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## National Poverty Reduction Strategy Taken on the Road

### *Villagers in 50 communes around the country discuss strategies to improve their lives*

The four-wheel drive pick-up truck sporting Poverty Reduction Program posters drives through the commune with loudspeakers alerting all villagers that the show was about to begin. A light rain is falling, the ground is muddy and it is completely dark (which leads to a somewhat comical scene of road show facilitators working by the meager light of their cell-phones). However, neither the light nor the rain deters, the more than hundred villagers from gathering to watch a 20-minute documentary entitled "Twenty Strategic Actions to Reduce Poverty at the Local Level." We are at Chun Rok commune, one of 50 communes in 13 provinces and cities selected for a mobile road show to raise people's awareness of the goals and activities of the National Poverty Reduction Strategy (NPRS).

The video, accompanied by a grass roots manual covered such strategies as



*continue on page 2 Villagers gather watching Video document the 20 strategies in Chun Rok commune*

## What's Happening to Help Improve Education in Cambodia?

Under the World Bank-financed Education Quality Improvement Project (EQIP), communities, teachers, and school officials are working together under the leadership of the Ministry of Education, Youth and Sports (MoEYS) to make some visible improvements in schools.

The EQIP project — funded in part by a \$5 million World Bank credit and in partnership with Voluntary Service Overseas, the World Food Programme and the United Kingdom's Department for International Development aims to develop a model for enhancing teaching and learning in a participatory way in all 1000 schools of three provinces — Takeo, Kandal and Kampot. District animators or facilitators assist school clusters and communities to participate in the planning process with school staff, first to identify their schools' needs and, second, to propose activities to meet those needs to be funded through the school grants pro-

gram. The aim is to bring people at the provincial, district, and community levels together with school staff to help improve the quality of education. The result of the work in these three provinces has provided many important lessons learned that will be used to share these experiences with schools nationwide.

Communities and school clusters have worked closely together to undertake a variety of projects to enhance the educational experiences of school children. Some school clusters, for example, sought to establish primary school libraries; invest in educational materials; sponsor regular teacher training activities on pedagogical areas of specific interest; improve the environment around schools; or construct wells and toilets. From these and other simple improvements, the quality of teaching and the morale of teachers have improved and community participation and interest in their schools is in-

creasing. School enrollments have increased while the drop-out rate has come down.

School libraries have come to be seen as an important ingredient to improving teaching and learning. They have become a way to provide students with a source for general knowledge and instill a love for reading. For teachers, libraries also can provide additional tools to motivate students.

School officials and teachers have placed great importance to promoting child-centered teaching methodologies. A significant part of school cluster grants has been apportioned to teacher training sessions during regular Thursday meetings and to prepare educational materials and teaching aids to enliven the teaching and learning process.

Many schools have also invested in the construction of wells and toilets.

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## NPRS on the road

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distributing land to poor people in rural areas for crop planting; using high-yield seed for rice farming; diversifying crops and maintaining home gardens; feeding fish to cattle, pig, chicken, and ducks; building water sources for crops and animal through digging ponds and wells, and constructing small dams and drains; constructing rural roads for the transport of goods to markets and for better access to hospitals and schools; promoting handicrafts such as cloth, mats, and baskets; micro-credit schemes; employing poor farmers in local and urban development activities; improving local health services in poor rural areas; providing the possibility to the poor for birth spacing; consuming more nutritious foods including fish, meat, vegetable, fruit, iodized salt and using boiled water; providing basic education for all poor children in village and increased informal education for youth who have no opportunity to continue their studies in schools; promoting literacy programs for poor farmers and providing special support to girls to complete their studies in primary school and continue to secondary and tertiary school; and promoting women's participation in political, administrative and economic activities.

After the show, the facilitators asked the audience if they were willing to adopt any of these strategies and which ones were priorities in their particular commune. Most people in the village noted that what was most important for them was building irrigation systems and roads. Two officers from the Ministry of Planning accompanied the whole tour and are putting together a comprehensive report along with a short video.

