

RESULTS OF THE READINESS ASSESSMENT TO DEPLOY SHOCK RESPONSIVE SOCIAL PROTECTION IN CAMBODIA

POLICY BRIEF NUMBER 15





BACKGROUND

This policy brief presents the main results of the readiness assessment to deploy shock responsive social protection in Cambodia conducted in collaboration between the General Secretariat for the National Social Protection Council (GS-NSPC) and the World Bank. The assessment aims to measure the level of preparedness against the best practices in adaptive social protection system to provide insights into the capacity and inform policymaking as well as to further strengthen adaptability and scalability of social protection system to respond to covariate shocks, particularly cash transfer programs.

The assessment was conducted from November 2022 and April 2023, and updated in June and August 2024, to reflect subsequent reforms in Cambodia's social protection system, focusing on four main building blocks: programs and delivery systems, data and information, finance, and institutional arrangements and partnerships. Using a series of questions, each building block is rated on a scale from 1-5 based on their level of advancement:

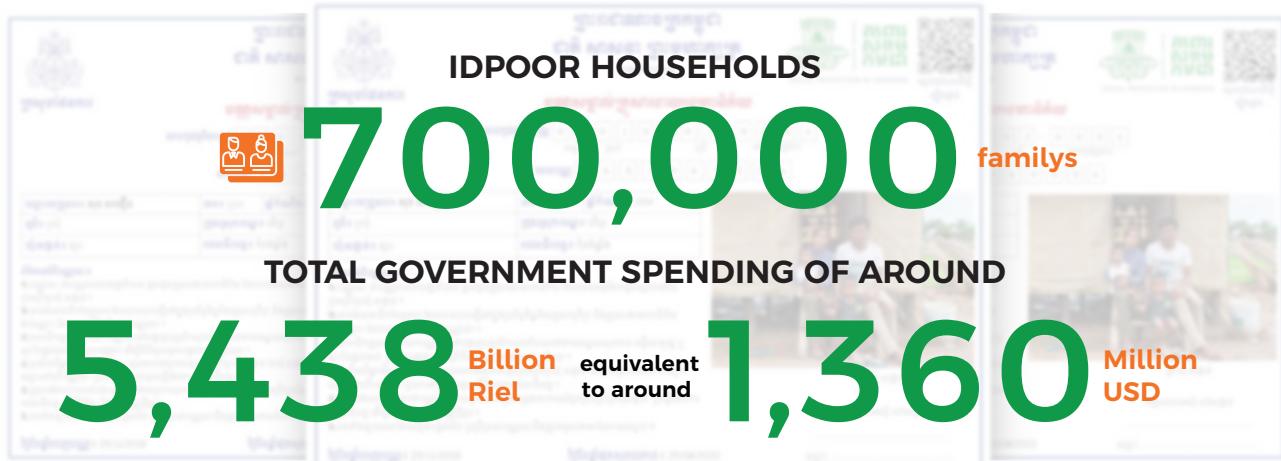
(1)	Latent,	
(2)	Nascent,	
(3)	Emerging,	
(4)	Advanced,	
(5)	Established	

This approach was elaborated by analysis of institutional reports from government and international organizations, a literature review, and interviews with stakeholders.





PROGRESS OF THE SHOCK RESPONSIVE SOCIAL PROTECTION IMPLEMENTATION



During the last five years, the Royal Government of Cambodia (RGC) has made significant investment to strengthen and expand its social protection system and has achieved remarkable progress. This has provided a strong basis for the launching of different cash transfer programs in time of shocks such as Covid-19, inflationary pressure, and severe floods, aiming at protection people's livelihood, especially the poor and vulnerable.

Based on the positive experiences, especially through CT-Covid 19—implemented from June 2020 until March 2024 that covered around **700,000 IDPoor households** with a total government spending of around Riel **5 438 billion**, equivalent to around **USD 1 360 million**, the Royal Government committed to institutionalize the shock responsive social protection, which set as one of the six the Priority Policy Programs under the Royal Government of Cambodia of the 7th legislature of the National Assembly. As a result, **the Guideline on the Shock Responsive Social Protection Framework** was launched in December 2023 aiming at leveraging the social protection system to provide systematic, predictable, timely, and effective responses so that the population, especially the poor and vulnerable, are protected.

