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# ROADMAP

**DEVELOPING A RISK-INFORMED  
AND SHOCK-RESPONSIVE SOCIAL  
PROTECTION SYSTEM**

**CAMBODIA**



# Roadmap – Developing a risk-informed and shock-responsive social protection System

## Cambodia

Published by  
the Food and Agriculture Organization of the United Nations  
and  
UNICEF  
and  
World Food Programme

Bangkok, 2020

Required citation:

FAO, UNICEF and WFP. 2020. *Roadmap – Developing a risk-informed and shock-responsive social protection System – Cambodia*. Bangkok.  
<https://doi.org/10.4060/cb2195en>

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ISBN 978-92-5-133648-9 [FAO]

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# Roadmap – Developing a risk-informed and shock-responsive social protection System

Cambodia



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# Acknowledgements

Roadmap: “Developing a Risk-Informed and Shock-Responsive Social Protection System in Cambodia” was prepared under a joint UN-ASEAN project to strengthen the capacity of ASEAN Member States to develop social protection systems for resilience.

The project was implemented by the Food and Agriculture Organization of the United Nations (FAO), World Food Programme (WFP), United Nations Children’s Fund (UNICEF), International Labour Organization (ILO), United Nations Office for Disaster Risk Reduction (UNDRR), and ASEAN secretariat, in partnership with national governments and relevant ministries, and authorities in the selected countries. The project was generously funded by the European Civil Protection and Humanitarian Aid Operations of the European Commission (ECHO).

We would like to thank all the people who contributed to the Roadmap and Options Paper by actively participating in the consultations, sharing feedback, resource materials, experiences and lessons learned. This work was possible only with the active engagement and valuable inputs by representatives from various ministries and agencies of the Royal Government of Cambodia, in particular: H.E. Samheng Boros, Secretary of State, Ministry of Social Affairs, Veterans and Youth Rehabilitation (MoSVY), H.E. Dr Sok Silo, Secretary General, Council for Agricultural and Rural Development (CARD), H.E. Srey Vuthy, Secretary General, Ministry of Agriculture, Forestry and Fisheries (MAFF), H.E. Ma Norith, Deputy Secretary General, National Committee for Disaster Management (NCDM), H.E. Chhat Lengchanchhaya, Director of Legal Affairs Department, National Social Protection Council (NSPC), H.E. Dr Uy Sam Ath, Director, Disaster Management Department, Cambodian Red Cross, Mr Chhour Sopanha, Director, Department of Social Welfare, MoSVY, Dr Sok Kanha, Deputy Director, Department of Planning and Health Information, Ministry of Health (MoH), Dr Lak Muy Seang, Deputy Director, Department of Preventive Medicine, MoH, Dr Soth Kimkolmony of NCDM, Mr Am Phirum and Mr Roeun Chantha of MAFF.

Mr Stephen Anderson from the Food Economy Group (FEG) wrote the Roadmap and Options Paper while facilitating a fruitful dialogue among national and regional stakeholders. The writing of the Roadmap and Options Paper also benefited from technical contributions of H.E. Dr Sann Vathana, Ms Chantal Toby and Mr Loek Sothea.

Ms Hang Thi Thanh Pham, Senior Resilience Officer of FAO Regional Office for Asia and the Pacific (FAO-RAP) provided overall guidance for the process, under leadership of Mr Alexandre Huynh, FAO Representative in Cambodia, and with support from Mr Oum Kosal, Assistant FAO Representative (Programme), Mr Ly Proyuth, Planning, Monitoring and Reporting Specialist, Mr Soy Seung, Programme Officer, and other colleagues from the Programme Unit of FAO Cambodia for overall coordination and project management.

The Roadmap and Options Paper benefited from technical inputs and comments from Mr Kaustubh Devale and Ms Tomomi Ishida of the FAO-RAP, Dr Ilean Russell, FAO Cambodia, Ms Rim Nour, UNICEF Regional Office for East Asia and Pacific, Ms Maki Kato, UNICEF Cambodia, Ms Ellen Kramer, WFP Regional Bureau for Asia and the Pacific, Mr Kurt Burja, WFP Cambodia, Mr Nuno Meira Cunha, ILO Regional Office for Asia and the Pacific, Ms Betina Lopez Ramirez, ILO Vietnam, Ms Sylvie Montembault and Ms Sawapa Tangsawapak, ECHO, Mr Rodolfo Beazley and Mr Maham Farhat, Oxford Policy Management (OPM), and Mr Mathew Hobson, FEG.



