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Country Assistance Strategy Stays Course for 3 More Years

In May this year, the World Bank extended its Country Assistance Strategy for Cambodia, which had run from 2005 till 2008, for another three years. The Newsletter looks at the reasons.

Why did the World Bank decide to extend the current Cambodia Country Assistance Strategy (CAS) until 2011?

Recent consultations with stakeholders – parties with an interest in Cambodia’s development – suggest that the approach and objectives in the current CAS continue to be appropriate for the country. Stakeholders have urged CAS partners to maintain the current division of labor and have encouraged the Bank to remain selective by deepening rather than widening its engagement. Stakeholder consultations also showed strong support for better aligning future donor assistance to Cambodia’s next National Strategic Development Plan, scheduled for 2011. An ad-



Road improvements throughout Cambodia are one aspect of World Bank assistance that has improved the lives of vast numbers of people.

ditional consideration is that delays stemming from fiduciary concerns have left an unfinished agenda in the existing CAS program.

What is the background to the current CAS?

The CAS was launched in 2005. Cambodia was still among the poorest countries in the world, with the then per capita income of \$430 a year, despite nearly a decade of high growth. Many public institutions had been destroyed during the prior
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Provinces Get World Bank Public Information Centers



World Bank Acting Country Manager Stephane Guimbert and PUC Battambang Director Khem Rasmey sign an agreement for a Public Information Center, watched by H.E. Prak Doeun, Battambang Deputy Governor (third from left) and H.E. Senior Minister Kol Peng (fifth from left).

“**K**nowledge is a form of modern power – offering knowledge is one of the top gifts in life,” said H.E. Senior Minister Kol Peng, of the Ministry of Education, Youth and Sport, at the opening of a World Bank Public Information Center (PIC) in Battambang province in June 2008 – the third provincial PIC opened this year. “Now we get a [World Bank] library where we can access electronic documents and hard copies. Please use it – it has the potential to strengthen knowledge.”

H.E. Prak Doeun, Deputy Governor of Battambang province, welcomed the gift of the World Bank Public Information Center corner and encouraged people in his province to use it.

“The Public Information Center is a

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Country Assistance Strategy stays course ...



Giving farmers title to their land gives them the security to invest in the development of their farms.

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three decades of conflict and were still being rebuilt. Analytical work pointed to governance as the main constraint to sustainable poverty reduction. It was in this context that the World Bank Group put in place a governance-focused CAS, prepared jointly with the Asian Development Bank, the United Kingdom Department for International Development, and the United Nations system, making it the World Bank's first joint CAS.

What are those governance-focused objectives?

The governance focused objectives are: (i) to promote private sector development to spur poverty reduction; (ii) to improve natural resources management; (iii) to improve service delivery and public financial management, and (iv) to support decentralization and promote citizens' partnerships for better governance. These four objectives were chosen because of their importance for growth and for poverty reduction, as well as the need for strong government leadership to achieve these goals.

Why is private sector development an important aspect of poverty reduction?

Private sector development should lead to increasing export of goods and services, diversifying the sources of growth, and improving private sector delivery of public service.

What about improving natural resource management? Why is that important?

This objective is to strengthen the overall framework for management of land resources, improve security of tenure and access to land, and to improve management of forests to meet local, national and global needs. A very important part of this objective is to increase the access of local communities to the benefits of land and forest.

What does the Bank hope to achieve by helping the government improve service delivery and public financial management?

The goal is to improve government capabilities and strengthen governmental institutions to reduce poverty in accordance with the country's NSDP (National Strategy Development Plan). The main outcomes from this objective should be to strengthen and mobilize the management of public finances and set the stage for improved services and reduced corruption. An important part of this strategy will be to set civil service management incentives tied to performance as a basis for better service delivery.

What will the Bank do to support decentralization and promote citizenship for better governance?

In this objective the World Bank will

seek to increase government accountability towards citizens, particularly the poor and vulnerable, women and youth; improve government responsiveness to people's needs; strengthen channels of external accountability including media, civil society, and national assembly; increase citizen empowerment and citizens' ownership of the development process; and to reform or put in place mechanisms to resolve disputes and uphold rights through the institution of dispute resolution and legal mechanisms.

In addition to the governance-focused objectives, what else does the CAS seek to support?

The CAS identifies work to assist in the formulation and implementation of a government-led strategy and investment program for achieving the Cambodia Millennium Development Goals (CMDGs). This strategy includes increased effectiveness and poverty focus from available resources, country ownership of development policy, increased participation by all stakeholders, and improved harmonization and alignment of development assistance. It will incorporate a comprehensive and strategic approach to addressing gender inequality in the country's development strategy.

A related objective in the CAS lays out a program to support with analytical and investment services those under-funded
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Provinces Get World Bank Public Information Centers

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special gift to us here, especially for students," he said.

