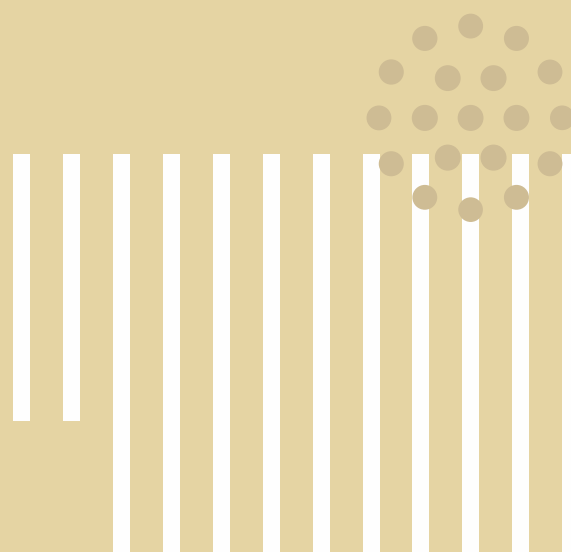


# Readiness to Implement the Action Plan to Strengthen Regional Cooperation on Social Protection: Cambodia





*The shaded areas of the map indicate ESCAP members and associate members.\**

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## Glossary

CfWP	Cash for Work Programme
CT-PWD	Cash Transfer to Persons with Disabilities
CT-PWYC	Cash Transfer for Pregnant Women and Young Children
CTP-COVID	Cash Transfer for Poor and Vulnerable Households during Covid-19
ESCAP	Economic and Social Commission for Asia and the Pacific
GS-NSPC	General Secretariat
HEF	Health Equity Fund
HGSF	Home Grown School Feeding Programme
ILO	International Labour Organization
MoEYS	Ministry of Education, Youth and Sport
MoLVT	Ministry of Labour and Vocational Training
MoSVY	Ministry of Social Affairs, Veteran and Youth Rehabilitation
NFV	National Fund for Veterans
NSPC	National Social Protection Council
NSPPF	National Social Protection Policy Framework
NSSF review	Mid-term Review of the NSSF-2015/2025
PWDF	People with Disability Fund

## Introduction

Governments have increasingly recognized social protection as a key policy instrument to build a more productive, protected and healthy population in Asia and the Pacific. In 2020, ESCAP member States endorsed the regional Action Plan to Strengthen Regional Cooperation on Social Protection (Action Plan), which serves as a shared vision, strategy and platform for promoting partnership and peer learning and identifying needs for capacity development. The Action Plan sets out 12 national actions that underpin the achievement of more inclusive and comprehensive social protection systems, ranging from upholding the right to social protection in legislative and regulatory frameworks, to ensuring a more effective design, coordination and delivery of social protection schemes.

To support member States in the implementation of this first ever regional Action Plan, ESCAP has been mandated to develop a regional platform to facilitate peer learning as well as take stock of the readiness of countries to implement the Action Plan and achieve more inclusive and comprehensive social protection systems. Reports and consultations are being conducted in four countries across Asia and the Pacific, (Cambodia, the Maldives, Mongolia and the Philippines) to share national experiences and pathways towards this vision.

The social protection system in Cambodia is still in its infancy, with a limited number of schemes in place. For this reason, the Government has in recent years demonstrated leadership to strengthen its social protection coverage, which serves as a valuable experience to share with other countries that are also developing their social protection system.

This National Report on the Readiness of the Government of Cambodia to Implement the Action Plan to Strengthen Regional Cooperation on Social Protection aims to:

- present an overview of the social protection situation, policies and approaches in Cambodia
- identify the potential impact a broadening of coverage could have on poverty and other areas
- initiate discussion on ways for the Government to implement the Action Plan.

The report has incorporated comments and feedback from a national consultation conducted on 17 October 2022 with broad participation of 60 persons working on social protection in the Government but also from the UN system.

## Chapter 1: Overview of Social Protection in Cambodia

Over the past decade, the Government of Cambodia has demonstrated political leadership to strengthen and develop its social protection system. A key manifestation of this commitment was the establishment of a National Social Protection Policy Framework (NSPPF) 2016-2025 with the purpose to develop a long-term strategic plan to build an effective and transparent social protection system.

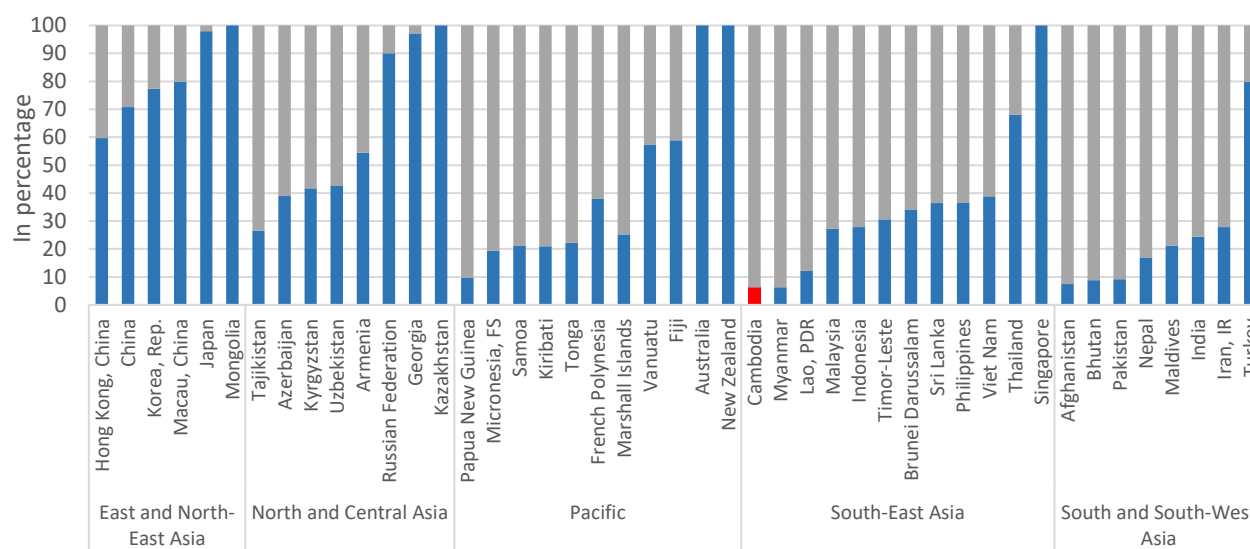
A mid-term review of the NSPPF was concluded in 2022.<sup>1</sup> It found that over the past two decades, Cambodia has undergone significant transformations that shifted the economy away from agriculture towards manufacturing and service industries, with high economic growth and falling poverty as a result.

Still, almost 18 per cent of the population live below the national poverty line, highly susceptible to vulnerability. With 88.3 per cent of the labour force in informal employment, the majority of workers are also unable to protect themselves and their families against disruptions from economic risks or life-cycle associated contingencies.<sup>2</sup>

### 1.1 Coverage of social protection is low

Across the Asian and Pacific region, less than half of all people are protected by at least one social protection scheme (figure 1.1). In Cambodia this share falls to around 1 out of 20 people. This leaves almost the whole population vulnerable to normal life contingencies and regular socioeconomic shocks, such as the COVID-19 pandemic.