# Acronyms

AADMER	ASEAN Agreement on Disaster Management and Emergency Response
AMS	ASEAN Member States
ASEAN	Association of Southeast Asian Nations
CARD	Council for Agricultural and Rural Development, Cambodia
CCT	Conditional Cash Transfer
CHF	Cambodia Humanitarian Forum
CFRS	Cambodia Food Reserve System
CP	Contingency Plan
DCA	DanChurch Aid
DFAT	Department of Foreign Affairs and Trade of Australia
DP	Development Partner
DRM	Disaster Risk Management
DRR	Disaster Risk Reduction
EA	Emergency Assessment
ECHO	European Commission Humanitarian Office
EW	Early Warning
EWS	Early Warning System
FAO	Food and Agriculture Organization of the United Nations
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit, Germany
HEF	Health Equity Fund(s), Cambodia
HRF	Humanitarian Response Forum
IDPoor	Identification of Poor Households Programme, Cambodia
IGA	Income Generating Activity
ILO	International Labour Organization
INGO	International Non Governmental Organization
IPC	Integrated Phase Classification
MAFF	Ministry of Agriculture, Forestry and Fisheries, Cambodia
MCCT	Maternal and Child Cash Transfer Programme
MEF	Ministry of Economy and Finance, Cambodia
MoC	Ministry of Commerce, Cambodia
MoEYS	Ministry of Education, Youth and Sport, Cambodia
MoH	Ministry of Health, Cambodia

MoSVY	Ministry of Social Affairs, Veterans and Youth Rehabilitation, Cambodia
MoWA	Ministry of Women's Affairs, Cambodia
MoWRAM	Ministry of Water Resources and Meteorology, Cambodia
MRD	Ministry of Rural Development, Cambodia
NCDM	National Committee for Disaster Management, Cambodia
NDVI	The Normalized Difference Vegetation Index
NGO	Non-Governmental Organization
NOURISH	Nutrition, Sanitation and Hygiene project
NSPC	National Social Protection Council, Cambodia
NSPPF	National Social Protection Policy Framework
OECD	Organization for Economic Co-operation and Development
PRISM	Platforms for Real-time Information Systems
RGC	Royal Government of Cambodia
SDG	Sustainable Development Goal
SEADRIF	Southeast Asia Disaster Risk Insurance Facility
SOP	Standard Operating Procedure
SP	Social Protection
TVET	Technical and Vocational Education and Training
UN	United Nations
UNDP	United Nations Development Programme
UNICEF	The United Nations Children's Fund
UNDRR	United Nations Office for Disaster Risk Reduction
USAID	United States Agency for International Development
VHSG	Village Health Support Groups
WFP	World Food Programme



**This Roadmap aims to support the Royal Government of Cambodia (RGC) and its development partners in their current efforts in social assistance and disaster risk management.**

It is aimed at policy makers, legislative bodies, UN agencies and donors at national and sub-national levels. The issues and recommendations outlined here are informing the development of ASEAN guidelines on ASEAN Guidelines on Disaster Responsive Social Protection to increase Resilience.

**The process is built on partnership.** The partners in this process are the national Governments of Cambodia, Myanmar, the Philippines and Viet Nam, together with the regional and country offices of Food and Agriculture Organization of the United Nations (FAO), The United Nations Children's Fund (UNICEF), the International Labour Organization (ILO), the United Nations World Food Programme (WFP) and the United Nations Office for Disaster Risk Reduction (UNDRR). Key technical partners have provided assistance including Action Aid, People in Need, and Danish Church Aid.

**This work is part of a regional project 'Strengthening capacity of ASEAN Member States to design and implement risk informed and shock responsive social protection'.** The project is kindly funded by the European Commission Humanitarian Office (ECHO). It is implemented jointly by a number of UN agencies (FAO, UNICEF, ILO, WFP, UNDRR) and demonstrates commitment to ASEAN regional efforts to integrate disaster management and social protection. It is aligned with the implementation of the ASEAN Agreement on Disaster Management and Emergency Response (AADMER) 2016-2020 and the ASEAN Regional Framework and Action Plan to implement the ASEAN Declaration on Strengthening Social Protection.

The study aims to support ASEAN Member States (AMS) to improve the availability of policies and operational options for AMS to strengthen the shock-responsiveness of their social protection systems, where relevant. This will ultimately help to reduce vulnerabilities of at-risk populations, strengthen their capacity to cope with, respond to and recover from shocks and, thus, enhance households' resilience in order to mitigate the effects of shocks and improve preparedness for further crises. In depth and focused work will take place in four countries: Cambodia, Myanmar, Philippines and Viet Nam to feed into ASEAN level policy development.

Specific outputs for the work in Cambodia includes:

- Assessment of the "readiness" of existing national SP programmes to scale-up and be informed by risk variables based on an up-to-date stock-taking of (i) National social protection system, (ii) DRM framework, (iii) available Early Warning Systems (EWS);
- Identified operational options and ways forward to make selected SP programmes risk-informed and shock-responsive in terms of (i) targeting, (ii) financing, (iii) scale-up triggers and (iv) delivery modalities.
- Development of a three to five year roadmap for finalizing the options and strengthening early warning systems for a more shock-responsive social protection system.

The in-depth country work from these four countries is feeding into the development of ASEAN guidelines for developing risk-informed, shock-responsive social protection systems.

## 2.1. Rationale and approach

**Effective, broad-based social assistance is a significant means of protecting the vulnerable and building resilience to large and small-scale shocks.** For example, regular social assistance enables vulnerable households to cope with small-scale shocks and stresses such as the loss of employment, poor harvests or family illnesses without resorting to damaging coping actions which, ultimately increase their vulnerability. Effective, broad-based regular social assistance provides ‘space’ for vulnerable people to build and diversify their livelihoods, human capital and assets and to address the longer-term impacts of climate change. It is also a critical means of enabling people to prepare for, cope with, and recover more quickly from natural disasters.