Several donors – including the ABD, GTZ, World Bank, UNFPA, UNICEF and UNISCO have been helping the government of Cambodia with technical assistance and financial support in preparing the NPRS and disseminating. The NPRS program was launched in early March this year by Prime Minister.

The NPRS mobile road show began on July 2 in Svay Rieng province and finished on July 22 at Kampong Cham province. The selection of the provinces and villages for these road shows was based on the Ministry of Planning and WFP's poverty map of Cambodia, which shows geographically where the poorest people are located.

Earlier this year a large mobile attracted over 50,000 people and was filmed



*A villager watching Video on NPRS road show at Chun Rok Village.*

by Discovery Channel. Future plans for NPRS dissemination will look at an element of service delivery in addition to qualitative analysis. Line Ministry officials have evinced an interest in participating. This will enable the people should to speak directly to their government.

**For more information about NPRS or PRSP please visit websites:**  
[www.nprs.gov.kh](http://www.nprs.gov.kh)  
 or [www.worldbank.org/prsp](http://www.worldbank.org/prsp)

## What's Happening to Help Improve Education

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These investments have been accompanied with public awareness efforts to keep them in clean and tidy conditions. Rubbish bins and rubbish collection or burning pits are seen in most schools. Students as well as teachers are conscious and proud of these improvements.

An important dimension of the EQIP project is that school administrators, educators and community members have discretion over the prioritization of activities and the allocation of resources. District and provincial representatives provide guidance, support and quality control. The entire budget of the school cluster grants, however, is decentralized directly into the hands of the cluster and community authors of the school cluster development plans. They are also responsible for the implementation and monitoring of their initiatives. "Transparency" mechanisms e.g. Quarterly expenditure posters hung on the walls of the school, mentioned regularly in all ceremonies at the Wat, keep community and teachers fully informed on the correct use of grant funds against the cluster plan.

School directors, animators and district office staff agree that the general professional discipline, morale, and ownership of school programs has improved under EQIP. Teacher punctuality and attendance has improved, especially for their participation in professional development sessions.

An important feature of the EQIP project is the emphasis it has placed on the involvement of community members in the design and implementation of quality improvement grants. It was well known from research studies in other countries and policy studies in Cambodia conducted during the project pilot phase in 1998-99, that community involvement has been a major objective but often times with disappointing outcomes in many other large projects in basic education. Community participation has frequently been limited for the most part to providing funds for building or repairing school facilities.

The experiences of EQIP with school grants have helped model the MoEYS Priority Action Programs (PAP) at the national level. PAP has become one of the lynchpins of MOEYS' policy

reforms, both as a vehicle for decentralization and, through the formula funding adopted, as part of the pro-poor orientation of the Government's education program.

However, important challenges still remain to improve Cambodia's education system, including expanding girls' secondary-school access, raising teacher salaries and improving the quality of teaching. Community involvement is surely critical in these areas as well.

The World Bank hopes to continue to build the partnership started through the EQIP project with the Ministry of Education, Youth and Sports and to support the MoEYS Education Sector Support Program. A new Basic Education project is currently under preparation for approximately US\$20-24 million. The project will strive to expand access and enhance educational quality opportunities for all Cambodian children.

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## What is the International Development Association (IDA)?

The International Development Association (IDA) is a division of the World Bank. It lends money at no interest, known as "credits", to the poorest of developing countries. The money is not completely free. Governments must pay a service fee that equal .75 per cent of the total amount.

The country does not have to start paying these loans back for 10 years and the loans are normally repaid over a period of 35 or 40 years. IDA loans are granted to a government only if certain requirements are in place. This would include the government's record in poverty reduction, how the government manages its economy or how well it has developed a plan for spending the borrowed money. It also can be determined by what the government is doing to stop the spread of HIV/AIDS infections among its population.