In 2024-2025, GS-NSPC and partners implemented priority activities on SRSP: expenditure modelling, assessments, communication, operating plan, and scalability framework for flood response.

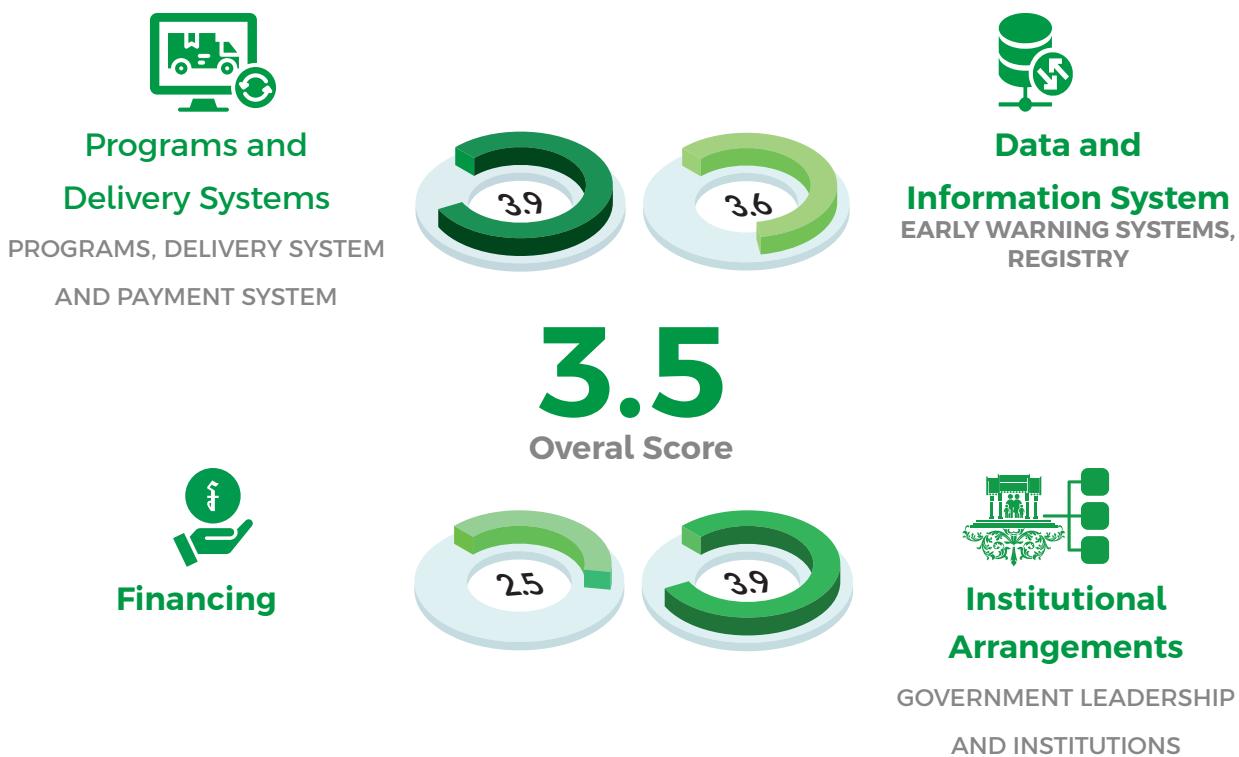
Additionally, during shocks from border dispute between Cambodia and Thailand, the government has adopted the program design tweak on three main social assistance programs to ensure the continued benefits for households. In the meantime, the government is considering interventions for displaced households and returned migrant workers and employees impacted by this shock.





KEY FINDINGS

Based on fast evolution of the social protection system, including the adoption of key policies, programs and schemes, and most importantly, the launching of the **Guideline on Shock Responsive Social Protection Framework**, the assessment has shown a good progress in terms of the readiness of the shock responsive social protection with the scoring of **3.5 out of 5 points** on average across the building blocks as shown in the figure below.



Key summarizes of the main findings of shock responsive social protection according to each building block are as follows:

A. Programs and Delivery System

Programs

- Main social assistance programs were launched to respond to shocks from Covid-19, inflationary pressure, severe floods, and border dispute by building on the capacities, information systems, payment mechanisms, and knowledge gained from routine programs.
- As the CT-Covid 19 phased out, the Family Package was launched—an integrated social assistance program for IDPoor households that aims to address life cycle and poverty risks.

