

World Bank Country Partnership Framework for Cambodia FY2025-2029 Subnational Government Consultation Summary December 14, 2023 Hyatt Regency, Phnom Penh

The fifth consultation on the World Bank's proposed Country Partnership Framework (CPF) FY2025-2029 with Cambodia was held on December 14, 2023 with 34 representatives from 11 provinces: (1) Phnom Penh, (2) Kandal, (3) Prey Veng, (4) Kampong Speu, (5) Kampong Chhnang, (6) Preah Sihanouk, (7) Kampot, (8) Kep, (9) Koh Kong, (10) Svay Rieng and (11) Takeo. Approximately half of the participants were women.

Overview:

The consultation began with welcome remarks from Asad Yaqub, IFC Country Manager, Cambodia. Introductory remarks were then provided by Excellency Chhuon Samrith, Director General of General Department of International Cooperation and Debt Management, Ministry of Economy and Finance, Cambodia.

World Bank staff then presented the challenges and opportunities facing Cambodia as set out in the World Bank's Systematic Country Diagnosis alongside an outline of the proposed CPF. These can be accessed on the <u>Cambodia CPF FY25-29 consultation website</u>.

The room was then divided into breakout groups, assigned a High Level Outcome (HLO) to consider, and asked to discuss four questions – the following is a collation of responses from that session:

Question 1: What are the top three issues that the World Bank Group (WBG) should focus on in the next 4-5 years?

HLO 1 – Participants responding to the first High Level Outcome noted that health and nutrition through the first 1,000 days of a child's life remained a critical focus for subnational government in Cambodia. The respondents suggested a top issue for World Bank support would be increasing the quality, availability, and prevalence of healthcare and medical supplies in rural and remote areas. They suggested this would be essential in building community trust and uptake of health services. Participants also suggested support for health information and communications would improve health outcomes at the sub national level. Regarding access to health services, the group suggested to increase coverage of health posts, especially in rural and remote communities.

Regarding education, the group noted the importance of improving management of human resources especially leveraging and recruiting teachers from the community to ensure the continuity of services. Respondents suggested technical and vocational training for teachers alongside improved incentives for remote locations to enhance education outcomes in Cambodia.

HLO 2- Respondents identified digital, energy, water supply, and transport infrastructure at the subnational levels as a key issue that the World Bank could focus on to promote provincial economic developments and jobs. Respondents noted the importance of digital economy, while urging for support to reduce energy costs and expand regional connectivity to attract investment and boost production including improved regional connectivity to promote investment projects and tourism

developments such as new tourism products (e.g., undersea adventures, zip line from high point rope to Kep bay outside traditional coastal tourism hotspots such as Sihanoukville). These participants also highlighted a need for training and capacity building to the subnational level as more functions are now transferred from the central government. The group also viewed the importance of World Bank work program to promote greater access to finance, especially, low-interest loans to small- and medium-enterprises. Lastly on agriculture, the respondents suggested a greater access to market of their agricultural products (i.e., one village one product concept) to promote agricultural production and to enhance food security.

HLO 3 – Responding to the top three issues for the World Bank when considering HLO 3, participants focused on a need for greater technical competency, training, and skills development to improve human capital and more agricultural extension, establishment of agricultural communities (with technical and financial support and market linkages) and tailored trainings along with work to identify new export markets for agricultural products. They also stressed a serious need for better and more inclusive access to finance.

Group 3 made special reference to the need for grassroots/local economic development alongside skills strengthening for local authorities through the implementation of decentralization and deconcentration (D&D) reforms. Of particular interest was budgeting and budget prioritization assistance to more effectively allocated limited provincial budgets to meet a wide range of priorities.

D&D was also a priority of this group and they suggested institutional strengthening support to assist government achieve this, including delegation of authority to subnational level.

Finally, this group suggested gender and climate mainstreaming within provincial governments and expanded World Bank support for physical infrastructure along with support to increasing digitization in provincial areas.

Question 2: What should the World Bank be doing less of in Cambodia considering the World Bank's comparative advantage?

HLO 1 – Participants had no recommendations for reducing World Bank interventions but were focused on potential opportunities for expansion.

HLO2 – Respondents suggested they would like to see less complicated rules and procedures related to World Bank-financed projects, in particular at the project preparation stage (time-consuming feasibility studies for World Bank projects) to speed up project implementation so that positive impacts and the benefits World Bank-financed projects and support can be promptly obtained.

HLO 3 – Respondents expressed appreciation for World Bank financial and technical assistance and asked it to remain aligned with government reforms and not obstruct any government decentralization and deconcentration efforts.

Question 3: What are your views of the proposed high level outcomes and objectives for the CPF?

All respondents said they agreed with the proposed high-level outcomes and objectives.

Question 4: How may the World Bank better address the cross cutting challenges of:

- Climate change impacts
- Governance and institutional capacity
- Gender equality and inclusion

HLO 1 – The group focused on HLO1 suggested the World Bank could improve climate resilient infrastructure to better deal with flooding – for example, more suitable drainage- and strengthening existing service delivery mechanism to be more effective and more timely. Regarding governance, respondents suggested stronger emphasis on the management human resource in public sector and greater digital support for subnational administrations and mechanisms to take forward decentralization and deconcentration reforms. Lastly, participants suggested support for training and vocational assistance in health and education sectors. The group also suggested promotion of gender equality and women's empowerment.

HLO 2 – Respondents underscored the need for greater technical and financial support to build climate capacity at the provincial level. They requested capacity development and financial support to better address gender-based violence, especially violence against women and children at the subnational levels. Respondents suggested that all Bank-financed projects incorporate climate change, governance and institutional capacity building and gender dimensions. Lastly, they requested training and development to make better use of World Bank analysis that can be technical, and difficult to understand clearly.

HLO 3 – Participants suggested a need to improve involvement, engagement, and decision-making power by women, the disadvantaged and the vulnerable. It was suggested this could be achieved through greater access to information through local authorities, digital channels, and meetings. Respondents added that to foster full inclusion there was a need for women, people with disability and the young to share their challenges and concerns and engage in development dialogue in a meaningful way. To address cross-cutting climate challenges the group identified climate resilient infrastructure as a major opportunity.