverty on a national level declined from 53.2 percent in 2004 to 17.7 percent in 2012. Yet, in spite of these achievements, Cambodia remains one of the poorest countries in Southeast Asia, and, rebuilding Cambodia’s institutions along meritocratic lines is a long-term process.

Sectoral and institutional Context

There have been notable improvements in Cambodians’ health over the last decade. From 2005 to 2014, the maternal mortality rate (MMR) dropped from 437 to 170 (per 100,000 live births) and the
under-five mortality rate dropped from 83 to 35 (per 1000 live births). In 2000, 1 in 8 children born in Cambodia did not survive their fifth birthday, whereas by 2014, the rate improved to 1 in 28 children. Cambodia is now on target to meet the Millennium Development Goals (MDGs) for child and maternal mortality. The HIV/AIDS and tuberculosis (TB) epidemics have been arrested and reversed, with HIV/AIDS prevalence having fallen from 3 percent in 1997, to 0.9 percent in 2005, and to 0.7 percent in 2010.

But several challenges persist and new ones are emerging. Progress in reducing malnutrition is slow. With respect to MDG 1 (child nutrition), stunting showed a decline but is still high (from 43 percent in 2005 to 32 percent in 2014), but wasting slightly increased (from 8 percent in 2005 to 9.6 percent in 2014) and underweight showed a slight change (from 28 percent in 2005 to 24 percent 2010). Significant health inequities persist between socio-economic groups; there are considerable financial barriers to essential services, in particular for the poor (an estimated 60 percent of total per capita health expenditure of US$70 is funded out-of-pocket); there are concerns about quality of care and effectiveness of public sector (only 22 percent of the people who fall ill and use health services rely on government systems); and an increasing burden of non-communicable diseases and injuries.

The Government's Second Health Strategic Plan 2008-2015 (HSP2) is the guiding framework for all decisions in the sector. HSP2 emphasizes five key health system strengthening strategies: providing integrated health service delivery; ensuring an adequate level (and making effective use of) health financing; addressing human resource needs in the health sector; strengthening health system governance; and health information systems. These cross-cutting strategies are being applied with the objective of improving health outcomes in the three main program areas: reproductive, maternal, neonatal, and child health; communicable diseases; and non-communicable diseases.

II. Proposed Development Objectives
A. Current Project Development Objectives – Parent
To support the implementation of the Government's Health Strategic Plan 2008-2015 in order to improve health outcomes through strengthening institutional capacity and mechanisms by which the Government and Program Partners can achieve more effective and efficient sector performance.

III. Project Description
Component Name
• Component A: Strengthening Health Service Delivery
Comments (optional)
Financing SDGs in existing 36 Special Operating Agencies and procurement of reproductive health commodities, hormonal implants in particular as there is a shortage in the country.

Component Name
• Component B: Improving Health Financing
Comments (optional)
Financing HEFs in the existing 61 Operational Districts (ODs) and scaling up in 27 additional ODs (to cover all 88 ODs in the country) covering all estimated 3 million poor people or 100 percent of
the poor in Cambodia. The existing Subsidy Schemes (SUBOS) at the HC level financed from the national budget will be streamlined into the HEF scheme.

**Component Name**
- Component C: Strengthening Human Resources

**Comments (optional)**
No additional funding.

**Component Name**
- Component D: Strengthening Health System Stewardship Functions

**Comments (optional)**
No additional funding.

### IV. Financing *(in USD Million)*

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<td>Total Project Cost:</td>
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### V. Implementation

The Ministry of Health (MOH) established a Joint Program Management Group to manage and oversee the implementation of program activities funded from the pooled account. This group, chaired by an appointed Secretary of State (responsible for overseeing the program), meets at a minimum on a quarterly basis to review progress reports, interim unaudited financial reports, semi-annual internal audit reports and annual audits, and recommend the release of funds from the pooled account against satisfactory financial reports, cash forecast and any agreed triggers. The Program and annual operation plans are implemented by the respective health sector implementing units, including central health departments, national programs and provincial health departments. These implementation arrangements remain unchanged under the AF3.

Implementation/Supervision Reviews. The implementation and supervision of the program activities will follow the same process established at the start of the Program, with continued joint implementation reviews by pooling partners aligned with specific MOH planning and review cycles, and quarterly reviews of fiduciary aspects.

Given the collaboration and participation required from the Program Partners under this Program-country presence of the pooling partners with requisite skills is seen as crucial; the World Bank continues to have the presence in-country of a senior technical specialist, a senior operations officer, and a national operations officer. These supervision and implementation arrangements also remain unchanged.

### VI. Safeguard Policies (including public consultation)

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**Comments (optional)**

**VII. Contact point**

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