Royal Government of Cambodia

Address
by
Deputy Prime Minister Keat Chhon
Minister of Economy and Finance

at the National Workshop on

The Identification of Poor Households Programme
— A Key Tool for Equitable Development

Phnom Penh, 8 January 2009

Excellencies, Senior Ministers, Ministers, Secretaries of State, Ladies and Gentlemen!

I have great pleasure to deliver the keynote address in this important national workshop on the Identification of Poor Households Programme. This programme is an important instrument to support the Royal Government's Rectangular Strategy, which outlines a commitment to achieving Growth, Employment, Equity and Efficiency.

In Phase II of the Rectangular Strategy, the Royal Government will continue to focus on achieving sustainable, long-term economic growth while ensuring equitable distribution of opportunities and the fruits of economic growth. Strengthening of the agricultural sector, private sector development and infrastructure improvement are important aspects of this strategy. Other key elements of the Rectangular Strategy are the protection and further development of human resources through improvement and extension of education and health services, and the expansion of social safety nets.

While the Royal Government has achieved impressive economic growth, and a steady decrease in poverty from 35% in 2004 to an estimated 30% in 2007, the gap between the rich and poor, especially urban-rural inequality, remains a challenge. In 2004, 91.7% of the poor lived in rural areas. It has become increasingly clear that economic growth, while critical to national development and to the improvement of overall prosperity, does not automatically ensure that all people are able to share in its benefits. At the same time, the Royal Government and development partners have limited resources with which to combat poverty. To achieve the most rapid poverty alleviation, it is therefore important to target a proportion of development resources to directly assist the poorest and most vulnerable, in order to improve their capacity to meet their own basic needs, improve their livelihood, develop their human capital, and protect them from shocks that

can cause them to fall into poverty or exacerbate their already difficult situation. This will help to promote human and economic development, and to foster social and political stability.

One reason that the gap between the rich and poor has remained a significant challenge for the Royal Government and our development partners is that until recently, we lacked a reliable, standardised mechanism to target services and assistance to the poorest and most vulnerable. Various government and non-governmental service providers have been identifying poor households in an uncoordinated way, and the data has not been shared among these different institutions and organisations. The Royal Government regards as a high priority the harmonisation of procedures for identification of poor households, in order to reduce the overall costs of selecting target groups, and the more efficient use of limited development resources. Now, for rural areas, the Identification of Poor Households Programme offers us an effective tool for identification of poor households.

I would like to congratulate the Ministry of Planning for its dedication and hard work over the last three years to develop, pilot and refine the Procedures for Identification of Poor Households and standardised criteria for identifying and categorising poor households. I would also like to commend the Ministry of Planning and Ministry of Interior for collaborating closely together to implement the procedures at the local level.

Excellencies, Ladies and Gentlemen

In 2007 and 2008, the Ministry of Planning implemented the procedures for identification of poor households in around 2109 villages in 5 provinces. By mid-2009, the MOP will have implemented the procedures for identification of poor households in around 2876 villages in 5 additional provinces. This is a total of more than 5000 villages, which is more than a third of all villages in Cambodia! Partner organisations working in the health sector have also already implemented the standardised procedures in 1322 villages in other provinces, and in 2009 they will cover hundreds more villages. This means that more than half of all rural villages in Cambodia will have been covered by the standardised procedures by the end of 2009. All of this data will be entered into the national Database of Poor Households as it becomes available, and will be shared with all government and non-government service providers. Already, the Ministry of Planning has distributed data to service providers at the provincial level in the five provinces it covered in 2007 and 2008, and at the end of today's workshop this data will be distributed to all participants.

The national Identification of Poor Households Programme has clearly demonstrated that the Royal Government has effectively utilised existing decentralised structures, and a participatory process involving commune and village representatives, to implement the identification procedures. A survey conducted earlier this year of implementers and stakeholders at the provincial, commune and village levels showed strong support for the programme, and a high level

of confidence about the accuracy and fairness of the results. We therefore have a sound foundation for the expansion of this programme to cover rural areas throughout the entire country.

I would like to take this opportunity to emphasise the Royal Government's strong commitment to expansion of the Identification of Poor Households Programme to achieve nationwide coverage in rural areas, and I will endeavour to find funds for an annually increasing allocation of funds from the national budget from 2010 for this purpose. As the Royal Government's budget is limited, I urge development partners to help finance the Identification of Poor Households Programme as a matter of high priority. In early 2009, I would ask the Ministry of Planning to prepare a costed Master Plan for expansion of identification of poor households nationwide, and will present this to the Royal Government for consideration in the framework of the national budget and to development partners for their support. As the next step, I believe we should plan to conduct identification of poor households in half the country in 2010, and in the remaining half in 2011, and thereafter to conduct updates in each region every two years, on an ongoing basis.

