



# Cambodia: Supporting Digital Cambodia for Inclusive Development Project

Project Name	Supporting Digital Cambodia for Inclusive Development Project
Project Number	53308-001
Country	Cambodia
Project Status	Proposed
Project Type / Modality of Assistance	Technical Assistance
Source of Funding / Amount	
Strategic Agendas	Inclusive economic growth
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development
Sector / Subsector	Information and communication technology - ICT strategy and policy, and capacity development
Gender Equity and Mainstreaming	Some gender elements
Description	The knowledge and support technical assistance (TA) will support the Royal Government of Cambodia (RGC) to develop and implement a one-stop shop model for public and social service deliveries using digital technology based on the national identification (ID) system. It aims to improve the government's social protection programs toward underserved people using digital technology and support government's vision of digital Cambodia by mainstreaming digital technology in public administration and services. The TA is included in the Country Operations Business Plan 2020-2022 with the title of <u>'Digital ID for better targeting of social programs'</u> as one of the Innovation, Advanced Technology, and Pilot Initiatives to be implemented in 2020.
Project Rationale and Linkage to Country/Regional Strategy	<p>Cambodia has made remarkable progress in economic growth and poverty reduction with an average growth rate of 8% of GDP per annum during 1999-2018. Despite this high growth rate which has helped to reduce the poverty rate from 47.8% in 2007 to 13.5% in 2014, many Cambodians live marginally above the poverty line (41% live on less than \$2 a day and 27% on less than \$3 a day). As such, Cambodia remains one of the poorest countries in Asia with social assistance covering less than 2% of the poorest quintile of the population. Low inclusiveness is due largely to gaps in public services, including a lack of effective measures to support vulnerable groups to cope with shocks including illness and natural hazards.</p> <p>The RGC is keen to make Cambodia a technology driven, upper middle-income country by 2030 and has introduced a range of digital policy initiatives including Rectangular Strategy Phase IV 2018-2023, the Cambodia ICT Masterplan 2020, the Telecom/ICT (T-ICT) Development Policy 2020, the Industrial Development Policy 2015-2025, and the e-Commerce and Consumer Protection Laws (2019). Also, the RGC is preparing a long-term strategy for the digital economy for 2020-2035. The TA will align with these government development policies and strategies, and the Country Partnership Strategy 2019-2023-Inclusive Pathways to a Competitive Economy, particularly focusing on Pillar 4: Improve Governance for ADB's operations in Cambodia.</p> <p>Despite the country's aspiration to achieve digital transformation of the economy, Cambodia needs to overcome the following challenges: (i) low development of digital technology; (ii) weak governance and institutional capacity to implement digital transformation; and (iii) limited awareness, knowledge, and human capacity on digital technology. To support the digital transformation of Cambodia, the CPS 2019-2023 indicates that ADB would mainstream, through its projects and programs, the use of information technology including for better targeting of government programs toward underserved people.</p> <p>ICT for social protection. The government introduced a new Social Protection Policy Framework in 2017. ID Poor, a central targeting mechanism for poor households, is the main tool for registering the poor and is managed by the Ministry of Planning. The RGC is implementing various social protection programs and plans to expand these programs in term of coverage and type of services. However, there are many challenges in the delivery of social benefits, including limited coverage, inaccurate target beneficiaries, and inefficient management of the various social protection programs. There is no universal and easily verifiable identification mechanism that every resident can leverage for availing public and social services in Cambodia. To address these challenges, the National Social Protection Council (NSPC), the national agency in charge of the social protection programs, plans to develop an integrated IT-based service delivery system supporting various social protection programs.</p> <p>The Ministry of Economy and Finance (MEF), which chairs the NSPC, is spearheading the social protection reform and requested ADB technical assistance to support development of the social protection registration system. Responding to the request, a diagnostic study on ICT for social protection in Cambodia was carried out in 2019 under the ADB-funded Inclusive Finance Sector Development Program, Subprogram 2. The study found that social protection programs are largely fragmented causing inefficiencies in administration and delivery of services, and recommended to establish an IT-enabled service delivery platform which can be used not only for social protection programs but also for other social services across the country.</p> <p>E-government for subnational administrations. Cambodia is implementing a comprehensive decentralization reform, which aims to empower sub-national administrations, particularly for the district administration, which is being empowered to improve public service delivery. However, institutional capacity remains challenging including the delivery of e-government services. To address this issue, the RGC plans to introduce e-government applications to improve work efficiency and delivery of services at subnational level. This attempt, however, faces many challenges including: (i) the lack of strategies for digital government; (ii) limited human and institutional capacity; (iii) lack of impactful e-government applications and services; (iv) limited broadband internet connectivity with only half of provinces connected to the broadband fiber-optic cables; and (v) lack of standardized business processes for digital government.</p> <p>The TA will complement the ongoing and planned ADB funded projects at subnational administration level. The Decentralized Public Service and Financial Management Sector Development Program has been implemented since 2012, and the Second Decentralized Public Service and Financial Management Sector Development Program, Subprogram 1, is scheduled for approval in 2020, to improve public service delivery. ADB is also implementing the Fourth Greater Mekong Subregion Corridor Towns Development Project (the 4th GMS CTDP), which includes the e-government component for implementation in 2020.</p>
Impact	Livelihoods of disadvantaged groups including women and children improved.
Outcome	Efficiency, effectiveness, and accountability in delivery of selected public and social services in target districts improved.
Outputs	Output 1: Integrated ICT platform for social protection program developed and applied in two districts, and capacity of stakeholder agencies enhanced. Output 2: Feasibility study on a scalable e-government model at sub-national level conducted and capacity of the target SNAs enhanced.

Geographical Location Nation-wide

#### Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

#### Business Opportunities

Procurement Procure a consulting firm for the development of ICT platform (Q3 2020).  
Procure a consulting firm for the feasibility study on standardized e-government systems

Responsible ADB Officer	Freedman, David M.
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Cambodia Resident Mission
Executing Agencies	Asian Development Bank 6 ADB Avenue, Mandaluyong City 1550, Philippines Ministry of Economy and Finance Street 92, Sangkat Wat Phnom Khan Daun Penh, Phnom Penh City Cambodia

#### Timetable

Concept Clearance	22 May 2020
Fact Finding	04 Mar 2020 to 05 Mar 2020
MRM	-
Approval	-
Last Review Mission	-
Last PDS Update	08 Jun 2020

Project Page <https://www.adb.org/projects/53308-001/main>

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