**Global experience points to challenges in responding to disasters that have led to unnecessary damage to lives and livelihoods, and to greatly increasing costs of disasters.** These challenges include decision-making processes that are too slow to respond, processes with duplication over tasks and responsibilities, joint disaster preparedness and response plans that are not fully developed, the need for political will to turn the commitments into actions, and the limited availability of financial resources allocated to disaster risk management prior to emergency response operations.

**These weaknesses are important to recognize and analyse – but they can be addressed.** The first step is to focus on developing more evidence-based decision-making processes that enable early action. Second, strengthen and develop coordination, credible planning for pre and post disaster actions and ensure this is endorsed by the political level. Third, develop a clear financing on standby arrangement to ensure that the plan can be implemented.

**While an effective emergency social assistance system is essential for medium to large scale natural disasters, it is, by definition, *ex-post*, somewhat ad hoc and relatively short term.** Regular social assistance systems are (ideally) planned, standardized, automated, large-scale and potentially able to scale up to absorb some disaster affected vulnerable people. Vulnerable people receiving regular transfers are also more able to engage in resilience building initiatives, such as climate-smart livelihood support. In sum, there are compelling reasons to consider how regular social assistance may contribute more effectively to the protection of disaster affected populations, before, during and after a disaster.

### Cost-Efficiency of early humanitarian response and resilience building

A 2018 economic analysis found that relative to typical humanitarian assistance, an *early* humanitarian response would save an estimated USD2.5 billion in humanitarian aid costs over a 15-year period. Social transfers were calculated to save USD3.5 billion over the cost of a late emergency response, or an average of USD231 million per year. A combined, resilience-building scenario (early humanitarian response + social transfers) were calculated to save USD4.3 billion, or an average of USD287 million per year. In other words, every USD1 spent on social transfers or resilience programming resulted in net savings of between USD2.3 and USD3.3, respectively (Cabot-Venton, 2018). Another recent study found that a package of early humanitarian response and social transfers is about 30 percent more efficient than typical humanitarian aid (Potter, 2017). Another comparison of investments showed that the total investment required for emergency response and recovery could fund investment in resilience for 24 years consecutively (DFID, 2012, The Economics of Early Response and Disaster Resilience).



# COMPONENTS OF RISK-INFORMED AND SHOCK-RESPONSIVE SOCIAL PROTECTION SYSTEMS

**Social protection programmes seek to help support and build the resilience of poor households; the same households that are most vulnerable to shocks.** By introducing risk-informed and shock-responsive components to those programmes, they can help to protect the lives and livelihoods of the poorest and the most vulnerable by quickly expanding existing social assistance programmes when shocks occur, thus ensuring that these households are protected. These components are built into the programme design so that when there is a shock, programmes are able to flex to meet the initial needs of the affected population in a timely manner to avoid further devastation.

**Four core components should be built into the social protection systems.** This means that when there is a shock, select social protection programmes are able to rapidly expand to meet the initial needs of the affected households in a timely manner to avoid further devastation. To do this, adjustments should be made to information systems, delivery systems, coordination and capacity, and financing.

## 3.1. Component 1: Information systems

**Socio-economic and disaster risk and vulnerability information systems play an important role in helping to identify which households should be identified after a shock and where.** Together they can be used to predict and plan appropriate programmatic responses to future events. The information systems can also be used to develop ‘triggers’ for when funds can be released, so that responses can be phased for different magnitude responses.

**When developing triggers, it is often necessary to differentiate between sudden-onset (e.g. flooding) and slow-onset disasters (e.g. drought)**

as each can require a different approach to triggering action.<sup>1</sup> There are broadly two ways to use forecasting information to trigger early action:

- **Automatic triggers:** refers to the use of one (or more) scientific trigger(s) for action that do not require additional interpretation or discussion to lead to action.
- **Expert led triggers:** refers to combining available data with expert judgement. The set level of risk is again defined as thresholds (e.g. levels 1-3) and a range of trigger indicators are aligned with each threshold level. However, instead of triggering automatic action, the data is discussed by a group of experts who interpret the data and decide if action is required.

**This information can be brought together in an overall framework to guide scalability.** Triggers can be aligned to a scale up of a social protection mechanism. The scale-up is up to a pre-defined level on the basis of the pre-identification of poor households.

## 3.2. Component 2: Delivery systems

**Dynamic and flexible delivery systems are essential to risk-informed, shock-responsive social protection systems.** Delivery systems are the tools, processes and administrative means for identifying, enrolling, targeting, reaching and continually interacting with beneficiaries. Dynamic delivery systems are the tools and processes that the programme uses to quickly and easily provide support to beneficiaries in risk-prone areas (both *ex-ante* and *ex-post*).

<sup>1</sup> ODI, 2018

### 3.3. Component 3: Coordination and capacity

**Disaster Risk Management (DRM) and social protection institutions should work together to maximize their impact and avoid duplication of interventions.** When DRM and social protection partners are able to consent to a coordinated response effort during the design phase of their programmes, it strengthens their ability to combine their resources and support each other's interventions. Key to this coordinated response is a strong and robust contingency planning process that has political backing, and dedicated financing.

