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World Bank Reviews Progress in Country Assistance Strategy



World Bank Country Manager Nisha Agrawal, left, Country Director Ian Porter, and EAP regional Director for Strategy and Operations Sarah Cliffe at the CAS consultative meeting in October 2007.

Two years into the implementation of its Country Assistance Strategy (CAS) for Cambodia for 2005-2008, in early October 2007 the World Bank held a series of consultative meetings with the Government, development partners, private

sector and civil society representatives to seek their feedback on CAS implementation so far and proposals for the future.

The purpose of the consultations was to get feedback on whether the stakehold-

ers feel that the CAS remains relevant and is on track in its implementation or whether it needs some adjustments based on all that has happened in Cambodia during the last two years and the new knowledge that has

See WORLD BANK page 2

World Bank Looks at Impact of Small Grants Program

Thirty-four people, one from each of 34 local NGOs that received Small Grants from the World Bank Cambodia Small Grants Program (SmGP), attended a one-day workshop on October 8, 2007 to share their best practices, opportunities and challenges during the implementation of their projects, and to hear about WB's project on strengthening civic engagement.

World Bank Small Grants Coordinator and Social Development Specialist Nil Vanna said the workshop was organized to outline the important role of civic engagement in the process of poverty reduction and development in Cambodia and to share



See WORLD BANK page 3

Participants at the Small Grants Program workshop in Phnom Penh in October.

World Bank Reviews Progress ...

continued from page 1

been accumulated on Cambodia during this period. Based on these consultations, within the Bank and with external stakeholders, the Bank will prepare a CAS Progress Report to present to its Board of Directors in early 2008 laying out the proposed strategy and program for the future.

The CAS is intended to help implement the Government's Rectangular Strategy and the National Strategic Development Plan (NSDP) for 2006-2010. These documents provide a sound diagnosis of Cambodia's development challenges – particularly the central importance of good governance – and a comprehensive list of actions to tackle these challenges.

The World Bank, in its presentation, said that Cambodia has made progress on many fronts. It has enjoyed double-digit growth during the last three years with continued high growth projected; poverty has come down from 47 to 35 per cent during the last decade, and the recent Equity Report shows that while inequality remains high, the gap between the rich and poor has stabilized in recent years and the fruits of growth are being shared more widely than in the first half of the last decade.

New data on education and health show that most indicators are improving (except the maternal mortality rate).

The garment sector has survived and is growing despite the lifting of quotas; tourism continues to boom; there has been a significant increase in Foreign Direct Investment, though largely in the natural resources sector; possibly significant volumes of off-shore oil and gas reserves have been discovered; there is the possibility of significant mineral wealth being discov-



H.E. Kheut Chhon, Senior Minister of Economy and Finance, center, at the CAS consultative meeting. On his right is H.E. Aun Porn Moniroth, Secretary of State of MEF, and on his left H.E. Vongsey Vissoth, Deputy Secretary General of the MEF.

ered and exploited; and China has emerged as a major “non-traditional” donor.

These gains, however, remain fragile. The high growth is narrowly based and undiversified, concentrated on the garment industry, tourism and construction; though revenues have increased, the revenue-to-GDP ratio remains inadequate and well below the average for low-income countries; though there have been rapid gains in primary school enrollment, only half the children who enter primary school complete it, and dropout and repetition rates are very high; and large volumes of overseas aid are highly fragmented and concentrated on specific projects rather than in support of Government programs. Governance remains weak, as confirmed by global indicators such as Doing Business, Transparency International, and Governance Matters VI.

There have been accomplishments under all six objectives of the CAS, though of varying degrees: private sec-

tor development, public financial management, natural resource management, decentralization and deconcentration, formulation and implementation of the National Strategic Development Plan (NSDP), and attaining the Cambodian Millennium Development Goals (CMDGs).

The consultations provided very useful feedback on the way forward. All stakeholders urged the Bank to stay focused and selective and to deepen rather than broaden its engagement and program in Cambodia. Development partners felt that the current strategy was still relevant and appropriate and there was strong support for extending the current strategy till 2011 and then doing a new CAS—jointly with several other development partners—to align to the next NSDP for 2011-2015.

The private sector urged the Bank to continue to focus on private sector development as one of its core pillars of the CAS and to continue to work on reducing the costs of doing business in Cambodia, especially the costs imposed by trade facilitation agencies.

Civil society members urged the Bank to pay more attention to building the capacity of civil society for research and policy dialogue, and to continue to create space for civil society members in policy dialogue through the technical working groups. They welcomed the Bank's increased engagement with civil society and its new Program to Enhance the Capacity in Social Accountability (PECSA) and also its new Demand for Good Governance (DFGG) Project.

The Government asked the Bank to continue to focus and be selective in its program and also to incorporate the find-
see WORLD BANK page 3



Dr. Suomi Sakai UNICEF Representative, second from right, gives her views on CAS consultative meeting.

