

PROJECT INFORMATION DOCUMENT (PID)
INITIATION/CONCEPT STAGE

Report No.: 101109

Project Name	ENHANCEMENT OF POVERTY ANALYSIS CAPACITY IN CAMBODIA (P151424)
Region	East Asia Pacific EASPT
Country	Cambodia
Sector(s)	General public administration sectors (50%) Other social services (50%)
Theme(s)	Poverty strategy, analysis and monitoring (60%) Social Protection and Labor Policy & Systems (40%)
Lending Instrument	IPF
Project ID	P151424
Borrower(s)	Royal Government of Cambodia
Implementing Agency	Ministry of Planning (MoP), National Institute of Statistics (NIS)
Environmental Category	C
Date PID Prepared	April 20, 2015
Estimated Date of Approval	April 30, 2015
Initiation Note Review Decision	May 14, 2015
Other Decision(s) (as needed)	

I. Introduction and Context

Country Context

Cambodia's society has experienced a remarkable transformation since the end of the internal conflict in 1999. The country has benefited immensely from political stability and integration into international markets in the last two decades. Economic growth averaged 7.9% per year over the period 2003–2013, the 17th fastest in the world. Economic growth, particularly in the agricultural sector, has lifted a large proportion of the population of Cambodia above the poverty line. Between 2004 and 2011, poverty incidence declined from 53% to 20.5% of the population. In the future, sustained poverty reduction in Cambodia must be based on a strong diversified economy that provides income opportunities for all, supported by well-designed evidenced based public policies.

This requires the availability of timely and high quality socio-economic data, as a result of a coherent, organized and structured statistical system. It also requires the Ministry of Planning and the Working Group for Poverty Measurement to conduct independent work on welfare and poverty measurement and undertake analysis that link these measurements to concrete policy decisions. A good statistical system and the ability to process and interpret welfare data will also prove essential for the upcoming mid-term review of the National Strategic Development Plan (2014-2018) scheduled for 2016. The review will determine which policy priorities are not in track to achieve the 2018 targets, and the action that must be taken to correct this. It is a valuable opportunity to re-direct resources and efforts to areas and activities in which the country is lagging behind and the quality of the inputs to be used in the review will enhance the effectiveness of the exercise.

Sectorial and Institutional Context

The institutional mandate of the National Institute of Statistics (NIS) is to plan, collect and process the economic and social statistics of Cambodia. This involves coordinating with the line ministries, as well as collecting household data through surveys, as in the case of the Cambodian Socio-Economic Survey (CSES). Similarly, in 2011 the government established the National Working Group on Poverty Measurement (NWGPM). It is an inter-ministerial unit in charge of poverty measurement and of conducting independent analysis linking poverty to policy decisions. Both the NIS and the NWGPM have been working enthusiastically at fulfilling their respective institutional mandates in the last few years. Nonetheless, it is time to update the country's statistical master plan and there are also some knowledge gaps related to poverty and welfare measurement that the government would like to address.

To address these issues, the government approached the World Bank to support both the NIS and the NIS with technical assistance activities that will strengthen their capacity to produce timely and high quality statistics, and their capacity to monitor and analyze the welfare and poverty of Cambodia's population. In response, the poverty team accompanied the government in a grant application to the Trust Fund for Statistical Capacity Building (TFSCB) of the World Bank, which was approved in March 2015.

Relationship to CAS/CPS/CPF

The grant will contribute to the Bank's strategy of bridging towards a medium term full re-engagement with the Royal Government of Cambodia. The task helps to fortify the World Bank's bond with the Ministry of Planning and the National Institute of Statistics, key public institutions in any future engagement of the Bank in the country. Similarly, by strengthening the government's capacity to measure and analyze poverty, it will help both the government and the Bank to identify and prioritize which sectors are key for poverty reduction in the upcoming CPF.