- At-Risk Household or near poor is a new target group in social protection system, were identified to receive emergency cash transfer programs, and following the closure of these programs, they started receiving routine social assistance programs such as Health Equity Fund (HEF) and Technical Vocational Education and Training (TVET) for youth from poor and at-risk households.

Delivery system

- Comprehensive communication strategies were used to leverage programs during and after shocks though they were still implemented on an ad hoc basis.
- Automatic enrollment into the cash transfer programs for different shocks was used for new-poor and at-risk households identified through IDPoor to ensure chances to receive the cash benefits.
- Specific vulnerability aspects were included in the household identification mechanism, especially for At-Risk Households for ensuring the inclusion of women or vulnerable groups in social protection system.
- A tool for household needs assessments is in place in the aftermath of disasters, but there are no mechanisms to link it to the existing social assistance programs used in times of shock.
- Complaints and track of responses by beneficiaries can be carried out through multiple channels.

Payment system

- The payment mechanism of routine social assistance programs relies on the services of a single payment service provider option.
- Savings account was provided to beneficiaries, including for the Family Package, for cash benefit withdrawal. This solution was scaled up rapidly for the shock-responsive programs. However, they are not fully-fledged mobile money accounts, and as such, limited the contribution to financial inclusion.

B. Data and Information System

Vulnerability and Risk assessments

- Early Warning System for floods is functioning with capacity to track them. However, there are no EWS for other important risks such as droughts, which are to be further explored for shock responsive social protection.



- Monitoring and warning capabilities can be strengthened in areas like lead time for warnings and forecasts, staffing, technology and software maintenance, data sharing protocol, data management systems, and long-term forecasting skills.
- Vulnerability and risk assessments are conducted to determine the impact of the main shocks on different populations; however, leveraging the results for shock responsive social protection remains limited.

Social registry

- Through IDPoor, approximately 30% of Cambodia's households were identified as poor or at-risk with up-to-date record, and IDPoor has recently evolved into an on-demand mechanism to identify and register poor and vulnerable households.
- The IDPoor data collected is enough to target all shocks when needed even though the coverage in shock-prone urban settlements is low compared to rural areas.
- Social Protection data harmonization to create a Social Protection Registry is being implemented by integrating datasets from IDPoor, National Social Security Fund (NSSF), and other sources through an interoperability layer called CamDX and validating identity with the National Khmer ID.