### 3.4. Component 4: Financing

**Funding must be secured before a crisis in order to maximize the impact of the expansion of social protection programmes.** Mobilizing funds after a disaster strikes can slow down the response

time, leaving the vulnerable without sufficient support at a time when they need it the most. Layering risks (separating risks into tiers) through different financing instruments means introducing instruments that finance responses for differing magnitudes of risk at different administrative levels. Risk-informed and shock-responsive social protection requires that adequate financing be established and committed in advance, whether through current sources such as taxation, disaster insurance, emergency credit and/or contingency funds.

**There are a range of approaches to Disaster Risk Finance.** Within a country, this includes earmarking rapid response contingency funding within the national budgeting process and protecting it accordingly; budget safeguarding is key. Disaster Risk Finance can also involve arranging financing in advance from a range of other instruments (summarized in Annex).

**From April-May 2018, a series of policy, programme, operational and financing Options were developed to support the stakeholders in considering how to develop risk-informed and shock-responsive systems.** The Options Paper provided a thorough analysis of the context of Cambodia and a manageable set of technical and practical choices were developed. These Options, if implemented, would support Cambodia to move towards a risk-informed, shock-responsive system. Taken together as a package, the Options would address many of the challenges in using social protection programmes to respond to shocks in a timely and cost-effective manner. They would also help to build household resilience to future shocks.

**In June 2018, a second workshop was held to discuss the merits and prioritization of the various policy and operational Options that could make the selected SP programmes risk-informed and shock-responsive.** During this workshop, the two individual programme options

were discussed (the Health Equity Fund and the Mother Child Cash Transfer) and a number of general activities were identified to undertake in order to adapt their existing designs and delivery systems to help cope with localized stresses and large scale shocks. The overall elements of a roadmap were discussed including the strategy (for example, avoiding the use of piloting as it tends so slow progress). This was a preliminary discussion on next steps only and will require a process of consultation as outlined in the Roadmap.

**This product is the documentation of the results of the June 2018 workshop, together with inputs from discussions with RGC and other stakeholders.** The roadmap is not definitive or prescriptive, but rather proposes a broad set of activities that could be completed in order to transition into risk-informed and shock-responsive programmes. Further discussions between stakeholders in Cambodia should determine how the roadmap can be refined and implemented over time.

**Social protection programming across the ASEAN region has increased pronouncedly over the last two decades<sup>2</sup>**, with positive impacts on poverty reduction, addressing socio-economic vulnerabilities and increases in human development outcomes.

**At the same time, hazards have become increasingly frequent, complex and complicated for governments to manage, raising the spectre of losing these hard-fought development outcomes.** Shocks such as the El Niño induced drought and severe flooding are amplified by the uncertainty and disrupted seasonality related to climate change, the regional nature of many shocks, economic stresses, increasing vulnerability of people with limited coping capacity, conflict, and a host of other factors. The increased competition for unreliable international resources has underscored the need for governments to strengthen national mechanisms and institutions to respond quickly in a synchronized approach. However, the inherent constraints of the humanitarian system make it difficult to deliver an early response at scale.

**Early action, and specifically early, sequenced social protection and development programme expansion, can be a key element in managing these risks.** The goal is to shift away from relying on the traditional humanitarian response and to instead build a clear set of sequenced and scalable social protection instruments that provide early support before humanitarian response is requested. The starting point is to create an explicit role for current social protection programmes to respond as early as possible to disasters.

The following is a general overview of the concepts of sequencing and integration.

## Short term

**The overall goal of leveraging social protection for early response is to build a clear set of sequenced and scalable interventions that provide early support before a humanitarian response is necessary.** This will facilitate a shift away from relying exclusively on the traditional humanitarian response operations or *ad hoc* responses. In the short term, the starting point for realizing this goal is create an explicit role for 1-2 social protection programmes to respond as early as possible to disasters. Planning, assessing and targeting between the 1-2 social protection programmes should be coherent and be aiming to use common modalities where possible. Simple coordination between these programmes and others also operating in disaster contexts is critical for efficiency and effectiveness purposes<sup>3</sup>.

Using 1-2 programmes in this way, helps to ensure that there is a practical entry-point to understanding what being ‘risk-informed and shock-responsive’ means as well as understanding that there are efficiencies to be gained through using these programmes to respond. It also serves to build the body of experience-based knowledge necessary to integrate this into a system-wide approach – understanding the practical challenges and systemic constraints in transitioning from programmes to systems and identifying measures to overcome those constraints, at scale. In the short term, this means ensuring that existing social protection programmes can:

- prepare for how they respond to predictable hazards

<sup>2</sup> World Bank, 2018

<sup>3</sup> Although it is time and resource intensive, coordination is nonetheless a cornerstone of effective responses. Appreciating this is important, to ensure that appropriate capacity assessments are completed, and resources allocated accordingly.

- provide rapid support to households living in areas affected by disasters when they need it and in as predictable and cost-effective manner as possible. This also requires ensuring that households are aware of the range of benefits that they are entitled to, if a hazard becomes a disaster.

