

ADVANCING SOCIAL PROTECTION IN CAMBODIA



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Project Context

- Cambodia made impressive gains in poverty reduction despite a high level of vulnerability to shocks threatening its economic and social stability.
- Extending social protection in Cambodia is key to building resilience and achieving long-term objectives, including reaching upper-middle-income status by 2030.
- The Royal Government of Cambodia (RGC) adopted the National Social Protection Policy Framework 2016 - 2025, which aims to create an effective and efficient social protection system for Cambodia.
- Demand for integration of social protection schemes in Cambodia is high, including through opportunities to create synergies between social assistance and employment-based social security.
- The current social protection system offers opportunities for the expansion of social protection, as seen through the development and implementation of the COVID-19 Cash Transfer Programme for ID-Poor Households, deployed in 2020, as well as the scheme for workers in the garment and tourism sectors that provided suspended employees with wage subsidies through the National Social Security Fund (NSSF).
- Extending coverage and enhancing the adequacy of social protection are central elements to the development of a social protection system, including through the inclusion of the near-poor, the 'missing middle' and the vulnerable currently not covered by any existing scheme.

Key Facts

- The 2019/20 poverty rate for Cambodia was 17.8%, and significantly higher in rural areas (22.6% compared to 12.6% in other urban areas and 4.2% in Phnom Penh)
- The Multidimensional Deprivation Analysis Study (2017) showed that almost half of Cambodian children (48.7%) are deprived in at least three dimensions simultaneously
- According to the OECD, only 0.3% of gross domestic product is allocated to social protection, with estimated increase to 1.7 % within Covid-19 response
- Informal employment accounted for 88% of total employment, corresponding to 7 million people, of whom most are neither covered by social security nor by social assistance
- Households bear about 60% of the country's health expenditure out of their own pocket



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- Cambodia's social protection institutions, such as the National Social Protection Council and its General Secretariat, the Ministry of Social Affairs, Veterans and Youth Rehabilitation, the NSSF, the Ministry of Labour and Vocational Training, the Ministry of Planning and the Ministry of Education play a key role in making sure that social protection is extended and the level of support is increased. Further investment in the capacity of these institutions is key to enabling them to manage increasing expectations of developing adequate social protection programmes and services for all.

Project Objectives

- **The Advancing Social Protection in Cambodia Project** focuses on extending social protection coverage and increasing the quality of service provision by improving institutional capabilities and the adaptability of existing schemes to meet the needs of informal workers and those living in poverty or vulnerable situations.



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Project Coverage

- The Advancing Social Protection Project aims to support specific groups identified within the most vulnerable populations in Cambodia. This includes those who are not currently benefitting from social protection, such as informal workers, young and old people, people with disabilities, and the rural poor.
- Strategies to achieve these objectives include strengthening systems and developing solutions to policy and programme design to expand the coverage of social assistance and employment-based social security schemes
- The project aims to improve the quality-of-service delivery, including by identifying people who continue to face barriers accessing basic services, and the so-called near-poor in urban areas.

Key Projects Outcomes

The project's main outcome is to ensure that more women and men in Cambodia have increased access to a more effective, efficient, accountable and sustainable gender-responsive social protection system, including through:

1. extension of social security coverage to workers not covered, and improvements in the quality and depth of services for those who are covered
2. introducing elements of integration between social security and social assistance pillars, while modernizing the NSSF
3. enhancing capabilities in the provision of social assistance programmes and complementary programmes to increase the inclusion of extremely poor and at-risk populations.

Key Facts

- 40% increase in the population's social protection coverage
- 2.6 million workers are covered by social security schemes
- 500,000 more workers are registered as NSSF members
- 500,000 more workers are registered under new registration modality
- 2.8 million people are included in cash transfer programmes, including the COVID-19 Cash Transfer Programme
- Over 240,000 women and children under 2 and over 260,000 students are included in the cash transfer schemes

Outcome 1 focuses on a horizontal expansion of social security schemes to more workers. This will be achieved by generating an evidence base on the macro-economic impacts of social protection and the impacts of extending social protection coverage on poverty and employment levels. Social security schemes will be adapted to the needs of the self-employed and workers in micro and small enterprises to increase coverage of social security. Communication will be applied as a key strategy to achieve such outcomes, and new registration schemes will be piloted. Finally, policy options will be developed to help female garment sector workers stay in employment.