**Figure 1.1: Percentage of population covered by at least one social protection scheme in Asia-Pacific**



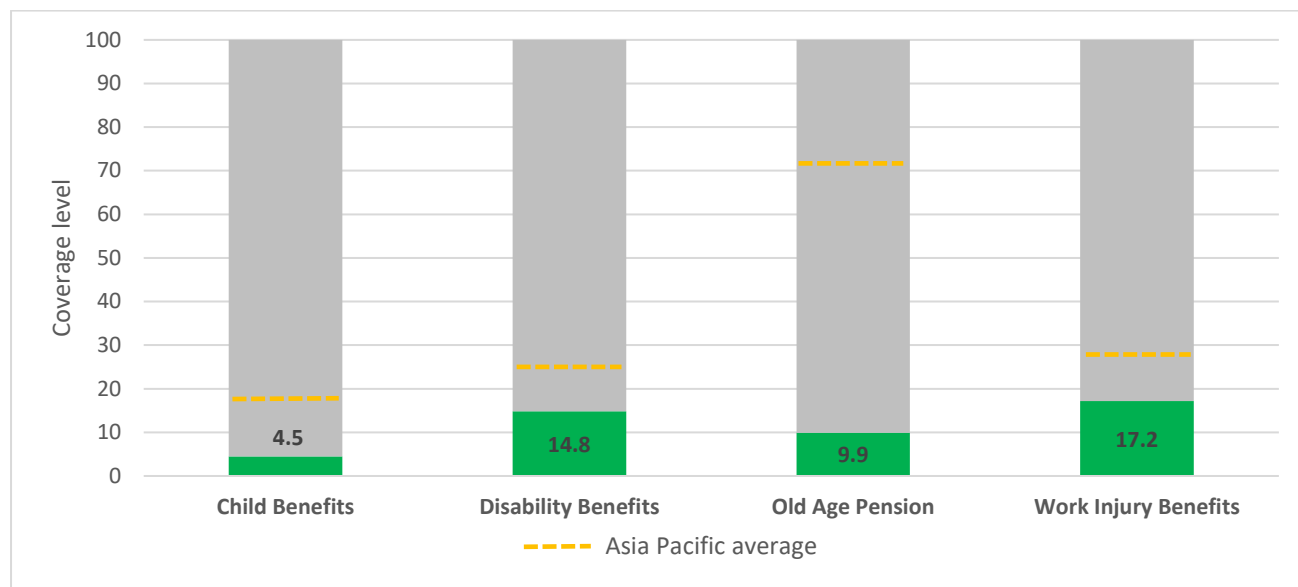
Source: International Labour Organization, World Social Protection Database. Available at <https://www.social-protection.org/gimi/WSPDB.action?id=32>

<sup>1</sup> A mid-term review of the NSPPF, conducted by Development Pathways in partnership with the International Labour Organization was concluded in 2022 and provides a basis on which much information for this report is drawn.

<sup>2</sup> Source: 2019 Cambodia Labour Force Survey, National Institute of Statistics, <https://www.nis.gov.kh/index.php/en/contact-us/28-clfs/98-cambodia-labour-force-survey-2019-clfs>

In Cambodia, significant coverage gaps persist across all schemes, with the exception of persons with disabilities (figure 1.2). In terms of old age pensions, only 10 per cent of the older population in Cambodia is covered, compared to around 70 per cent for the region as a whole. Coverage of child and work injury benefits also fall below the regional average.

**Figure 1.2: Social protection coverage by selected schemes in Cambodia**



Source: International Labour Organization, World Social Protection Database. Available at <https://www.social-protection.org/gimi/WSPDB.action?id=32>; Data on coverage of persons with moderate or severe disabilities is taken from the Review of the Final Report on Cambodian National Social Protection Policy Framework, Development Pathways, June 2022 (Unpublished)

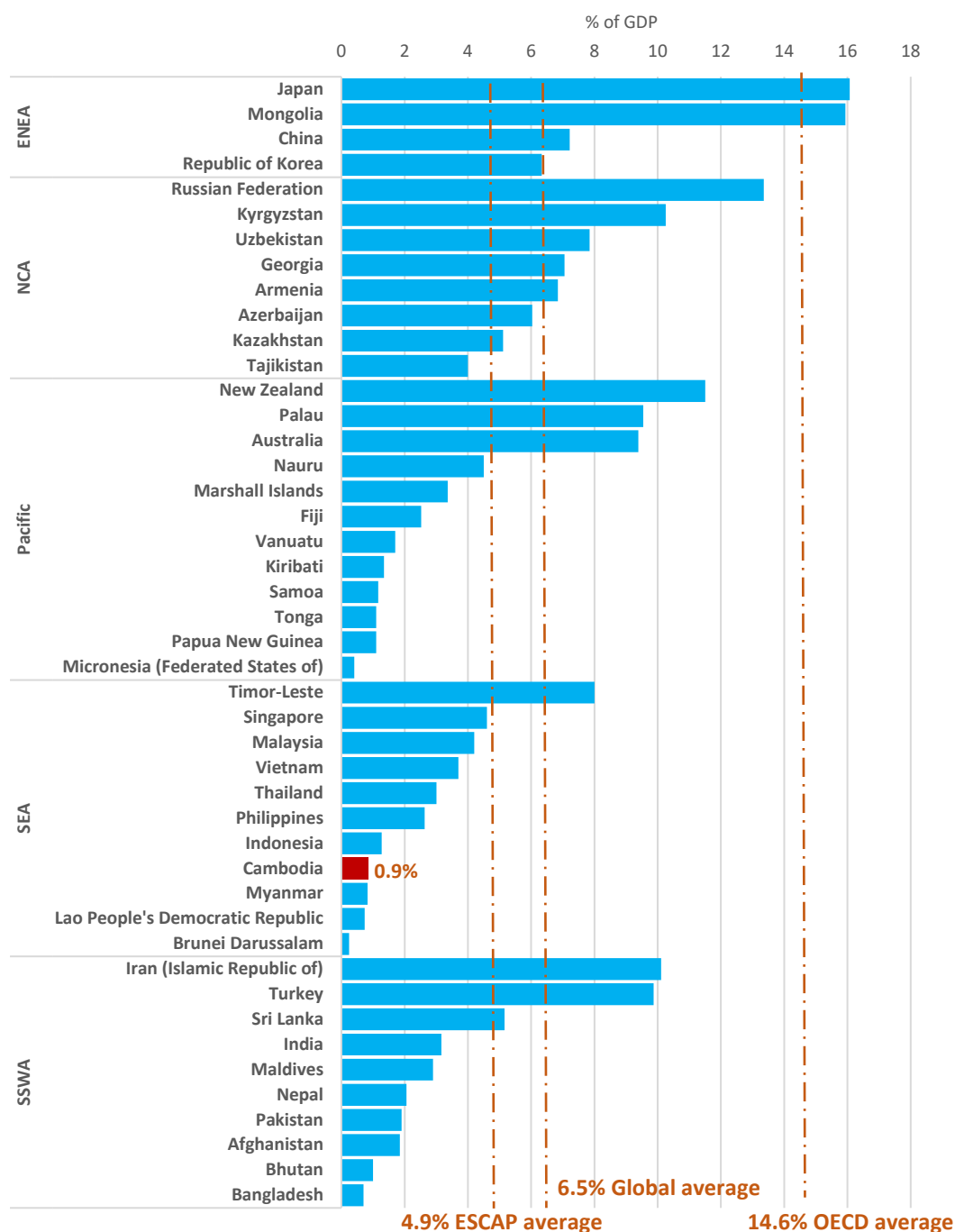
### 1.2 Low coverage is mainly a result of low investment

Low social protection coverage is closely linked with low levels of investment in social protection. Cambodia’s public expenditure on social protection has made rather subdued progress in recent years, with latest available data prior to the COVID-19 pandemic showing a public expenditure of 0.9 per cent of GDP (figure 1.3). The level is significantly lower than the ESCAP-region average of 4.9 per cent of GDP, which in itself is far below the OECD average of public spending on 14.6 per cent.

Nevertheless, in response to the socioeconomic fallout from the COVID-19 pandemic, Cambodia temporarily increased its social protection expenditure on emergency support through schemes such as the Cash Transfer for Poor and Vulnerable Households during Covid-19 (CTP-COVID), Post-Lockdown Social Assistance in Cash, Cash for Work Programme and Special Vocational Training. These investments highlight the potential to expand social protection schemes to meet the needs of people when faced with disruptions to their daily livelihoods.



