

2nd Cambodia Development Cooperation Forum

Session IV

Social Safety Nets

Presentation on behalf of Development Partners

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Social Safety Nets

- Social Safety Nets for social, cultural and economic growth.
- Existing policy priority for Government
 - National Strategic Development Plan
 - Rectangular Strategy Phase II
- Next steps underpin Cambodia's future and sustained growth

Social Safety Nets

Aim of today's dialogue

- Identify common sources of vulnerability
- Highlight current commitments, good practice, lessons learned
- Discuss opportunities – policy and action for a coordinated system of assistance
- Focus on leadership and partnership

Social Safety Nets

Risks faced by Cambodia households

- 30 percent of the population still live below the national poverty line.
- Current risks increased due to inflation and global financial crisis
- Reduced economic capacity > poverty
- Most vulnerable – urban and rural poor; economic migrants; landless and land poor; families affected by chronic illness and disability

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Need for immediate and long term responses

- 2008 study – Impact on High Food Prices in Cambodia
 - Absence of formal social safety nets > households face many risks
 - 50 percent surveyed cut back on food consumption
 - Poorest spend 70 percent of household spending on food

Vulnerability “threatens their nutritional status and worsens their health, resulting in lasting adverse impacts”

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Building a common understanding

- Social safety nets respond to economic and social shocks
 - preventative – promote long term investment
- Programmes that target benefits to the poor and most vulnerable
- Social safety nets – not only for rich countries, Developing countries 1 – 2 percent of GDP
- Cambodia's current investment less than 1 percent

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A well designed system supports growth promoting policies

- Pro growth policies and social safety nets are complementary
- Macro economics *"well targetted social safety nets for the most vulnerable should complement pro growth oriented spending in productive areas"*
- Social Safety nets facilitate the operation of markets and growth, increasing security, promoting growth, equity and equality of opportunity

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Existing commitments and current status in Cambodia

- Elements of a social safety net system
 - Pensions – civil servants, veterans
 - National Social Security Fund – 250,000 employees in formal private sector
 - School feeding – 500,000 students
 - Food for work
 - Targeted scholarships – girls – 29,000 students
 - Access to health care by poor 44 health sector operational districts, 6 national hospitals
 - Cash transfers – victims of natural disasters

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- Identification of Poor Households Programme (IDPoor)
 - 2009 – more than 2 third of country covered
 - 5,004 villages in 10 provinces, 6 provinces covered in full
 - Opportunity to expand to nationwide implementation

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Limitations to existing activities

- Often confined to sub sectors, geographic areas or target groups
- Use different methodology for identifying beneficiaries
- Often funded largely by development partners through specific projects

Opportunity – coordinated social safety net system under Government leadership

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Future opportunities and policy priorities

- Support to existing activities focused on the most vulnerable
- Inter-ministry engagement at the central level
- Use of data across sectors
- Financing – including incremental budget from Government
- Identify capacity requirements and build capacity
- Focal point to coordinate Government strategy

Social Safety Nets

- Development partners reinforce their commitment to supporting Government's development of an interlinked social safety net system that focuses on the poorest and most vulnerable and the achievement of Cambodia's development goals.

End