## Medium term

**In the medium term, the aim is to apply the experience from 1-2 social protection programmes to a wider range of social protection programmes that contribute to all aspects of the disaster risk cycle** (i.e. not just preparation and response phases, but also prevention, mitigation, recovery and rehabilitation) and build household resilience to disasters.

Expanding the suite of integrated programmes helps to further protect and maximize both the economic investment in social protection and the impact on households. For households with productive capacity and potential, this means ensuring that existing social protection efforts are complemented by:

- access to social services (health, education and WASH amongst others), and
- access to 'productive' services (financial literacy, access to credit, TVET and related skills/vocational training, income generation activity support, etc.) that provide pathways to stable and sustainable livelihoods and build resilience to shocks.

This requires ensuring that the household has access to a range of appropriate existing services and programmes and that the services are available. The expanded number of social protection programmes can help enable this. In addition, agreements to plan, assess and target together using common modalities should be established. A social registry that can then track access to the various programmes is an important element to ensure integration, and to avoid duplication and wasted resources.

## Moving to the long term

**If the short and medium term is about designing and implementing shock-responsive approaches through programmes, the long term focus is on systems level development and the continued shift towards more integrated approaches to improve resilience outcomes.** This does not suggest that a systems-building focus should be left only to the long-term; building systems can, and should, start at the programme design stage. Systems building is however a longer-term effort – programmes are the quick means to deliver support and the starting point for building the necessary systems.

**The key features of an overall system framework should include:**

- A clear policy/procedural framework: adapting and/or strengthening structures, policies and procedures are the core of any risk-informed, shock-responsive system. All other elements 'feed' the structures, policies and procedures. On their own, all other elements are of limited value if effective structures, policies and procedures are not in place. The broad range of structures, policies and procedures required include:
  - clear linkages between early warning information, risk and vulnerability analysis with social protection data sets; and a consistent flow of feedback information between them
  - analytical capacity to make timely and informed decisions on the type, scope, scale, and geography of response
  - clear roles and responsibilities for decision making at the appropriate administrative level (e.g. commune level upwards)
  - supportive management processes and capacity
- Risk and vulnerability analysis is an important starting point to add value to:



- early warning information
  - contingency planning processes
  - needs assessments (including post-disaster needs assessments).
- Timely and effective responses depend on effective funding mechanisms as well as the availability of funds. This means that resources must be available, timely, accessible and appropriate.
  - The risk-informed shock-responsive social protection system is a chain and the principle of 'the weakest link' holds. Where one component is not delivering (e.g. poor decision-making), this cannot be remedied

by increased investment in another component (e.g. improved technical risk and vulnerability analysis, or early warning). This is not to say all components need to be present and effective from the beginning of operations, but it is to say that investments in the various components need to be balanced (at least over time) and understood as part of a progression to system development.

- Over time, improvements will need to be made to the sequencing and integration of not only social protection programmes, but also the other essential social and productive services required to improve resilience outcomes.

	Short 1-2 years	Medium 3-5 years	Long 5+ years
Entry point	1-2 programmes to build skeleton system	3-4 programmes to strengthen system	Systems-based responses, integration of multiple programmes
Disaster Risk Cycle Focus	Preparedness and Response to build resilience	Prevention and Mitigation Preparedness Response Recovery and Rehabilitation to strengthen resilience	Resilience to disasters

## 6 ROADMAP

**The objective of this document is to propose a series of sequenced and manageable actions that, when taken together, lead to the establishment of a risk-informed and shock-responsive social protection system.** The Roadmap outlines a series of strategic activities that need to be completed to build the four components of risk-informed and shock-responsive social protection programmes that respond to cyclones, floods and droughts and build resilience. The roadmap is not a definitive workplan. It does provide an initial sense of direction, and a sense of the scale and scope of activities required over the next five years to move from a series of fragmented, individual programmes tackling poverty, to a national

system that tackles poverty and addresses vulnerability to shocks.

This Roadmap is an input for the Social Protection Council to debate, adapt and discuss further with key stakeholders.

The overall strategy for the introduction of a shock-responsive social protection approach is outlined in the table below. These actions should be guided by the principles outlined in the Option Paper (Do no harm, leave no one behind, be flexible, keep it simple, and prepare and respond as early as possible).

	Short term 2018-2020	Medium term 2020-2023	Long term 2023 beyond
Strategy	Use HEF and MCCT to build skeleton system focused on households' capacity to absorb the effects of hazards	Phase in SRSP more widely, include other livelihood and employment programmes and strengthen system to resist, absorb, adapt to, and recover from the effects of hazards	Continue to strengthen systems-based responses, and the integration of multiple programmes to build cross-programme synergies
Disaster Risk Cycle	Preparedness and Response to build resilience  (Disaster Management)	Prevention and Mitigation Preparedness Response Recovery and Rehabilitation to strengthen resilience  (Disaster Risk Reduction)	Resilience to disasters (Disaster Risk Management)

**At a policy level, an 'owner' for the risk-informed, shock-responsive social protection agenda needs to be identified, relevant policies should be adjusted, and overall awareness and political will built.** The new Social Protection Council is ideally placed to lead on defining how social protection (and related development)

programmes can work together to help build resilience and work with the humanitarian sector to quickly respond to shocks. Bringing together multiple sectors – social protection, DRM, climate change adaptation, agriculture, etc. – is a delicate process, to ensure that all sectors appreciate the importance of their role and feel part of a bigger process that

has political buy-in and support. This requires a senior level leader. Importantly, with the changing climate contributing to an increase in frequency of hazards, the leader of this policy agenda should also see social protection as a critically important contributor to climate adaptation and mitigation.