**Figure 1.3: Public expenditures on social protection in Asia-Pacific (% of GDP)**

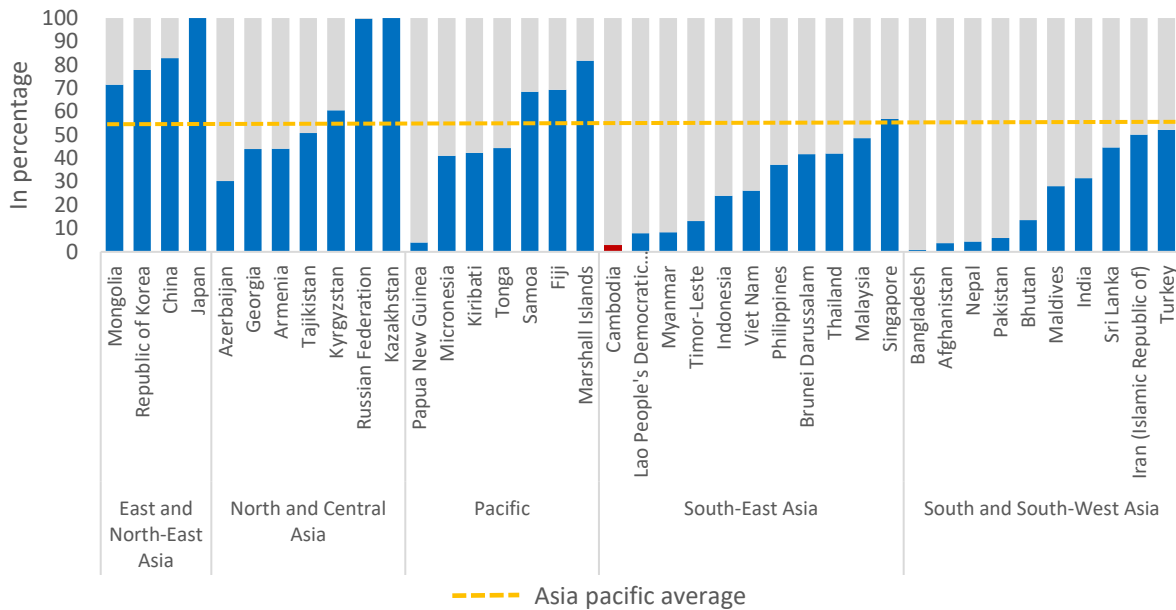


Source: *Social Outlook for the Asia and the Pacific: The Protection We Want* (ESCAP) (2020). Available at: <https://www.unescap.org/publications/protection-we-want-social-outlook-asia-and-pacific>.

### 1.3 Payments to contributory social insurance schemes are also low

The inadequate public investment in social protection is further aggravated by the low level of workers' and employers' payments into contributory schemes (figure 1.4). Only 2.9 per cent of all workers actively contribute to a social protection scheme, trailing well behind the regional average of 55 per cent.

**Figure 1.4: Percentage of the labour force actively contributing to a social protection scheme in Asia-Pacific**

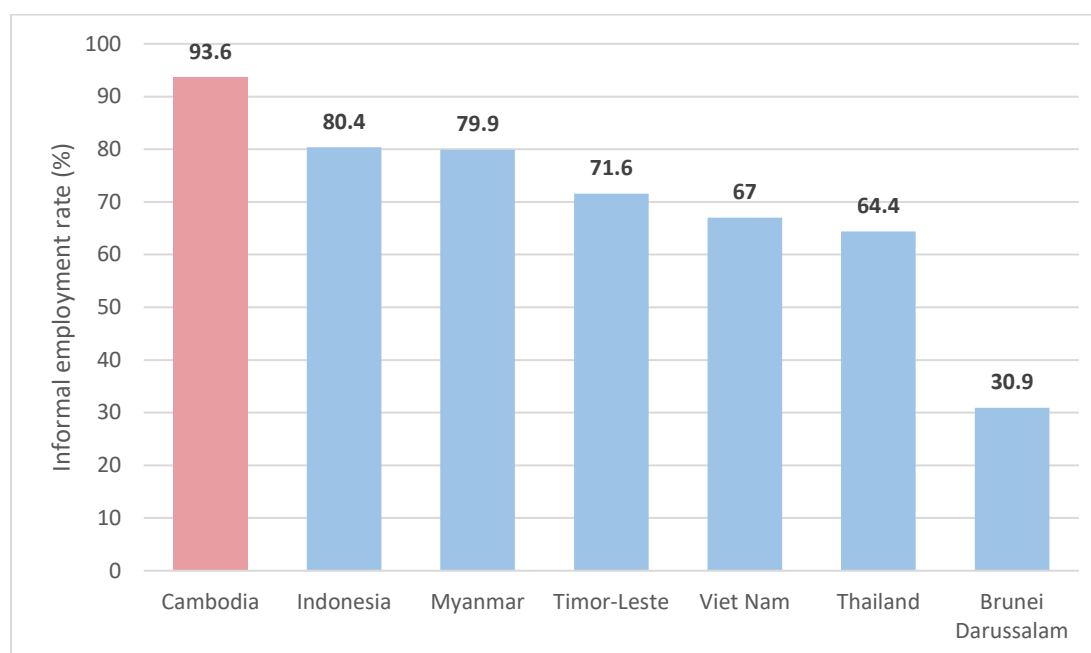


Source: International Labour Organization, World Social Protection Database. Available at <https://www.social-protection.org/gimi/WSPDB.action?id=32>

More than two-thirds of the region’s population is trapped in an informal job, which is problematic for many reasons. Cambodia has one of the highest rates of informality in the region and the highest in South-East Asia (figure 1.5). In relation to social protection, this explains to a large extent the low share of payments into contributory social protection schemes.<sup>3</sup>

<sup>3</sup> ESCAP and ILO, *The Protection We Want: Social Outlook for Asia and the Pacific 2020* (Bangkok: ESCAP, 2020).

**Figure 1.5: Percentage of informal employment in selected South-East Asian countries**



Source: International Labour Organization, World Social Protection Database. Available at <https://www.social-protection.org/gimi/WSPDB.action?id=32>

With lower wages and in precarious work arrangements, workers in informal employment usually do not earn enough to pay into contributory schemes. If they could afford it, they are in most cases not eligible to do so. At the same time, these workers are often not poor enough to qualify for non-contributory poverty-targeted benefits. Without access to predictable and regular forms of income security, many households remain vulnerable to falling into cycles of poverty with limited options to advance their social mobility and contribute further to national development outcomes.

In sum, low investment in social protection, high informal employment and limited availability of contributory and non-contributory schemes make social protection for all a key challenge.

## Chapter 2: Developments of Cambodia's Social Protection System<sup>4</sup>

The Cambodian Constitution of 1993 guarantees a minimum social security benefit to every citizen. Article 36 of the constitution states that “Every Khmer citizen shall have the right to obtain social security and other social benefits as determined by law.”

In 2017, the Government adopted the National Social Protection Policy Framework (NSPPF 2016-2025) that positions social protection as a major contributor to economic growth, equity and inclusiveness. The overarching goal of the NSPPF is to ensure income security to all citizens, reduce their economic and financial vulnerability and increase solidarity in society by:

- extending social protection coverage to every citizen
- improving coherence between non-contributory and contributory schemes

<sup>4</sup> The contents of this section draw mainly from the Review of the Final Report on Cambodian National Social Protection Policy Framework, Development Pathways, June 2022 (Unpublished)

- adjusting existing legal and regulatory frameworks, laws and regulations
- changing governance arrangements of institutions in charge of administering and implementing existing social protection schemes.

Political leadership was pivotal to the successful development of this initiative. The central role of the Ministry of Economy and Finance in the process ensured that the NSPPF received financing and resulted in improved policy coherence throughout government ministries and institutions.

To provide effective policy coordination and functions across line ministries and institutions, the Law on Social Security Schemes (2019) and the Law on the National Social Security Fund (2020) were enacted and the National Social Protection Council (NSPC) and its General Secretariat (GS-NSPC) were established. The National Foundation for Social Assistance (NFSA) was created in 2022 by Sub-decree as a single operator for non-contributory schemes.<sup>5</sup> These initiatives are recognized as milestones and tangible achievements towards a coherent social protection system in Cambodia. The reforms introduced two significant developments:

1. The Law on Social Security Scheme was amended to also include public sector workers, domestic workers, personnel serving in air and maritime transportation as well as self-employed individuals.
2. The Law on National Social Security Fund established the National Social Security Fund (NSSF) as the single security operator in charge of implementing all contributory social security schemes.