The mission of IDA is to support efficient and effective programs to reduce poverty and improve the quality of life in its poorest member countries. IDA helps build the human capital, policies, institutions, and physical infrastructure needed to bring about equitable and sustainable growth. IDA's goal is to reduce the dis-

parities across and within countries, to bring more people into the mainstream, and to promote equitable access to the benefits of development. On average, IDA lends \$5 to \$6 billion a year in total to 81 countries.

When a country's economy starts to grow and the average income of its citizens live on more than \$865 per year, that government is no longer eligible for interest-free loans from IDA. At that time, the government must apply for loans that include interest charges from another division of the World Bank known as the International Bank for Reconstruction and Development (IBRD).

IDA funds come from contributions made by wealthier countries and from the interest payments made on the IBRD loans. Other countries that can afford to pay interest end up helping countries that cannot yet afford it. It is one of the many ways the World Bank fights poverty in the world. About 25 per cent of the loans made by the World Bank are in the form of IDA loans.

### IDA and Cambodia

When peace and stability returned

to Cambodia, there was much rebuilding needed. But the Government did not have the money or all the necessary expertise to accomplish what had to be done. Financial and information assistance from foreign agencies and countries that lend or give money had to be found to help the Government restore services and restart its development.

Because Cambodia's average income is very low, it is eligible for interest-free loans such as funds from IDA. IDA offers a kind of head start, a way of helping the country get going again. In Cambodia, the first IDA credit was approved in October 1993 for \$62.7 million for Emergency Rehabilitation project. A total of 23 projects have been approved by IDA for Cambodia for \$547.2 million, out of which six projects already been implemented and 17 projects for \$337.1 million are currently under implementation.

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## How Are IDA Resources Allocated Among Countries?

At present, 81 countries are eligible to borrow from IDA and Cambodia is one of them. Together these countries are home to 2.5 billion people, comprising half of the total population of the developing countries and estimated 1.1 billion people in IDA countries survive on incomes of less than US\$1 a day.

In July 2002, the donor representatives agreed on establishment of IDA-13 Replenishment that will make possible the commitment of SDR 18 bi about \$23 billion to IDA members over the next three years, beginning on July 1, 2002. IDA-13, has an increased use of IDA grants to help address the special difficulties faced by the poorest and most vulnerable countries, which Cambodia is also eligible. The cutoff of grant eligibility is when the country's per capita Gross National Income reaches US\$360.

The 81 eligible borrowers together have very significant needs for IDA resources and so these resources have to be allocated carefully. It is also important to ensure that the resources are used effectively. Therefore, their allocation among countries is determined primarily by each borrower's performance ratings of those

policies and institutions that have been found to be important for aid effectiveness. Per capita income is also a determinant, with the poorest countries receiving higher allocations for a given performance level. How is the policy and institutional environment evaluated?

**The Country Policy and Institutional Assessment (CPIA)** is an annual exercise conducted by the World Bank in which World Bank teams assess the quality of each borrower's policies and institutions in the areas generally considered to be relevant to economic growth, poverty reduction and effectiveness of aid use.

There are 20 items to be assessed in CPIA and grouped into 4 categories:

**(A) Economic Management:** (1) management of inflation and macroeconomic balances; (2) fiscal policy; (3) management of public debt, external and domestic; (4) management and sustainability of the development program;

**(B) Structural Policies:** (5) trade policy and foreign exchange regime; (6) financial stability; (7) financial sector depth, efficiency and resource mobilization; (8) competitive environment for the

private sector; (9) goods and factor markets; (10) policies and institutions for environmental sustainability;

**(C) Policies for Social Inclusion/Equity:** (11) gender; (12) equity of public resource use; (13) building human resources; (14) social protection and labor; (15) monitoring and analysis of poverty outcomes and impacts;

**(D) Public Sector Management and Institutions:** (16) property rights and rule-based governance; (17) quality of budgetary and financial management; (18) efficiency of revenue mobilization; (19) quality of public administration; (20) transparency, accountability and corruption in the public sector.