**Establishing a mechanism for the coordination of the various stakeholders and elements of a risk-informed and shock-responsive social protection system is required.** The establishment of the new Social Protection Council is an ideal forum to carry forward these concepts. It was suggested in the workshop that a technical working group be formed under the leadership of the Council to work on shock-responsive social protection. The membership should be diverse to include the appropriate ministries and development partners (for example, MoSVY, MEF, NCDM and MoP, plus the DRM sector and those involved in humanitarian response).

**Building awareness, understanding and overall political will for SRSP is an essential first step.** The Social Protection Council can lead on efforts to not only build awareness, but to make the case for why urgent investments is required for SRSP. This also requires involving a wide range of related actors as described above.

**Existing information systems need to be strengthened and entry points identified for linking information systems together.** A starting point for shock responsive social protection in general is to strengthen the existing information systems including MIS for social protection programmes, and EWS and assessment systems. In order to effectively and quickly scale up programmes prior to a crisis, there is a need to combine/layer geo-spatial information about which areas are vulnerable to floods, drought and storms with IDPoor data. This should in turn be layered with an understanding of household level vulnerability. Such an integrated information set can then be used to enhance the targeting process of IDPoor by bridging the gap between IDPoor and traditional humanitarian assessment.

**Programmatically, to respond to floods and droughts the roadmap proposes:**

- **The Health Equity Fund (HEF) – together with working on design elements of the Maternal and Child Cash Transfer programme (MCCT) – is**

**the main programme currently capable of delivering an early response to cyclones, floods and droughts.** The coverage, appropriateness, delivery systems, and establishment of its financial systems means that the HEF provides a solid foundation to be used as a means of responding to disasters. With cash transfers increasingly recognised as being one of the most cost-effective means of responding to hazards, it is important to ensure that any emerging RGC cash transfer programmes consider designing the ability to scale up from the outset, even if they are phased in over time based on capacity.

- **Systems are put in place *ex-ante* to expand the HEF and MCCT in line with the proposed Scalability Framework when the probability of a cyclone, flood or drought occurs.** A Scalability Framework should be developed with RGC and technical specialists in other agencies. Under RGC leadership, it details when a programme could scale up operations based on objectively verifiable indicators, who it should reach, when it should provide resources to households, and the frequency and duration of transfers. A draft prototype Scalability Frameworks for cyclones, floods and droughts are contained in Annex 1 . These Scalability Frameworks provide the basic criteria and details for when and how the HEF and MCCT could respond to a hazard. In order to operationalise a response to a shock, the existing systems used to deliver the HEF and MCCT need to be adapted *before* a response is needed. In particular for the MCCT, this should include the identification and enrolment of any new beneficiaries that could receive support through the MCCT temporarily when a response is needed.<sup>4</sup> Careful communications and management of community expectations is required as part of this process. As noted in the workshop, this approach should not include piloting as this tends to dilute and delay action.

<sup>4</sup> The MCCT is in the design phase and will eventually be rolled out nationwide. Once it reaches scale, horizontal expansion will not be an issue. Until it reaches scale, it could be considered.

- **Other emergency programmes should complement the HEF and MCCT ex-post when additional resources are needed, using the same agreed RGC administrative systems, starting with cash transfers.** In addition to the payment system that will be eventually adopted by the MCCT, other emergency cash transfer programmes will be required during responses to shocks/emergencies given the limited coverage. To be most effective, the RGC may wish to advocate for the delivery of these ‘emergency’ transfers being closely aligned with RGC administrative systems. The experience of the various programmes will also be valuable for the further design of the RGC systems. This not only minimises duplication and the potential of exclusion errors but works to build the capacity of RGC systems and strengthens the social contract between households and the state. Using one plan for responding to emergencies with common delivery systems, not only extends the support to those in need but protects the development gains made by development programme and increases efficiencies.
- **The same indicators that ‘trigger’ a social assistance-led response through the HEF and MCCT should also trigger early action in other development programmes (e.g. climate adaptation, labour market and livelihood programmes).** Other responses – particularly in terms of how livelihood strategies can respond before, during and after a shock to protect and restore households – are also appropriate to ensure livelihoods are protected from hazards and prevented from deteriorating. Just as the Scalability Framework identifies when it would be appropriate to provide HEF coverage or cash transfers to households to protect them before a shock, the same indicators in the Scalability Framework could also be adapted to indicate when livelihood activities need to be modified in order to absorb, respond to and recover from a shock. This requires a common set of triggers as well as corresponding development interventions

being pre-agreed by the same stakeholders.