A new law is currently being developed, with the purpose of building a consolidated social protection system that improves the management of the system, with defined roles and responsibilities of all stakeholders and enhanced monitoring and evaluation mechanisms.

## 2.1 Responsibility for Social Protection in Cambodia

The overall policy responsibility for Cambodia's social protection system lies with the NSPC and the GS-NSPC, while the responsibility for implementing all social protection schemes is assigned to the relevant ministries and institutions in accordance with their functions.

NSSF is the single operator in charge of implementing all contributory social protection schemes in Cambodia. The Ministry of Social Affairs, Veterans and Youth Rehabilitation (MoSVY) is responsible for managing and administering all non-contributory schemes, through the National Social Assistance Fund that was established in 2022. The Ministry of Health is responsible for managing and administering the Health Equity Fund. An overview of these schemes is provided below.

## 2.2 Cambodia's contributory social protection schemes

Contributory social protection schemes in Cambodia are legislated under the 2019 Law on Social Security Schemes, which consolidates existing schemes and outlines the operations of each scheme under its purview. The Law extended coverage of existing schemes to include civil servants, domestic workers, personnel serving in air and maritime transportation and the self-employed. Contributory

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<sup>5</sup> [Sub-decree on the Establishment of the National Foundation for Social Assistance as a Public Administration Institution | Policy Pulse](#)

social protection schemes defined under the Law include employment injury, unemployment, healthcare and old-age.

### *2.2.1 Employment Injury Scheme*

The employment injury scheme includes medical care and treatment, emergency services, daily allowance for temporary disability, allowance for permanent disability, funeral grant, survivors' pension and rehabilitation services.

Employment injury is one of the most immediate risks for workers in Cambodia, particularly for those working in the garment sector and in construction and transport industries. In 2019, around 14 per cent of all workers were covered by the scheme. By international comparison, the incidence rate of occupational accidents is low in Cambodia, which could be attributed to, among several things, underreporting of accidents by employers.<sup>6</sup> In terms of adequacy, the cap on insurable wages and the lack of an indexation makes benefits limited in size.

### *2.2.2 Unemployment Scheme*

While the Law on Social Security Schemes of 2019 contains a provision for an unemployment benefit, a benefit scheme has not yet been implemented.

### *2.2.3 Maternity Benefits*

As part of the healthcare scheme, a contributory maternity benefit is provided under the NSSF. The benefit is provided to both private sector employees and civil servants, who are registered members of the NSSF. While civil servants are entitled to a full salary during maternity leave, other workers covered by the NSSF are entitled to 70 per cent of their contributory wage. Under the provision of the labour law, employers are required to pay a further 50 per cent of the employee's gross-earning for 90 days.

### *2.2.4 Old-age pensions*

There exist old-age pension schemes for civil servants and for retired civil servants and veterans, as well as a recently launched pension for private sector employees.

Pensions for civil servants, retired civil servants and veterans: The benefits provided under the Pension Schemes include old age, survivors and disability benefits. As of 2020, there were almost 119,000 retired civil servants over the age of 60 in receipt of the pension, equivalent to 9 per cent of the population aged 60 and over. Men were more than twice as likely to receive the pension than women. The old age pension for civil servants and veterans is calculated based on around 60 per cent of the salary, meaning that the real income replacement upon retirement is well below the working income.

A new contributory old-age pension scheme for private sector employees contributing into the National Social Security Fund was introduced in July 2022. Contribution rates will be raised incrementally over three stages, with an initial contribution of 4 per cent of wages paid by the employee (2 per cent of their wages) and the employer (2 per cent), which will be increased to 8 per

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<sup>6</sup> International Labour Office, 2017, Operational Review of the Cambodian National Social Security Fund: Recommendations for Institutional Reform, Geneva.

cent in five years for another five years. Further to that, there will be an increase of 2.75 per cent every 10 years.<sup>7</sup> Beneficiaries will receive 50 per cent of their wages upon retirement.

#### *2.2.5 Pilot Social Health Insurance Scheme for Self-Employed Workers*

As part of its initiative to extend social protection to self-employed and informal workers, in March 2023, the National Social Security Fund launched a pilot scheme to extend a voluntary social health insurance for self-employed drivers of three-wheeled vehicles. Tricycle drivers under the age of 60 would be eligible to apply for the scheme upon their membership to the NSSF. The contributory rate would be 2.6 per cent of the beneficiary's income, with a minimum income of 600,000 KHR, and must be made for at least two consecutive months. The scheme would cover medical care services and maternity allowance for female tricycle drivers who have paid contributions for 9 months during the preceding 12 months before delivery.

### **2.3 Cambodia's non-contributory social protection schemes**

With the purpose of providing direct assistance to people in vulnerable situations, including poor households, persons with disabilities and those affected by natural disasters, the Government has several non-contributory schemes in place, all of them being targeted to the poor. The schemes are implemented by different ministries and institutions, depending on their functions and responsibilities. Schemes are financed by a combination of public funds and means from development partners. Below, these schemes are discussed by life cycle contingency.

#### *2.3.1 Childhood benefits*

In June 2019, the Cash Transfer for Pregnant Women and Children under the age of 2 was introduced by MoH and transferred to MoSVY in June 2020. The benefit can be received based on the compliance of 15 conditionalities linked to attendance of the pre-natal health check-ups, child delivery and post-natal check-ups for women and children. Although this benefit was intended to be rolled out to all pregnant women, it is still limited coverage, targeting the poorest women with the Equity Cards and Priority Cards.

In 2011, the Ministry of Education, introduced a scholarship provision programme for poor lower secondary pupils. The aim was to encourage these pupils to complete their studies and continue into upper secondary education. In 2014, the programme was extended to pupils in primary education from grade 4 to grade 6 and in 2018 from grade 1 to grade 3. Despite the need for such support, only 7 per cent of all children are in primary education, 16 per cent in lower secondary education and 3 per cent in upper secondary education received these scholarships in 2020-21.<sup>8</sup>

While these schemes are not directly comparable to child benefits in other countries, the level of transfer amounts to around 3.4 per cent of GDP per capita, which is close to the global average child benefit. Based on the recent study undertaken by UNICEF, the schemes have been found to contribute to children staying in school longer and to overcome major barriers to regular attendance.<sup>9</sup>

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<sup>7</sup> <https://www.dfdl.com/resources/legal-and-tax-updates/cambodia-implementation-of-the-pension-fund-scheme/>

<sup>8</sup> Inputs provided by Ministry of Education, Youth and Sport, 4 November 2022

<sup>9</sup> UNICEF, 2019, Country-led Evaluation of the National Education Scholarship Programmes of the Ministry of Education, Youth and Sports in Cambodia (2015-2018): Final Report – Volume 1.

### 2.3.2 Maternity benefits

Two types of lump sum payments are provided to women after giving birth. The first is a delivery benefit, which forms part of the CT-PWYC, and is administered by MoSVY and the National Social Assistance Fund, in collaboration with the HEF that confirms attended deliveries. Mothers registered with IDPoor receive KHR 200,000 under this programme. The second is a Baby Bonus, administered by the NSSF. The Baby Bonus payment was introduced in 2017 and provides around KHR400,000 to the poorest mothers registered with an IDPoor Card as well as formal sector workers and informal workers registering with the NSSF. Together, these benefits cover an estimated 40 per cent of mothers who are members of the NSSF and the CT-PWYC.

### 2.3.3 Disability benefits

An estimated 15 per cent of persons with moderate or severe disabilities receive some form of cash benefit from three different schemes namely the NSSF-C, the NFV and the “Cash Transfer to Persons With Disabilities” (CT-PWD). Around 10 per cent of these benefits are provided by the NSSF-C and NFV schemes, with the remaining 5 per cent provided by the CT-PWD. The CT-PWD provides an allowance for persons living with a disability. The scheme has a very limited coverage of about 5 per cent of persons with moderate or severe disabilities. Persons with moderate disabilities receive a benefit of KHR10,000 (USD2.50) per month, while persons with severe disabilities receive a benefit of KHR20,000 (USD5) per month, or 3.4 per cent of GDP per capita. This is significantly lower than the global non-contributory disability benefit level of 14 per cent of GDP per capita. It this makes a very limited contribution to addressing the needs of persons with disabilities and their families. An increase from the current benefit levels to KHR40,000 (USD10) per month is currently being proposed.