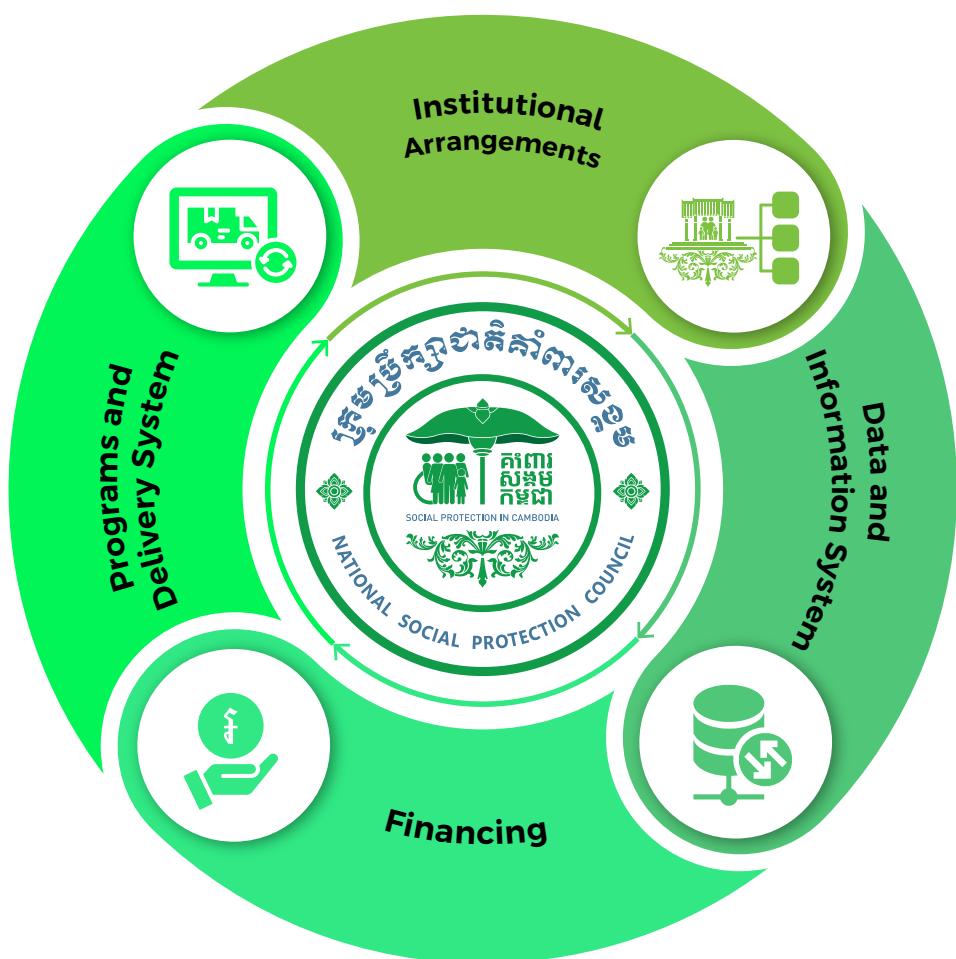
C. Financing

- The Law on Disaster Management was enacted by the National Assembly in 2015, specifies that the government "shall have the appropriate reserve budget and resources to be ensured for disaster management," including disaster preparedness, response, and recovery.
- Disaster Risk Financing (DRF) Strategy (2024-2028) was approved in June 2024, aiming at improving Cambodia's financial resilience to disaster and climate risks; outlines DRF instruments to be used in times of disasters; and outlines tailored DRF solutions and medium-term sector plans, including for Shock Responsive Social Protection.
- Coordination efforts among line ministries are further required for creating disaster risk management awareness, prioritizing strategic risk reduction investments, allocating necessary resources for disaster risk management, and promoting disaster risk finance tools to secure access to immediate disaster response and recovery funding.
- The contingency budget has been used to finance unexpected shocks, but the contingency budget is not exclusively for post-disaster expenditures and provides an ad-hoc mechanism for shock responsive social protection. The operationalization of the DRF Strategy should help improve the implementation of shock responsive social protection.



D. Institutional Arrangements

- The Guideline on Shock Responsive Social Protection (SRSP) Framework was approved. The SRSP provides social protection and disaster risk management with some complementarity and links to legislation. The guideline could be strengthened through legislation and fiscal commitments to support Shock Responsive in Social Protection and Disaster Risk Management.
- Contingency plans for major risks are available, but there is limited capacity and resources to guarantee its full implementation.
- Institutionalized links and coordination between social protection system and disaster risk management are being strengthened. In 2021, Sub Decree 143 included NCDM as a member of the Executive Committee of the NSPC.





POLICY RECOMMENDATIONS

A. Programs and Delivery System

- Continue expanding the population coverage and strengthening the adequacy of the routine social assistance programs to build a household's resilience in responding to shocks
- Integrate shock responsive components into routine social protection programs' standard operation manuals for ensuring the programs' preparedness to shocks, including program expansion, communication, enrollment through multiple channels, and easy-to-deploy benefit payment in hard-to-reach areas hit by disasters
- Establish scalability frameworks and Business process for major hazards, which will determine the specific SP programs and modalities used, beneficiaries, benefit amount, duration, triggers, and institutional roles
- Strengthen post-disaster household assessments (PDHA) tool to inform the delivery of assistance through the Social Protection programs in times of shock
- Enhance payment service provider options and delivery benefits to fully-fledged saving account to promote household's financial inclusion

B. Data and Information

- Continue strengthening government and subnational government capacities to monitor and issue alerts on the occurrence of a hazard event and channel information for action
- Further develop social protection registry dynamism and interoperability between databases such as IDPoor, NSSF, Patient Management Registration System-PMRS, validating the data with the National Khmer ID, and harmonizing its Social Protection registration and data management
- Increase coverage of IDPoor, especially in urban risk-affected areas
- Improve the shock-responsiveness of IDPoor, focusing on communication strategies, registration through multiple channels, and alternative validation mechanisms