For financing, a disaster risk financing strategy should be developed to ensure funding is in place. This should begin with making the economic case for investing in DRM/DRR and social protection by encouraging a comprehensive cost-benefit study to examine the human and economic costs and benefits of these investments.<sup>5</sup> It should detail how to best use existing internal sources of financing such as the Contingency Budget, and develop a strategy for accessing external financing such as regional risk pooling instruments. Based on this, the RGC should then consider how to best ensure regular protected financing for scaling up social protection. In addition:

- Within the available government ministerial funding allocation for the HEF and for the cash grants, further detail an explicit contingency component that allows for an agreed percentage expansion per year with a clear mechanism to allow this to roll over year on year into the next budget cycle.
- Develop a separate and broader contingency budget to fund the expansion of a number of social protection programmes starting with the HEF and the MCCT. Leverage the existing “budgetary reserve” and work to make this a permanent mechanism.
- Ensure that any contingency fund is calibrated by administrative level. For example, allocate 5 percent of the contingency fund for the commune level to allocate as an early ‘no-regrets’ response to expand horizontal coverage based on when the first agreed threshold is crossed (for slow onset emergencies). This builds on regional experience in Viet Nam and the Philippines.
- Explore the option of an ASEAN based risk pooling mechanism amongst those countries most affected by hazards.

<sup>5</sup> World Bank, 2018

# 7 ROADMAP ACTIVITIES

Phase	Step	Milestone	Indicative/sample activities	Timeline
<b>Phase 1:</b> Increase understanding and initiate initial scalable SRSP interventions	1. Create awareness of the concepts and broader policy agenda of shock responsive social protection systems amongst key stakeholders.  Build political will with the legislative and implementing ministerial levels of Government	<ul style="list-style-type: none"> <li>Public commitment to introduce shock-responsive concepts into existing programmes by the Social Protection Council, MoSVY, MEF, NCDM and MoP</li> </ul>	<ul style="list-style-type: none"> <li>Within NSPC, MoSVY, NCDM, and MoH, build awareness of the importance of (and potential for increased use of) existing social welfare and other social protection programmes in disaster response.</li> <li>Arrange Social Protection Council exposure visit to country(s) in the region adopting shock-responsive social protection</li> <li>Conduct familiarisation workshop for the NSPC general secretariat followed by events for MoSVY, MEF, MoH, MoP and NCDM</li> <li>Introduce concepts to relevant decision-makers at regional level</li> </ul>	2019
	2. Make the economic case for investing in SRSP	<ul style="list-style-type: none"> <li>MEF and other RGC decision makers fully understand the case for SRSP</li> </ul>	<ul style="list-style-type: none"> <li>Conduct a comprehensive cost benefit analysis for decision makers in NSPC and MEF to further examine the economic case for investing in SRSP with an analysis of the various options (building on World Bank global risk assessment economic analysis)</li> </ul>	2019
	3. Ensure SRSP is embedded within the appropriate policy and legislation	<ul style="list-style-type: none"> <li>SRSP is adequately referenced in the key policy documents and related legislation</li> </ul>	<ul style="list-style-type: none"> <li>Ensure SRSP is a key component of the new Social Protection Law/ and subsequent decrees</li> <li>Reference SRSP specifically in each level Contingency Plan and within the contingency plans of the responsible line ministry (starting with HEF).</li> <li>Ensure that SRSP components within social protection programmes are reflected in existing Contingency Plans, and are included in future processes.</li> <li>Use the process of the NSPPF mid-term review in 2020 to consolidate the progress to date.</li> </ul>	2019-2020
	4. Strengthen and fully operationalise the existing coordination structures and mechanisms.	<ul style="list-style-type: none"> <li>Regular Social Protection Council meetings are held with shock-responsive social protection as a standing agenda item.</li> <li>Regular coordination meetings are held between the ministries involved in SRSP</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen coordination structures and capacity within the Social Protection Council and the NCDM to be able to properly facilitate and lead the process of SRSP and overall resilience building.</li> <li>Establish a working group to carry forward this initiative with inclusion of the Social Protection Council, MoSVY, MEF, NCDM, MoH and MoP (under the chair of the Social Protection Council).</li> <li>Develop practical structures for technical coordination between the development and humanitarian actors starting with information sharing, designing scalability frameworks, and jointly conducting assessments. Discuss opportunities for piggy backing on social protection structures.</li> </ul>	2019-2020