### 2.3.4 Old-age pensions

There exists no non-contributory old age pension and the vast majority of all older persons therefore have to rely on families as their main form of support.<sup>10</sup> To extend the coverage to older persons who falls outside the scope of existing contributory schemes, the Government plans to provide cash transfers to the older persons under its social assistance programme, which would include integrated cash transfers through a “Family Package”.

## Chapter 3: Extending social protection carries great impact

Extending social protection can significantly reduce poverty and inequality, while also boosting consumption. Doing so is affordable and a wise investment, particularly when compared to the cost of leaving people and families to deal with daily life contingencies and risks on their own. For the purpose of providing countries in the Asian and Pacific region with an evidence base of these impacts and required investments, ESCAP has developed a social protection simulation model based on the latest available national income and expenditure surveys for 19 countries.

The Simulator provides estimations of three life cycle non-contributory social protection schemes, namely child benefits, disability benefits and old-age pensions. Policymakers and other users can adjust parameters such as benefit and coverage levels as well as administrative costs of the schemes.

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<sup>10</sup> HealthAge International, 2017, Work, Family and Social Protection: Old Age Income Security in Bangladesh, Nepal, the Philippines, Thailand and Vietnam. HelpAge International, Chiang Mai.

Results from these simulations can be analysed by rural-urban disaggregation, different family constellations and by income deciles. The Simulator illustrates exclusion errors resulting from proxy means testing and also positions social protection expenditure against other existing public budgetary streams. It can thereby illustrate different policy options that can inform discussions regarding implementation strategies for the National Social Protection Policy Framework 2016–2025 in Cambodia.

Social protection schemes that leave no child, persons with disabilities or older persons behind could act as a bulwark against poverty and inequality, while significantly boosting consumption levels. Simulations were conducted using benefit levels outlined below that are based on universal basic benefits, corresponding to global averages (table 3.1).

**Table 3.1: Benefit levels used in the simulation**

	Baseline	Basic benefit (GDP per capita)	Basic benefit (in KHR)
Child benefit	0	4%	22,000
Disability benefit	0	14%	78,000
Old age benefit	0	16%	89,000

*Note:* Basic benefits were calculated using global averages for each of these non-contributory schemes.

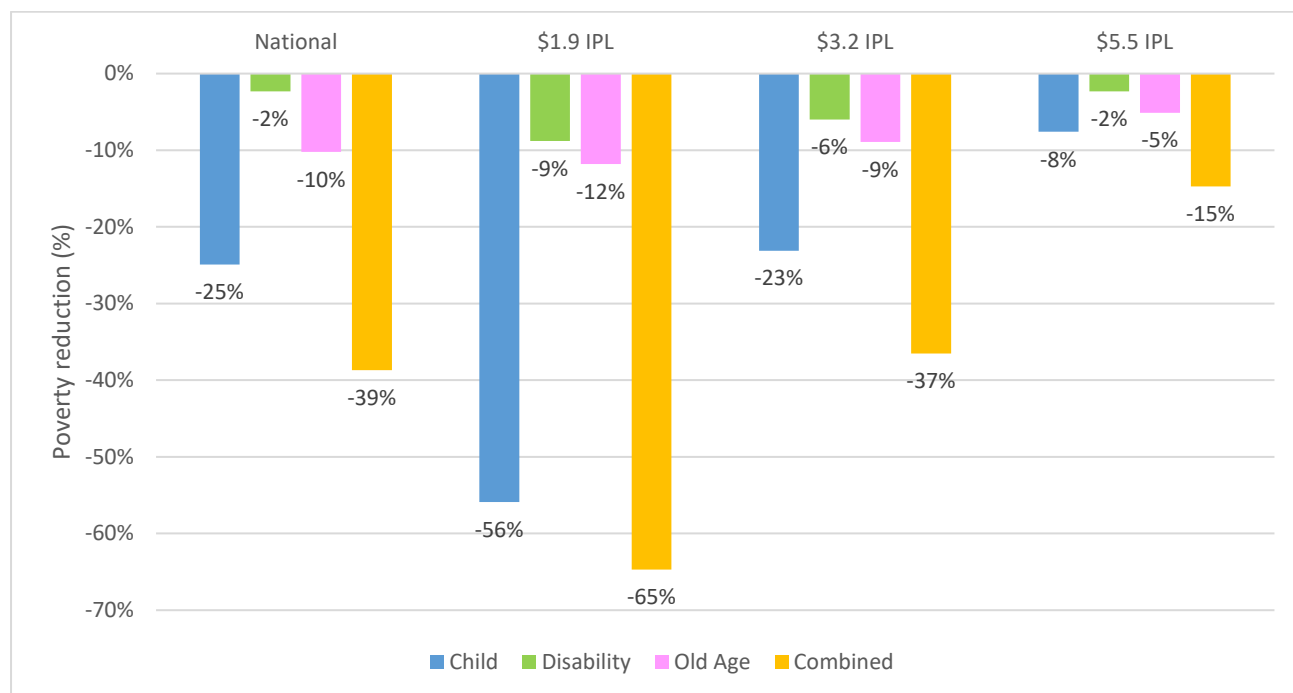
### 3.1 The impact of extending social protection

The current social protection system in Cambodia consists of mainly contributory schemes for selected formal workers, leaving most Cambodians without any protection.

Using the ESCAP Simulator, universal child, disability and old-age benefits, at the average global benefit levels are estimated to reduce the poverty rate, measured at the Cambodian national poverty line, by 39 per cent. At the international poverty lines of \$1.9, \$3.2 and \$5.5 per day, poverty would fall by 65, 37 and 15 per cent, respectively. The scheme with by far the greatest impact on poverty rates is the child benefit scheme (figure 3.1). The reason is that it covers a larger number of households, which may also be in more vulnerable situations and, thus, likely to be poor.



**Figure 3.1 Impact of basic non-contributory child, disability and old age schemes on poverty for the whole population**

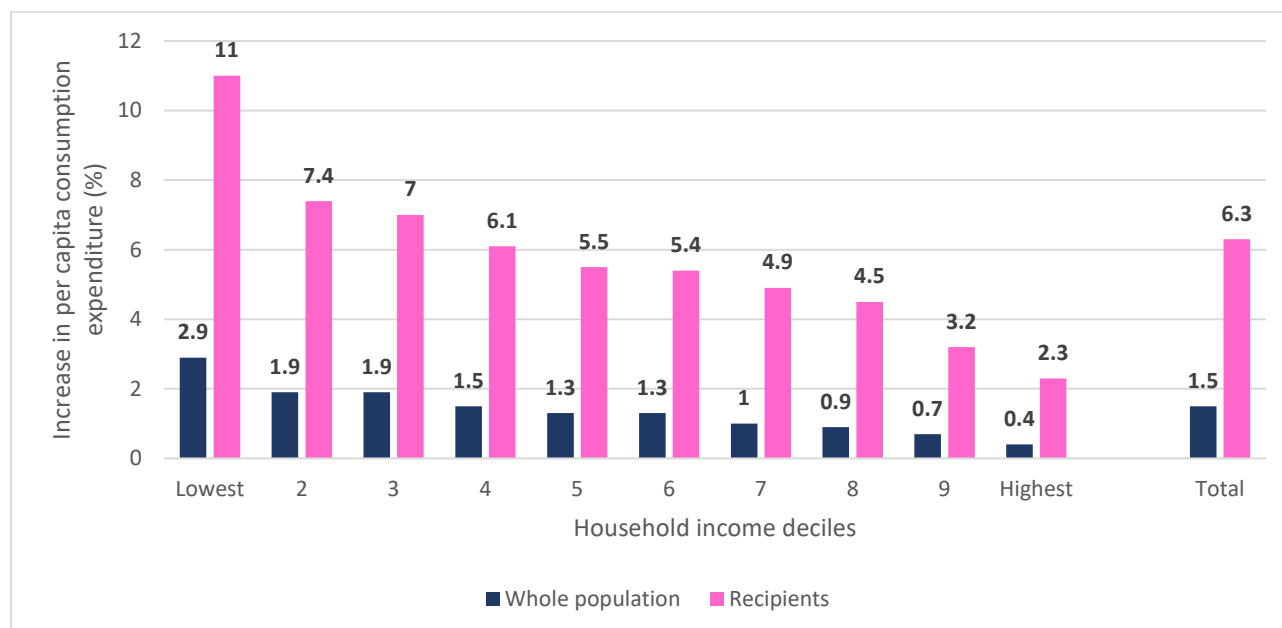


Source: ESCAP calculations using ESCAP social protection simulator.