C. Financing

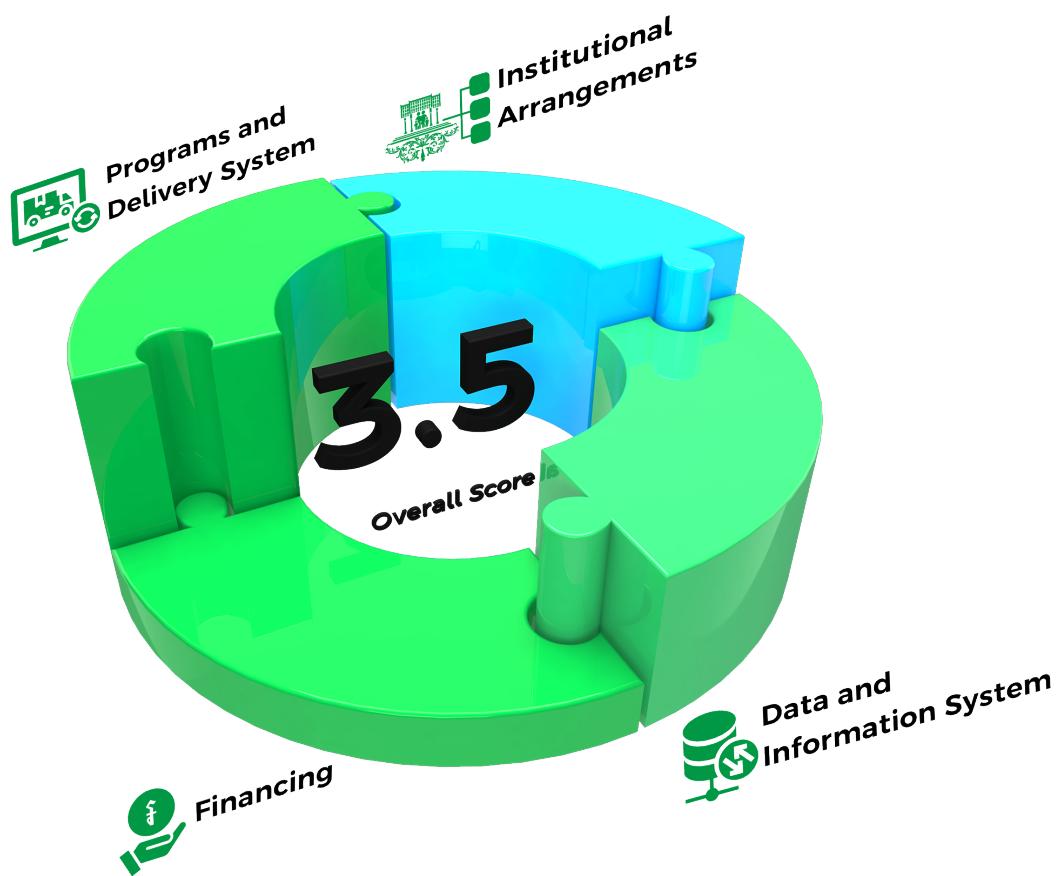
- Operationalize the strategic approach to disaster risk financing for Social Protection by mainstreaming climate and disaster risk financing into key policies and legislation, improving information and data collection, using analytical tools or models to assess



- the impact of disasters to inform economic and fiscal planning, reducing the funding gap to cover for disaster-related contingent liabilities, and deploying a risk layering framework to set out a holistic and optimal cost-efficient mix of risk financing instruments
- Develop and implement disaster risk financing mechanisms for shock responsive social protection

D. Institution Arrangements

- Further support shock responsive social protection implementation with legislation and fiscal commitments
- Finalize the Shock Responsive Social Protection Framework Operational Plan
- Strengthen links and coordination mechanisms between Social Protection and Disaster Risk Management by institutionalizing links and coordination in sharing data and information and a coordination mechanism with governmental and non-governmental agencies





CONCLUSION

The Royal Government has committed to further strengthening social protection, including shock responsive social protection. It is evidenced in the implementation of various cash transfer programs in times of shock, which yielded positive impact on people's livelihood. In late 2023, the government adopted the Guideline on Shock Responsive Social Protection Framework, institutionalizing social protection responses to shocks in a systematic, predictable, timely, and effective manner. Based on this positive development, the assessment results have shown good progress in terms of the readiness of the shock responsive social protection across all building blocks though further efforts are required as shown in the policy recommendations above.



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SOCIAL PROTECTION IN CAMBODIA