The CPIA ratings represents 80% weight and the Bank's Annual Report of Portfolio Performance - ARPP represents 20% weight, in determination of the World Bank's IDA country performance which leads to an allocation of development assistance from the Bank. The five indicators relating to public sector management (or good governance) carry a higher weight than the other 15 indicators. Based on Cambodia's performance as measured

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# We Welcome Your Opinions and Comments

*To make our newsletter a more useful source of information and to make the World Bank's activities in Cambodia more effective, we welcome your letters, comments, and questions. Please send them to: Bou Saroeun, Communications Associate, Cambodia World Bank Office, 113 Norodom Blvd., Phnom Penh, email: sbou@worldbank.org. We very much appreciate your valuable assistance.*

## How Are IDA Resources Allocated ...

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by these ratings, for 2004-2005, Cambodia will get an IDA allocation of \$70 million per annum. If its performance on these ratings—especially the governance ratings where it lags other developing countries—was to improve, Cambodia could have access to a significantly higher level of IDA resources.

The CPIA results continue to remain confidential for internal Bank information, but country directors are asked to communicate and discuss the ratings with Government counterparts in the context of country dialogue. The discussion would cover the country's individual re-

sults and relative ratings compared with broad comparator groups, but would not involve providing information on other countries' ratings or results.

On June 3, 2003, a dialogue on Cambodia's CPIA ratings between the Bank and the Government of Cambodia was held and headed by the World Bank's Country Director for Cambodia, Mr. Ian Porter. The meeting discussed the existing ratings and the measures that would need to be implemented to improve the ratings in the future so that Cambodia could have greater access to IDA resources. The World Bank's new Country Assistance Strategy for Cambodia (CAS)

for 2004-2008 that is currently being prepared will aim to provide financial and technical support to the Government to help improve Cambodia's policy and institutional environment so that the aid that the World Bank and other donors are providing to Cambodia can have a greater impact on economic growth and poverty reduction.

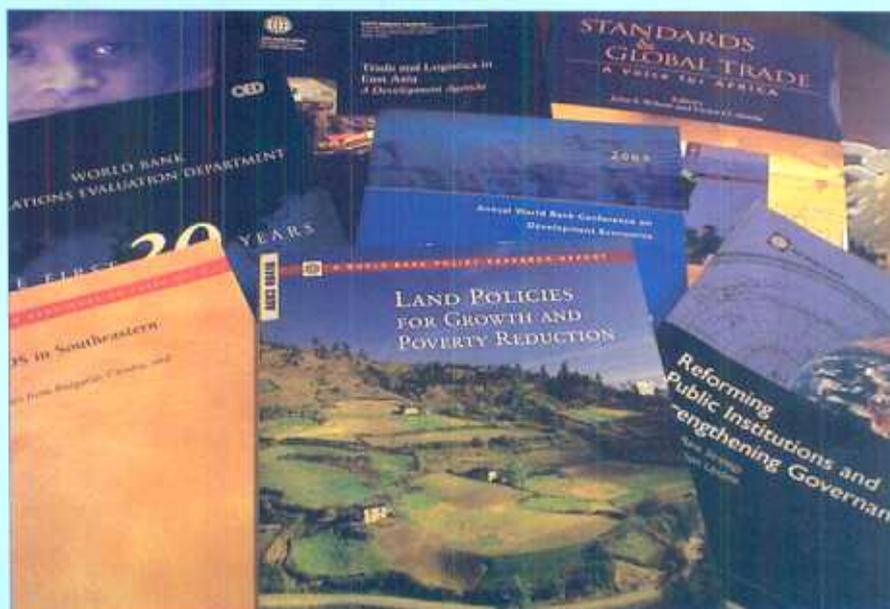
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