Note: The simulated impact depicted in above chart is calculated for the whole population, not only among recipient households.

In addition to having a considerable impact on poverty levels, these different benefits would also raise household consumption markedly. As an example, despite not yet having transitioned to an ageing society, a universal old age pension scheme available to all people above the age of 65, would boost consumption significantly (figure 3.2). A monthly old age pension of KHR89,000, or 16 per cent of GDP per capita, which corresponds to the global average level, would on average boost household consumption by 1.5 per cent for the whole population and by 6.3 per cent for recipient households. The impact would range from over 11 per cent in the poorest income decile to 2.3 per cent for recipient households in the richest income decile.

**Figure 3.2: Increase in household consumption from an old-age pension for people aged 65 and above, by income deciles**



Source: ESCAP calculations using ESCAP social protection simulator

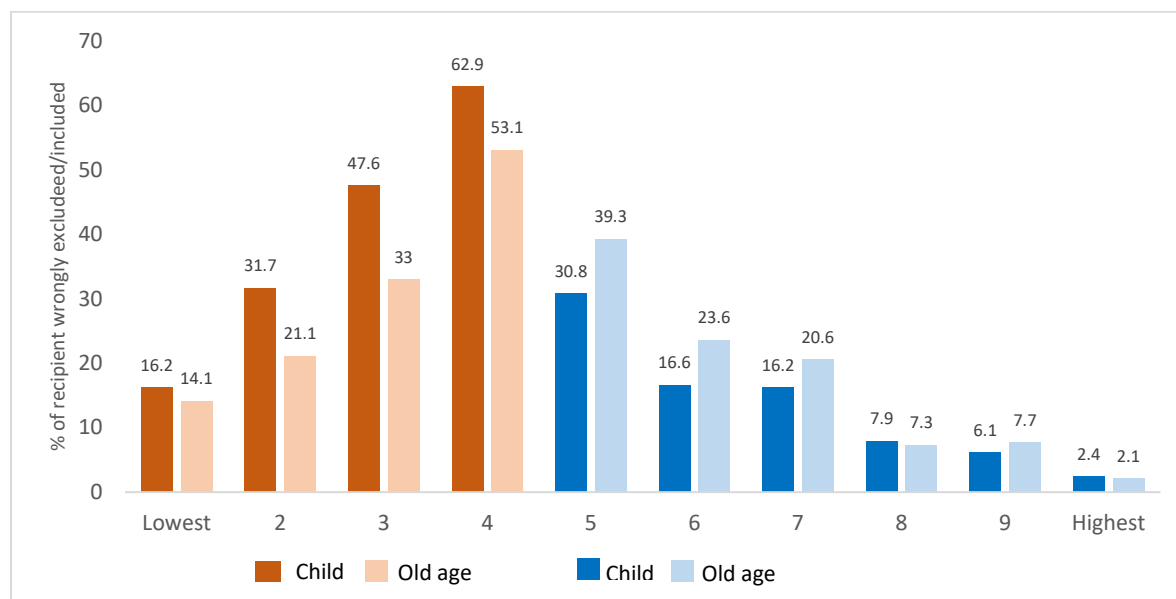
The cost for the basic package covering all families with children below the age of 18, all persons with severe disabilities and all older persons above the age of 65, is estimated to cost 2.8 per cent of GDP.

### 3.2 Impact of poverty-targeting

Currently, almost all benefit schemes in Cambodia are poverty-targeted with benefits often restricted to households registered under IDPoor 1 (extreme poor) and IDPoor 2 (poor) categories. This is for example the case of different child benefits. This targeting, using a proxy-means test approach, as most targeted schemes in the region do, risks wrongly excluding those most in need of the benefit. At the same time, the targeting often includes households who, by design, should not receive the benefit (e.g., households in higher income deciles). In other cases, as for the old age pension, benefits are restricted to certain groups of people, such as retired civil servants and veterans and thereby excludes 91 per cent of the population aged 65 and over.

Results from the ESCAP simulator indicates that if a proxy-means test would be used on the basic package discussed above, but with a targeting criteria that only includes the poorest 40 per cent of all households in Cambodia, significant exclusion and inclusion errors would occur (figure 3.4). These targeting errors are usually caused by outdated income data and registry errors.

**Figure 3.3: Exclusion and inclusion errors under proxy-means tested child benefits and old-age pensions, targeting the poorest 40 per cent of households**



Source: ESCAP calculations using ESCAP social protection simulator

The simulated result suggests that approximately 15 per cent of children and older persons in the poorest income decile would be wrongly excluded, increasing to more than half of all potential recipients in the fourth decile. Moreover, benefits would also be received in all income deciles for whom the benefits may not be intended, i.e., above the fourth income decile. The exclusion and inclusion errors also appear to be particularly pronounced around the fourth- and fifth income deciles, with the majority of eligible households not receiving a benefit in the fourth income decile, whilst around one third of non-eligible households receiving a benefit in the fifth income deciles. Though exclusion is lowest in the poorest income decile, it still amounts to 16.2 per cent of excluded households for child benefits and 14.1 per cent for old age pensions. Hence, despite the well-intended approach to only cover the poorest, this approach is rarely a successful approach to cover those who need the benefits the most.

## Chapter 4: Moving forward to Implement the Action Plan

Cambodia has expanded the scope of contributory and non-contributory schemes and has demonstrated strong leadership in implementing reforms and initiatives to strengthen its social protection system. However, challenges persist in terms of overlaps and fragmentation of schemes, as well as in low levels of coverage. Existing schemes only reach a fraction of those who need them and that benefit levels are generally too low to make a real difference in livelihood support. Only around 20 per cent of workers are covered by contributory or employment-related social protection schemes, while a further 20 per cent of the population are covered by the array of social assistance programmes targeted at the poorest with targeting resting heavily on the IDPoor System. There exists a significant “missing middle”, or majority of the population who are not poor enough to

qualify for non-contributory programmes but not earning enough to save into contributory schemes and who are thereby left unprotected by the social protection system.

To achieve more inclusive social protection coverage by 2030, the Action Plan lays out 12 measures to be taken at national level. To achieve these actions, general elements of what are needed are provided in Annex I to this report. The matrix below identifies national-level recommendations agreed to by the Government of Cambodia on their vision to implement the Action Plan towards more inclusive and comprehensive social protection systems.