At the signing ceremony, World Bank Acting Country Manager Stephane Guimbert said the World Bank is trying its best to make its information about development available as widely as possible through Public Information Centers, Public Information Sharing, radio, monthly newsletters, and video.

"We want to make sure that our reports are shared widely and people can benefit from them," he said. "We want all people to understand about development issues and be ready to be involved and contribute for long-term development for themselves, their children, their grandchildren, and their great-grandchildren..."

Paññāsāstra University in Battambang (PUC-Battambang) is one of six World Bank Public Information Center Corners to be established in Cambodia. The first was opened in 2002 in Phnom Penh. This

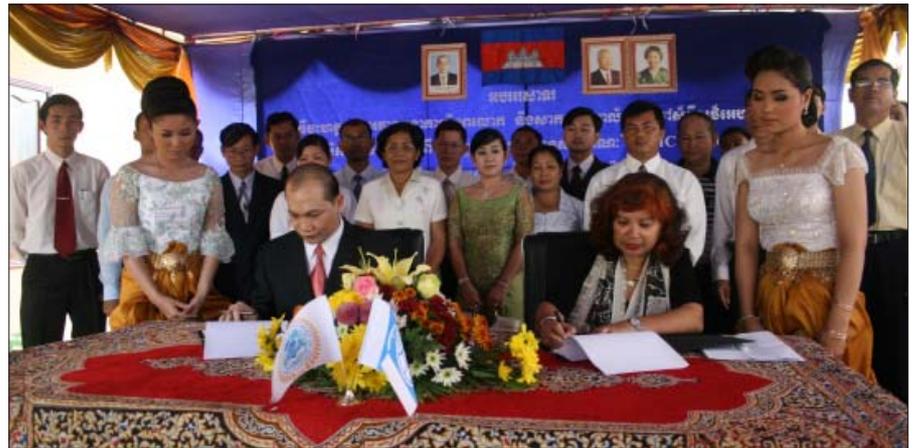
"We want to make sure that our reports are shared widely and people can benefit from them. We want all people to understand about development issues and be ready to be involved and contribute for long-term development for themselves, their children, their grandchildren, and their great-grandchildren..."

Stephane Guimbert

year three Memorandums of Agreement (MoA) have been signed for provincial PICs – Paññāsāstra University in Battambang, South-East Asia University in Siem Reap province, and Western University in Kampong Cham province. The other two – at the Royal University of Agriculture and the Supreme National Economic Council (SNEC), both in Phnom Penh – will be signed shortly.

and neighboring provinces.

"Not only will people enjoy access to printed documents related to the World Bank and other development related matters, the public will be able to experience the benefit of the internet as a source of knowledge through the World Bank's e-library," he said. "Such an opportunity should not be wasted since now it is available here in PUC Battambang."



South-East Asia University Rector Sien Sovanna and former World Bank Country Manager Nisha Agrawal sign a PIC agreement in Siem Reap in January.

Speaking to more than 100 participants from different institutions in Battambang province, including provincial officials, students, universities, private sector and NGOs, PUC-Battambang Executive Director Khem Rasmey said the World Bank Public Information Center will strongly benefit all people in Battambang province

Six months earlier, in January 2008, the World Bank signed the first two MoAs with two universities in Siem Reap and Kampong Cham provinces. Speaking to more than 200 participants representing different institutions based in Siem Reap province, the rector of the University of South-East Asia, Sien Sovanna, said the PIC corner is very important because it provides the opportunity to students, professors, and researchers to get new information about development of areas such as the economy, finance, agriculture, rural development, tourism, education, health, and industry.

"The PIC corner is one of the knowledge stores here in Siem Reap," Sovanna said. "I strongly hope that this is a long-term collaboration between the Bank and the University to meet the needs of our people, who hunger for new information."

Similarly, the Executive Director of Western University in Kampong Cham, Sean Sangha, said at the signing ceremony that the PIC corner will play an important role to meet the needs of students, professors and outsiders for their study and for their work.

The World Bank provides each PIC corner with two sets of computers, one printer and around 400 copies of the World Bank's publications and documents, including 35 World Bank-supported projects and as well as publications related to Cambodia's development from research institutes, Government, Development Partners, and NGOs. The World Bank also provides access to an e-library (online-library) where thousands of documents are stored.

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Western University Executive Director Sean Sangha, right, and Nisha Agrawal sign the PIC agreement in Kampong Cham in January.

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sectors and sub-sectors critical to achieving the CMDGs. These sectors include health, education and infrastructure.

What is the overall progress of the Cambodia CAS?