II. Proposed Development Objective(s)

Proposed Development Objective(s) (From CN)

The development objective of this grant is to help strengthen Cambodia's statistical system and to help improve the government's capacity to monitor the welfare of its population through poverty and inequality indicators.

Key Results (From CN)

More specifically, three key results are expected from the project:

1. Enable the National Institute of Statistics (NIS) to revise the Cambodian Statistical Master Plan (SMP) of 2007.
2. Enhance the analytical capacity of the National Working Group on Poverty Measurement to undertake independent poverty measurement and analysis in Cambodia.
3. Enhance the NIS's knowledge of appropriate methodologies to estimate the spatial price index at the provincial level, used to account for price differences across Cambodia.

III. Preliminary Description

Concept Description [and Implementation Arrangements]

The grant financed project will have three main activities (plus an implementation support component) over a period of two years.

The different components are the following:

1. Statistical Management and Coordination: the objective of this component is the revision of the Cambodian Statistical Master Plan (SMP) of 2007. This entails a thorough revision of the weaknesses and strengths of the statistical system (what information is needed, what are the current instruments/sources to obtain it, and who is the responsible institution), as well as an action plan for the next five years. The component also includes a revision of the amended Statistics Law to determine its effect on the statistical system, as well as an active advocate for the full integration of statistical activities within the national agenda (and the national budget) and for the importance of the statistical system for public policy making.

The outputs of this component will be:

- A revised Cambodian Statistical Master Plan, including a brief assessment of the amended Statistics Law.
- Workshop for the dissemination of the SMP.
- Workshop on the importance of good quality statistics for policy making.
- Organization of high level meetings with other institutions/government staff, to better incorporate statistics in the public agenda.

2. Building the government's capacity to produce, analyze and use poverty numbers: The objective of this component is to enhance the capacity of the Cambodian government to independently produce, analyze and interpret poverty statistics. The component will provide training on poverty measurement and analysis methods to the core members (10) of the Working Group for Poverty Measurement in Cambodia, around the preparation of the mid-term review of the NSDP from a poverty reduction perspective. The idea is to have a long-term, side by side, modular training on poverty estimation and poverty analysis, which includes a combination of theory and practice, and proposes specific deliverables (in the forms of short notes) from the participants at the end of each module. All the required software and hardware will be provided to the core members of the group.

3. Strengthening the spatial price index indicator: The objective of this third component is to improve the current spatial price index at the provincial level, which is being estimated by the National Institute of Statistics but it is not publicly available. This encompasses the following activities: identify the drawbacks of the methodology currently being used to estimate the spatial price index (provincial level), recognize the appropriate solutions, and train the relevant staff on how to implement them. Particular attention will be devoted to the collection and processing protocols being used in the provincial statistical offices (outside Phnom Penh). It must be mentioned that the spatial price index provides allows to compare monetary welfare estimates across provinces (as required in the poverty estimation numbers).

The outputs of this component are:

- The production of a revised spatial index and a short document explaining the methodological adjustments introduced.
- Workshop to disseminate the spatial index to the general public and promote its use among academics and researchers.

IV. Safeguard Policies that Might Apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01		No	
Natural Habitats OP/BP 4.04		No	
Forests OP/BP 4.36		No	
Pest Management OP 4.09		No	
Physical Cultural Resources OP/BP 4.11		No	
Indigenous Peoples OP/BP 4.10		No	
Involuntary Resettlement OP/BP 4.12		No	
Safety of Dams OP/BP 4.37		No	
Projects on International Waterways OP/BP 7.50		No	
Projects in Disputed Areas OP/BP 7.60		No	

V. Financing (in USD Million)

Total Project Cost:	349,300.00	Total Bank Financing:	
Total Co-financing:		Financing Gap:	
Financing Source			Amount
Trust Fund for Statistical Capacity Building			349,300
Total			349,300
BORROWER/RECIPIENT: Royal Government of Cambodia (MoP/NIS)			

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