National Action as Outlined in Action Plan
<b>Action 1: <i>Ensure the right to social protection for all without discrimination throughout the lifecycle, including by adopting necessary legislative, regulatory, administrative and other measures to this end</i></b>
<b>Recommendations to Promote Action Plan at National Level:</b>
<p>To this end, it is recommended that the Government of Cambodia:</p> <ul style="list-style-type: none"> <li>• develops laws and regulations in support of a gradual expansion of social protection coverage to all, including informal and vulnerable workers as well as population groups in vulnerable situations;</li> <li>• adopts a comprehensive social protection system that combines non-contributory and contributory social protection benefits;</li> <li>• develops more flexible forms of eligibility determination and financing options to include informal workers in contributory social protection schemes.</li> </ul>
<b>Action 2: <i>Progressively design and realize, including through social dialogue, comprehensive and sustainable social protection systems for all that enable every person to access social protection at adequate benefit levels and thereby enjoy an adequate standard of living, in accordance with national circumstances, throughout his or her lifetime</i></b>
<b>Recommendations to Promote Action Plan at National Level:</b>
<p>To this end, it is recommended that the Government of Cambodia:</p> <ul style="list-style-type: none"> <li>• assess its fiscal capacity of public resources to expand priority programmes, integrating assessments on adequacy and sustainability;</li> <li>• develops a roadmap for the progressive expansion of social protection coverage and adequacy relative to the life cycle framework, including costed plans, sequencing and assessing financing options;</li> <li>• starts by designing quasi-universal social protection schemes that are universally available to the priority groups/or a category of recipients, but restricted to a certain cohort within that category. For instance             <ul style="list-style-type: none"> <li>- the child benefit scheme could initially be provided to all households with children aged 0-5 years and thereafter, when public resources become available, incrementally increased to children aged 0-17, or</li> <li>- informal workers who are willing to voluntarily pay into an existing contributory scheme</li> </ul> </li> </ul>

## National Action as Outlined in Action Plan

***Action 3. Ensure that social protection systems are shock responsive, gender sensitive and relevant to the needs of vulnerable populations***

### **Recommendations to Promote Action Plan at National Level:**

To this end, it is recommended that the Government of Cambodia:

- continues to strengthen the existing legal and institutional framework and develop a national strategy to ensure long-term institutional commitment to provide adequate financial and human resources to implement an inclusive, shock responsive and gender sensitive social protection system in Cambodia;

***Action 4. Ensure that the implementation of social protection is efficient, coordinated, non-discriminatory, reliable and transparent, with public availability of appeal and complaint mechanisms institutionalized as part of the service delivery process***

### **Recommendations to Promote Action Plan at National Level:**

To this end, it is recommended that the Government of Cambodia:

- acknowledges that an effective and inclusive social protection system can foster public trust and confidence in public institutions;
- raises awareness and knowledge of the public about social protection, including information about benefit levels and requirements for how to register and enroll for a scheme;
- Implements an effective complaint and dispute mechanism, in close collaboration with the existing labour dispute resolution mechanisms to avoid possible overlap and ensuring transparency and consistency in the outcome of the dispute settlement.

***Action 5. Allocate sufficient public funds, and increase these levels where required, towards the realization of social protection for all at the national level, with due regard to social and intergenerational solidarity and the sustainability of national social protection systems;***

### **Recommendations to Promote Action Plan at National Level:**

To this end, it is recommended that the Government of Cambodia:

- assesses the fiscal capacity of public resources to expand funds on extending existing schemes and implement new schemes as needed. For this a long-term investment and financing plan should be developed.

***Action 6. Encourage national civil society entities and private sector organizations to engage actively in the field of social protection, as appropriate, towards the realization of social protection for all***

### **Recommendations to Promote Action Plan at National Level:**

To this end, it is recommended that the Government of Cambodia:

### National Action as Outlined in Action Plan

- develops a roadmap to expand social protection coverage and engages relevant key stakeholders, including trade unions, private sector and civil society organizations, in the design, implementation and monitoring and evaluation of the roadmap to help ensure that benefit levels are adequate for specific life cycle risks.

**Action 7. Set achievable national targets, including intermediate targets, based on country contexts within the indicator framework of Sustainable Development Goal 1.3, including through the establishment of the following: i) A national baseline of the population covered by social protection programmes for 2021, by sex and age; ii) Intermediate targets for the population covered by social protection programmes by 2025, by sex and age; iii) National targets to reach the entire population with social protection programmes by 2030, by sex and age**

#### Recommendations to Promote Action Plan at National Level:

To this end, it is recommended that the Government of Cambodia:

- sets bold but achievable targets in line with above discussed roadmaps to achieve universal coverage by 2030 through a combination of contributory and non-contributory benefits schemes.

**Action 8. Develop strategies to achieve these targets and integrate them into national development plans and social protection sectoral plans and frameworks**

#### Recommendations to Promote Action Plan at National Level:

To this end, it is recommended that the Government of Cambodia:

- develops national strategies in support of extending coverage of existing or new social protection schemes in a sustainable, fair and equitable manner;
- develops national targets and indicators of these strategies.

**Action 9. Develop and strengthen national data management systems and processes to facilitate the collection, management and analysis of social protection data that are accurate, relevant and timely**

#### Recommendations to Promote Action Plan at National Level:

To this end, it is recommended that the Government of Cambodia:

- develops a digitalized Management Information System (MIS) to harmonize the operation of existing social protection schemes.
- links the information in the MIS with other existing databases such as national identification cards, business registration, taxation, the NSSF's registration and the IDPoor database.

## National Action as Outlined in Action Plan

***Action 10. Promote partnerships, peer learning, knowledge exchange and the sharing of good practices among countries in Asia and the Pacific through North-South, South-South and triangular cooperation frameworks***

### **Recommendations to Promote Action Plan at National Level:**

To this end, it is recommended that the Government of Cambodia:

- participates in North-South, South-South or Triangular Cooperation on social protection to benefit from the knowledge exchanges and innovative initiatives from other countries in the field of social protection.

***Action 11. Ensure that development support from partners is aligned with core national social protection priorities and corresponding technical assistance and capacity building needs***

### **Recommendations to Promote Action Plan at National Level:**

To this end, it is recommended that the Government of Cambodia:

- Develops a funding strategy to use a coherent and coordinated approach for fund mobilization from different sources;
- channels obtained funds to agreed priority social protection schemes;
- gives the responsibility for this task to GS-NSPC based on the important role of it has as a policy coordinator and leading social protection actor in Cambodia
- ensures transparency, accountability and creditability in the process by putting in place a governing structure in the form of a board, with members of key relevant stakeholders, including representatives from the development partners working in the field of social protection in Cambodia.

***Action 12. Share national experiences in the form of a progress report, to be produced on a voluntary basis, on the progress made and challenges faced in implementing the Action Plan, at future sessions of the Committee on Social Development.***

Participation in the development and consultation of this stocktaking report is considered to fulfil this action point.

## Conclusion

It is hoped that the Action Plan will provide impetus for Cambodia to build a more inclusive, prosperous and resilient country that leaves no one behind. The Government's expansion of social protection schemes in response to the recent COVID-19 pandemic helped ensure that many households did not fall into or fall back into poverty. The Government should build on this strong commitment in its efforts to broaden social protection along the actions set out in the adopted *Action Plan to Strengthen Regional Cooperation on Social Protection in Asia and the Pacific*.



## Annex I Regional Action Plan to Promote Regional Cooperation on Social Protection: Elements of What is needed

National Action as Outlined in Action Plan
<b>Action 1: <i>Ensure the right to social protection for all without discrimination throughout the lifecycle, including by adopting necessary legislative, regulatory, administrative and other measures to this end</i></b>
<b>Elements of what is needed:</b> <ul style="list-style-type: none"><li>• <b>Ensure the social protection system is available and accessible to all.</b> All social protection schemes must be free from discrimination and subjectivity and ensure that women access and receive benefits on an equal footing to men. This requires legislative guarantees as well as implementation arrangements. Social protection schemes must be accessible, barrier-free and inclusive, providing everyone with equal opportunities to access the scheme as well as information about them. National and local administrative systems should ensure that the needs of applicants and local contexts are considered and that information is available in forms and languages understandable by all.</li></ul>
<b>Action 2: <i>Progressively design and realize, including through social dialogue, comprehensive and sustainable social protection systems for all that enable every person to access social protection at adequate benefit levels and thereby enjoy an adequate standard of living, in accordance with national circumstances, throughout his or her lifetime</i></b>
<b>Elements of what is needed:</b> <ul style="list-style-type: none"><li>• <b>Ensure that the design and implementation of the social protection system is based on evidence and assessments of adequacy and sustainability.</b> When social protection benefits are too low to be meaningful, they can disincentivize individuals from joining contributory schemes, or fail to prevent families from falling into or breaking cycles of poverty. To ensure adequacy of social protection benefits, it is instrumental to assess and review existing social protection benefit levels and to conduct actuarial reviews to assess issues of financial sustainability.</li><li>• <b>Progressively extend coverage of social protection to all.</b> To extend social protection coverage to all, a blend of contributory and non-contributory schemes is needed. Prioritizing non-contributory schemes can ensure that no one is left behind in access to a minimum income guarantee. In addition, it is important to gradually extend coverage of contributory schemes to the working-age population. Given high levels of informality, it would be important to complement these with wider labour market efforts to transition from informal to formal employment.</li></ul>
<b>Action 3. <i>Ensure that social protection systems are shock responsive, gender sensitive and relevant to the needs of vulnerable populations</i></b>
<b>Elements of what is needed:</b>