World Bank Reviews Progress ...

continued from page 2

ings from recent analytical work such as the Poverty Assessment and the Equity Report when designing its future program. Further consultations will be held with the Government on the strategy and program for the coming years before the CAS Progress Report is finalized in the coming months.

World Bank Country Manager Nisha Agrawal reaffirmed to the participants at the consultation meetings that the World Bank's vision remains the same: a Cambodia Free of Poverty by helping Cambodia to achieve its Cambodia Millennium Development Goals (CMDGs): to reduce poverty and hunger, achieve universal primary education, reach gender equality and empower women, re-



Sok Hach, Director of the Economic Institute of Cambodia, gives his views on CAS.



International Finance Corporation Country Manager Sin Foong Wong, left, WB Country Director Ian Porter, and ACLEDA General Director In Channy, among private sector representatives at the CAS consultative meeting.

duce child mortality, improve maternal health, combat HIV/AIDs, malaria and other diseases, ensure environmental sustainability, and de-mining, UXO and victim assistance.

“For us, the focus on good governance in our CAS is a means to an end – and the end remains poverty reduction. There is plenty of evidence from around the world that good governance will lead to a more sustainable and inclusive pattern of development and will lead to a better standard of living for all Cambodians, especially the poor,” she said.

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World Bank Looks at Impact of Small Grants ...

continued from page 1

their practices and challenges.

“It is a good chance for them to share their experience and to learn from each other,” she said. “It also provides them a place where they can build a strong network.”

The SmGP in Cambodia has been running since 2003, and so far 34 local NGOs have received grants to implement project activities, under the themes: Civic Engagement, Youth Engagement for Local Development, Youth Engagement for Better Governance, and Strengthening Civic Engagement by Supporting Demand for Good Governance.

Best practice has been seen on the ground such as closely cooperating with local government (commune council members). Some small grant programs were in-

tegrated in commune development plans, such as small-scale irrigation schemes, citizen rating reports for local good governance, bringing local government and community together to discuss local development, and encouraging commune council members elected from all political parties to work together.

“They usually look at each another as an enemy,” said Bun Rithy, Director of the Democracy Resource Center for National Development (DND). “Now both community and local government are changing to positive attitudes, moving from being enemies to being friends and colleagues. Because of this change, we see a lot of results on the ground, for example, recently the government gave 4,800 hectares of land back to people.”

Sam Serey Wathana, Executive Direc-

tor of Rural Community and Environment Development Organization (RCEDO), said the small grant program under his management is used to bring service providers and service demanders/users to meet face to face to discuss how to improve services.

“We see that public services have improved and more and more people come to use them,” he said. “We also see that people change their behavior and become much more involved in community development, for example, organizing their own campaigns on dengue fever during its outbreak.”

In areas implementing Small Grants Programs there had been great changes in the behavior of young people, with reduction in gangsterism and drug use.

see WORLD BANK page 4

World Bank Looks at Impact of Small Grants Program



World Bank Social Development Specialist and Small Grants Coordinator Nil Vanna at the workshop.

Continued from page 3

Young people were also standing for commune elections and showing increasing interest in involvement in politics. They are being encouraged to be community reporters and community information distributors.

Some youth volunteer activities are also supported through small grant programs that provide students the opportunity to share the knowledge they learn from university with communities and to gain experience from the community and develop themselves as good citizens.

Eva Mysliceice, Director of Youth Star, said youth volunteers live like people in the community: they don't come with money; they stay with villagers and work with them to find ways to improve living conditions and to help their children and set an example. "The more we can all set examples, the more power that would be".

Workshop participants strongly voiced a long list of the challenges they faced in the implementation of their projects.

They said poverty led most rural children to drop out of school and enter the workforce without proper life skills, yet there was no proactive response from the education sector or from donors to promote non-formal education or short-term life-skills training.

There was low interest and limited understanding of laws in the community, and people lacked courage to give voice to their common interest; selfishness and self-interest were also widespread. Partisan political influence and pressures were barriers for citizen participation. There is strong fear, and the feeling that people who stand up against perceived injustices are being seen as opposition party activists. Watchdog and advocacy activities are not seen by villagers as being in their real interest, and it was difficult to enlist people for voluntary work.

Villagers are mainly concerned at get-

ting income, and are favorably inclined towards people who provide them with gifts. All levels of authority are used to maintain a centralized system of patronage, inhibiting decentralization and limiting accountability towards the people that officials are mandated to serve.

People tend to take a short-sighted approach towards development, seeking immediate results rather than working towards long-term goals.

Participants said commune councils and communities have no rights to influence control of natural resources. Red tape at all levels of government continues to be a barrier for civil society to implement development.

People are isolated from information, lack communication skills and have limited motivation to champion reform. There is a need for improvement in knowledge on decentralization and civic rights and accountability of government service providers.

Participants were also critical of some NGOs. They said information about weaknesses and best practice is not adequately shared: NGOs lack lateral contact, each working alone and responsible only to its donor.

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**DND
Director
Bun Rithy
vigorously
makes a
point at the
small group
discussion
at the Small
Grants
Program
workshop.**