In 2007 and 2008, the Ministry of Planning and partner organisations operating Health Equity Funds have made good progress in expanding identification of poor households using the standardised Procedures to a large number of areas, by dividing up responsibility for covering different areas. However, budget constraints and operational priorities have meant that identification has been conducted in different provinces and districts at different times, and it has only been possible to cover a few whole provinces. Implementation by different organisations in smaller areas has led to higher costs for management and coordination. The fact that data is collected at different times in different areas makes it more difficult to compare results. Moreover, shortage of resources by partner organisations has led to delays in data entry, which has meant that it has been difficult to bring the data together in the national database in a timely manner, and to disseminate it to other service providers.

There are major benefits to be gained from the Ministry of Planning carrying out systematic nationwide identification of poor households. Because the ministry uses only the decentralised structures for implementation, the capacity of the state to coordinate, manage and implement the process is being developed, which enhances sustainability of the process. Management and coordination by the Ministry of Planning alone will allow systematic selection of regions and setting of a timetable for implementation, ensuring predictability for implementers of the process. Data entry and dissemination will be more coordinated and regular, which will make it easier for decision-makers and service providers to plan their activities. And because the ministry widely disseminates the data, the cost-effectiveness of implementation will be higher.

I would like to comment on the cost of identification of poor households using the national procedures. It is true that implementation by the Ministry of Planning costs more per household than implementation by NGOs. But this is because of the Royal Government's commitment to make full use of the decentralised government structures, which involves more people in

management and coordination, and requires more training. Also it is because the Ministry of Planning conducts the process concurrently in all regions, while NGOs conduct it on a rolling basis. This means that the ministry can collect data more quickly, and it is more comparable because it is a snapshot of households' poverty status taken at the same time. The ministry process also includes provincial- and district-level awareness-raising and data dissemination, which promotes wide use of the data.

2008 is the first year that data on poor households is available for a number of provinces all at once, and today is the first time that the Royal Government is disseminating the 2008 data at the national level. Therefore, I would like to request all government ministries and institutions that target services or assistance to poor households, and whose programmes or activities are in areas covered by the Identification of Poor Households Programme, to start using the data on poor households as the basis for deciding which areas and households to target for the provision of services and assistance. Ministers and the Management of relevant ministries and institutions, I would like to request you to please inform all of your officials of this request.

The Ministry of Planning is currently drafting a Sub-Decree outlining the Royal Government's policy relating to identification of poor households. Related to this, I would like to make a number of requests relating to identification of poor households and the use of data on poor households.

I would like to request all government ministries and institutions that target services or assistance to poor households, and whose programmes or activities are in areas covered by the Identification of Poor Households Programme, to start using the data on poor households as the basis for deciding which areas and households to target for the provision of services and assistance. Ministers and the Management of relevant ministries and institutions, I would like to request you to please inform all of your officials of this request.

At the same time, I would like to request development partners and NGOs to use data from the Identification of Poor Households Programme for targeting services and assistance to poor households in all areas where data is available. Please do not identify target areas and target households using your own methodologies, if the Ministry of Planning or partner organisations are already applying the standardised national Procedures in the same areas. In these areas, the Royal Government will only officially recognise the Ministry of Planning's Procedures for Identification of Poor Households.

In areas where the Ministry of Planning or its partner organisations have not yet conducted or do not plan to soon conduct identification of poor households using the national Procedures, organisations wishing to identify poor households should, if feasible, harmonise their procedures for identification of poor households in line with the Ministry of Planning's *Guidelines for Partner Institutions and Organisations to Implement Harmonised Procedures for Identification of Poor Households in Rural Areas*. Such modified procedures should be prepared in consultation with, and approved by, the Ministry of Planning.

In time, when there is systematic coverage of the country by the Identification of Poor Households Programme, all government agencies, development partners and NGOs should discontinue the use of other procedures for identification of poor households. However, in some specific cases, there may still be the need to apply additional specific criteria for selection of households from among the poor households already identified, such as, for example, landless households, households with disabled or chronically sick members, households without draught animals, etc.

During the 2008 Cambodia Development Cooperation Forum meeting, the Royal Government and development partners discussed the idea of developing a more integrated and coordinated social safety net system that focuses on the poorest and most vulnerable. Currently the Royal Government's social safety net programmes are focused on civil servants, veterans, persons with disabilities and their families, and employees in the formal sector, and these programmes are managed by different agencies. People working in the informal sector are not covered. The current social safety net programmes are still limited in scope. The Royal Government acknowledges the need to improve social safety nets and will soon start a process in cooperation with development partners to examine existing social safety net activities and explore options for the development of a social safety net strategy. In a number of other developing countries in which a national safety net programme exists, a standard source of data on poor households is used to identify target groups across all components of the programme. In Cambodia, data from the Identification of Poor Households Programme would serve as the basis for targeting beneficiaries.

In closing, I would again like to emphasise the Royal Government's support for the Identification of Poor Households Programme, including providing funding, and would like to appeal for a commitment of development partner funding to enable the Identification of Poor Households Programme to expand to become fully national and to conduct regular updates. This programme is a very practical tool to help the Royal Government, development partners and NGOs to efficiently use their resources in a coordinated way to target services and assistance to the poorest and most vulnerable.

Thank you !