## National Action as Outlined in Action Plan

- **Develop or integrate into existing strategies, national or sector-specific strategies that address shock-responsive social protection mechanisms.** These should outline roles and responsibilities of all partners at central and local levels, including community and humanitarian actors, as well as plans and actions to be taken before potential shocks as well as after-shock responses to support households, that can leverage humanitarian infrastructure or other responses.
- **Ensure a strategy to promote gender-responsive social protection is outlined in one or more national or sectoral social protection policies.** Noting the specific vulnerabilities faced by women, men, girls and boys, social protection systems should design and implement their schemes in a manner that addresses these vulnerabilities to ensure benefits are accessible and eligible to all, regardless of their gender.
- **Innovate, design and implement mechanisms that foster inclusive social protection systems by making them more accessible to the most vulnerable and often excluded groups** such as women or workers in informal arrangements. There are various ways in which contributory schemes can be adjusted to increase coverage through the legal framework, administrative, communications and financial incentives of schemes, especially for women.

*Action 4. Ensure that the implementation of social protection is efficient, coordinated, non-discriminatory, reliable and transparent, with public availability of appeal and complaint mechanisms institutionalized as part of the service delivery process*

### Elements of what is needed:

- **Continue to develop capable and accountable institutions with clear roles and responsibilities.** To this end, an overarching inter-ministerial policy framework that integrates all social protection schemes can facilitate coordination and coherence in policy and implementation among different schemes.
- **Continue to invest in building efficient social protection institutions.** Ensure the effectiveness of systems by building capacity and reliable institutions. Countries may consider applying institutional arrangements that support integration and avoid administrative complexities, such as through an overarching inter-ministerial policy framework and implementing entity.
- **Promote and raise public awareness of social protection through the existing communication strategy.** Clear communication is critical to ensure the public know of existing social protection schemes, understand eligibility criteria, what they may receive and how to engage in the application process. It can thereby manage expectations of a scheme and strengthen trust in institutional and delivery mechanisms.
- **Ensure that complaints and appeal mechanisms are easily accessible and available for all national social protection schemes** to identify and address delivery and administrative issues and ensure accountability, as well as build trust in institutional and delivery mechanisms.

## National Action as Outlined in Action Plan

- **Conduct regular monitoring and evaluation of delivery and performance** for continuous feedback and evidence to enhance government understanding on what works, why and for whom. This can in turn inform further improvement of schemes.

***Action 5. Allocate sufficient public funds, and increase these levels where required, towards the realization of social protection for all at the national level, with due regard to social and intergenerational solidarity and the sustainability of national social protection systems***

### Elements of what is needed:

- **Mobilize resources for social protection.** Prioritizing investment in social protection is more a matter of political will than resources. Recognizing the impact of social protection on smoothing consumption for households, as well as levelling inequality and promoting trust in national institutions as well as solidarity across income groups and generations, social protection should be seen as an investment in socioeconomic development of a country.
- **Conduct a national assessment of fiscal needs and gaps to implement national social protection policies.** This is necessary to provide the evidence base for why financing social protection is needed, but also to identify funding sources. Investments grounded in domestic financing can include increasing tax revenues, reallocating public expenditures, tackling illicit financial flow and adopting inclusive macroeconomic frameworks. Countries can also draw on development assistance as a transitional co-financing or to introduce pilot projects.
- **Promote financial management that is transparent.** This can ensure that funds are used for their intended purpose and that accurate payments reach intended beneficiaries in a timely manner. This can also enhance trust in social protection delivery and implementation mechanisms.

***Action 6. Encourage national civil society entities and private sector organizations to engage actively in the field of social protection, as appropriate, towards the realization of social protection for all***

### Elements of what is needed:

- **Emphasize good governance and embed social dialogue at all steps from design and implementation to follow-up and evaluation.** Good governance and coordination mechanisms can enhance the coherence, transparency and effectiveness of social protection schemes. Social dialogue with workers' and employers' organizations can help leverage their knowledge and build political support. Consultations with civil society organisations representing beneficiaries can help identify the unique needs and circumstances of these populations to better tailor responses. These organisations can also play an instrumental role in ensuring the accurate communication of information regarding benefits, as well as to support beneficiaries in accessing delivery mechanisms.
- **Establish regular mechanisms to consult stakeholders.** The regular convening of stakeholder consultations can strengthen the feedback mechanism on the needs and circumstances of

## National Action as Outlined in Action Plan

recipients, as well as on delivery and implementation. ILO Recommendation 202 also stipulates the need for a consultative approach to monitor progress on a regular basis.

***Action 7. Set achievable national targets, including intermediate targets, based on country contexts within the indicator framework of Sustainable Development Goal 1.3, including through the establishment of the following: i) A national baseline of the population covered by social protection programmes for 2021, by sex and age; ii) Intermediate targets for the population covered by social protection programmes by 2025, by sex and age; iii) National targets to reach the entire population with social protection programmes by 2030, by sex and age***

### Elements of what is needed:

- **Set achievable national targets, including intermediate targets.** SDG1.3.1 sets out the target to implement national social protection systems and floors for all and, by 2030, achieve substantial coverage of the poor and vulnerable. The setting of national targets serves as a benchmark to track progress to achieve this vision, as well as strengthen the implementation of social protection system.

***Action 8. Develop strategies to achieve these targets and integrate them into national development plans and social protection sectoral plans and frameworks***

### Elements of what is needed:

- **Integrate national targets on coverage levels in one or more social protection strategies.** Strategies to achieve these targets should be developed and integrated into national development plans as well as sectoral social protection plans and frameworks. This will ensure the understanding of social protection as a core strategy for social and economic development, including the protection against economy-wide risks and crises.

***Action 9. Develop and strengthen national data management systems and processes to facilitate the collection, management and analysis of social protection data that are accurate, relevant and timely***

### Elements of what is needed:

- **Establish a national data management system that coordinates data collection, enrolment and registration of beneficiaries, benefit payments and tracking for social protection schemes.** To overcome the fragmentation of databases across ministries, a digitalized Management Information Systems (MIS) should be developed for each social protection scheme that can be integrated and provide a system-wide overview. This integrated approach allows administrators to manage data related to registrations, enrolment, payment, beneficiary updates and grievance. This can enable governments to access data and reports on system level coverage, coordination between schemes and impact.

## National Action as Outlined in Action Plan

***Action 10. Promote partnerships, peer learning, knowledge exchange and the sharing of good practices among countries in Asia and the Pacific through North-South, South-South and triangular cooperation frameworks***

### Elements of what is needed:

- **Consider engaging in North-South, South-South or triangular cooperation frameworks on social protection.** Through the exchange of peer learning and knowledge, governments can exchange technical know-how and expertise relevant to their national contexts. International development partners can facilitate this exchange among different partners to co-create social protection solutions.

***Action 11. Ensure that development support from partners is aligned with core national social protection priorities and corresponding technical assistance and capacity building needs***

### Elements of what is needed:

- **Link externally-funded projects towards achieving the objectives of national social protection policies.** To ensure policy coherence at the national level, it is important that different sources of funding, including from development partners, are aligned with national objectives on social protection.

***Action 12. Share national experiences in the form of a progress report, to be produced on a voluntary basis, on the progress made and challenges faced in implementing the Action Plan, at future sessions of the Committee on Social Development.***

Participation in the development and consultation of this stocktaking report is considered to fulfil this action point.