Progress toward most CAS outcomes has been impressive, with around 90 percent of indicators completed or on track for completion. Some notable achievements include:

- ◆ Laws on trade facilitation have been approved to promote private sector development for poverty reduction
- ◆ The government of Cambodia has distributed more than 800,000 titles and has also started a dialogue in titling of communally owned land by indigenous people.
- ◆ An innovative merit-based pay initiative (MBPI) was implemented in the Ministry of Economy and Finance to start tackling issues of civil service incentives, performance and capacity.
- ◆ Work to support decentralization has resulted in a projected doubling of the average funds dedicated to Commune/

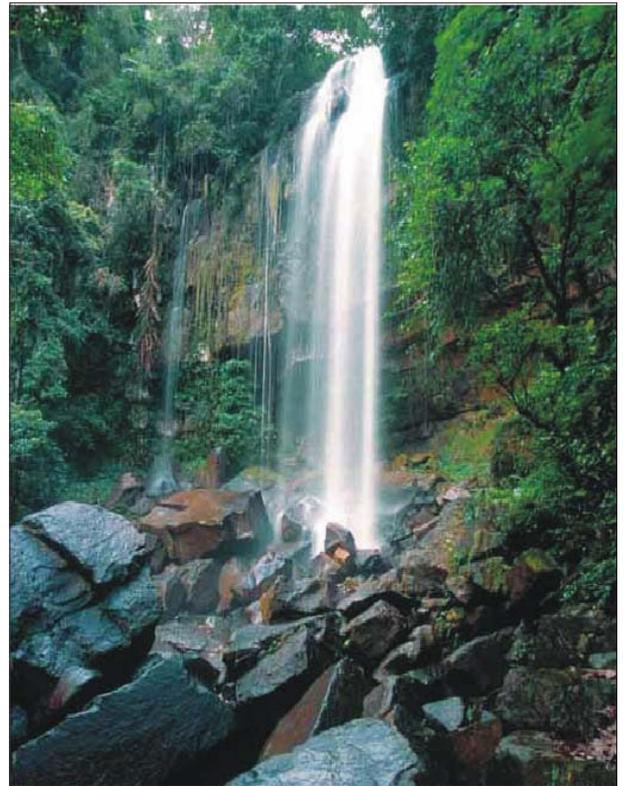
Sangkats by 2010 and the adoption of the Organic Laws on Decentralization and Deconcentration.

- ◆ There has been strong progress in working with development partners to support the country's National Strategic Development Plan that aims to coordinate development assistance behind one single country-owned strategy.
- ◆ In human development and infrastructure, there have been improvements in the infant mortality rate, fertility rate, HIV prevalence rate and school enrollment rate. There has also been greater access to and utilization of health, education, and infrastructure services, and better targeting of health and education subsidies.

What achievements are expected under the extended CAS?

The extended CAS will continue to support the good progress that has been made during the original CAS period with new projects and analytical work in support of the CAS objectives. Highlights of work over the next several years include the following:

- ◆ Coordinating with other partners on a Sector-Wide Approach (SWAp) on trade to identify areas for reform, to demand government accountability, and to focus on agri-business, agriculture development and food prices.
- ◆ Assisting the country to implement legislation such as land law, social land concessions, dispute resolution, state land management, forest demarcation, community management of forests and protected areas, smallholder agricul-

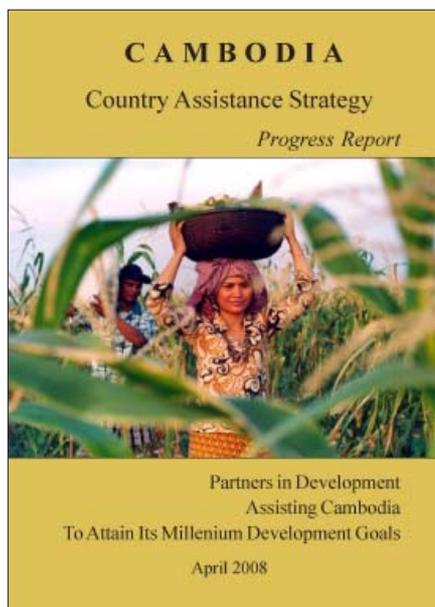


Improving natural resource management is a key part of the World Bank's Country Assistance Strategy.

tural development, and indigenous peoples land rights.

- ◆ Helping the country to improve efficiency and transparency in revenue collection and to endorse the Extractive Industries Transparency Initiative (EITI)
- ◆ Providing technical support to implement the new Organic Law on Decentralization and Deconcentration, and support demand-side approaches to good governance.
- ◆ Working with development partners to help the country prepare the new NSDP (2011–2015).
- ◆ Expanding the Bank's involvement in early childhood and higher education, and in renewable energy development.

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The Country Assistance Strategy Progress Report is available at all PICs, and on the World Bank Cambodia websites.