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Outcome 2 aims to increase the coverage and inclusion of poor and vulnerable people in social assistance and complementary programmes. This outcome requires stronger regulatory and institutional capacity, supported by strong links between core and complementary social protection at the policy and programme level. This will support the socio-economic inclusion of the poor. Social protection operations need to be strengthened, including capacity building for monitoring and evaluation, vulnerability identification and targeting mechanisms, and improved referral between social assistance and other social services. Options linking cash transfer programmes with promoting livelihoods skills are required as a matter of priority.

Outcome 3 entails a modernization of the social security operator, namely the NSSF. This includes the development of a five-year ICT strategic plan to support new business capabilities. Data sharing between NSSF and other relevant government and national partners would facilitate the extension of social protection coverage and improve service delivery. This outcome outlines the importance of enabling digital social protection through government institutions and their partners.



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Project Partners



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- The Advancing Social Protection in Cambodia Project looks at maximizing synergies with complementary programmes implemented by national government institutions and development partners.
- The project is implemented in support of the National Social Protection Policy Framework 2016-2025, under the oversight of the National Social Protection Council (NSPC).
- Key national partners include the General Secretariat of the NSPC, the Ministry of Social Affairs, Veterans and Youth Rehabilitation, NSSF, the Ministry of Interior, the Ministry of Planning, and social partners.
- The European Union Delegation in Cambodia supports the project as the technical assistance component of its broader collaboration with the government on supporting social protection reform.
- UNICEF and ILO, in partnership with the European Union, promote collaboration with civil society organizations, including Oxfam, GRET and others, as well as other non-government organizations engaged in social protection.

- ILO and UNICEF have a strong track record of working with social protection institutions and local partners in Cambodia. ILO's mandate is to provide policy advisory services and technical assistance to governments and social partners to advance social protection and promote decent work. Its work is guided by a rights-based approach that stems from internationally agreed standards and principles. UNICEF is one of the lead UN agencies engaged in social protection at the global level and prioritizes social protection, including social assistance, within its Country Programme 2019-2023.

Progress

Progress under the Advancing Social Protection in Cambodia Project:

- The project has provided a continuum of support to expand the COVID-19 Cash Transfer Programme in Cambodia. Coverage of the programme is at 681,090 households, with an additional 108,000 households covered through the Lockdown Emergency Cash-Transfer Programme in Phnom Penh, Takhmao and Sihanoukville.
- The Project supported the RGC to finalize and start preparations for the roll out of the Family Package of Integrated Social Assistance programmes through system building.
- Normative frameworks in support of the Family Package and four core programmes under this package are being prepared for roll out in 2022.
- The normative framework for the institutionalization of the National Social Assistance Fund is being prepared for roll out in 2022.

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- The project supported the development of the NSSF pension scheme and is raising awareness to promote the launch of the upcoming pension scheme for private sector employees.

Next Steps

- Support institutional development of the National Social Assistance Fund.
- Roll out the Family Package of four core cash transfer programmes via support to system building and strengthening service delivery.
- Develop policy and programme design options to link cash transfer programmes with complementary and basic social services to improve the impacts and effectiveness of service delivery for the poor and vulnerable.
- Support components of the National Economic Recovery Plan by providing technical assistance

and modelling of measures linking cash transfer programmes and livelihood opportunities.

- Continue supporting the COVID-19 Cash Transfer Programme, including transition to the Family Package.
- Finalize actuarial valuation for three branches of the NSSF and initiate at least a policy revision based on the actuarial revision recommendations as evidence-based frameworks and tools to guide, monitor and evaluate the implementation of the National Social Protection Policy Framework.
- Enable the effective engagement of the CSO-Trade Union Network with decision makers to: improve the design and monitoring of selected social protection programmes; explore options to increase fiscal space to extend NSSF coverage to informal economy workers, especially women; and improve social accountability mechanisms.

- Design and develop tools and knowledge to improve planning, budgeting and tracking of social protection expenditures, including a consistent mechanism to compile revenue and expenditure.



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