Phase	Step	Milestone	Indicative/sample activities	Timeline
	5. Build evidence and learn about shock-responsive social protection to strengthen systems over the long-term.	<ul style="list-style-type: none"> <li>Plan for filling information gaps agreed with RGC and development partners</li> </ul>	<ul style="list-style-type: none"> <li>Develop an action-research plan to identify and fill gaps in knowledge for SRSP to build evidence base specific to Cambodia</li> <li>Research agenda developed by both RGC and development partners</li> <li>Resources identified to fund the periodic, regular collection of evidence</li> <li>Expand and deepen capacity to monitor and evaluate the impacts of a risk-informed shock-responsive programme at a national level. This should include comparators on cost-effectiveness with existing or other means of preparing and responding to disasters</li> </ul>	2019
	6. Undertake a capacity needs assessment for shock-responsive social protection.	<ul style="list-style-type: none"> <li>Assessment of capacity gaps completed</li> </ul>	<ul style="list-style-type: none"> <li>Under the leadership of the Social Protection Council, organize a multi-ministry assessment of the existing capacity and the gaps for implementing SRSP. Focus initially on HEF and MCCT.</li> <li>Within the NCDM and the contingency planning process, strengthen the role of the Social Protection Council and key implementing partners, and specifically increase the recognition of social protection's role in early response but also in disaster preparedness, disaster prevention &amp; mitigation and in disaster rehabilitation &amp; recovery.</li> </ul>	2019
	7. Strengthen existing information systems and identify opportunities for linking info systems together	<ul style="list-style-type: none"> <li>Clear entry points for collaboration and integration identified with data sets shared</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen the MIS for HEF, IDPoor, MCCT.</li> <li>Use the working group to identify entry points between information systems where linkages can be made, and how a common data set (e.g. a social registry) could eventually be developed based on IDPoor. <ul style="list-style-type: none"> <li>Leverage and build on existing initiatives to combine data underway under MoWRAM (supported by UNDP) and by WFP (PRISM) to better integrate other existing data sets.</li> <li>Dialogue with NSSF and MoH to ensure that there is a link between IDPoor data and any relevant data sets held by MoH.</li> </ul> </li> <li>With a focus on how to effectively and quickly scale up the HEF prior to a crisis, combine/layer geo-spatial information about which areas are vulnerable to floods, drought and storms with IDPoor data.</li> <li>Explore the options of combining with the "Vulnerability Index" developed by the Ministry of Environment for climate change with IDPoor data to better determine who is most at risk to floods and drought, and where.</li> <li>Use integrated information to enhance the targeting process of IDPoor by bridging the gap between IDPoor and traditional humanitarian assessment.</li> <li>Ensure that work on common data sets is done in relation to a review of the entire targeting system already agreed with NSPC general secretariat.</li> </ul>	2019-2020

Phase	Step	Milestone	Indicative/sample activities	Timeline
			<ul style="list-style-type: none"> <li>Develop a pre-registration element within IDPoor to pre-register households with high disaster vulnerability (especially those areas vulnerable to both floods and drought the nexus of which is most damaging in Cambodia).</li> <li>Evaluate the pros and cons of moving towards an integrated social registry and formulate a plan for moving forward; aim to make it an integrated database available to all with IDPoor as the basis</li> </ul>	2019
	8. Agree Scalability Frameworks for floods, cyclones and droughts to help all stakeholders work according to a common set of rules on when, where and what responses are required.	<ul style="list-style-type: none"> <li>Scalability Frameworks for floods, cyclones and droughts approved by NCDM and the Social Protection Council</li> </ul>	<ul style="list-style-type: none"> <li>Further develop scalability frameworks with trigger mechanisms in collaborative undertaking leveraging work on-going within MOWRAM (UNDP), NCDM and amongst key stakeholders</li> <li>Present results to the Social Protection Council and discuss and agree with key stakeholders.</li> </ul>	2019
	9. Strengthen and invest in the DRM system including Early Warning and support to the NCDM	<ul style="list-style-type: none"> <li>Additional resources for DRM strengthening committed and linked to shock-responsive social protection programming</li> </ul>	<ul style="list-style-type: none"> <li>Build on existing capacity building efforts (e.g. UNDP supported) to ensure EWS and DRM system capacity gaps are addressed.</li> <li>Build the capacity of the NCDM to effectively coordinate and prompt action in a timely manner. This should include ensuring an operating budget in line with its responsibilities, the training of staff in facilitation/coordination/planning and in DRM-related technical skills, equipping them with the means to adequately strengthen the NCDM committee structure down to the commune level.</li> <li>Develop a plan for strengthening EWS system with SRSP integration.</li> <li>Conduct training for relevant decision-makers and users of the information to build confidence in integrity of system.</li> </ul>	2019-2021
	10. Develop and introduce a number of risk-adjusted procedures and processes for the HEF.  Ensure all key stakeholders are involved in the design including MoSVY, MoH, MEF, NCDM and the EWS actors	<ul style="list-style-type: none"> <li>Risk Adjusted Programme Procedures manual developed</li> </ul>	<ul style="list-style-type: none"> <li>Develop ToRs for review of the existing programme operational manuals and identification of procedures that require 'tweaking'</li> <li>Develop Risk Adjusted Programme Procedures manual</li> <li>Explore using other humanitarian organizations in the short term for SRSP such as the Red Cross while government systems are adjusted and developed. Leverage civil society throughout the process</li> <li>Train relevant staff in the Risk Adjusted Programme Procedures manual</li> </ul>	2019
	11. "Future proof" the design and development of the MCCT and Family package.	<ul style="list-style-type: none"> <li>Design of the MCCT and Family Package concept has a provision to scale up for shocks</li> </ul>	<ul style="list-style-type: none"> <li>Ensure that SRSP considerations are included in the design of the MCCT and the Family Package for social protection.</li> <li>– Develop clear ranges of vertical scale up (for existing MCCT/family package beneficiaries) and for horizontal scale up (to add additional beneficiaries from the pre-registered list and or/from the needs assessment process).</li> </ul>	2019

Phase	Step	Milestone	Indicative/sample activities	Timeline
	12. Clarify the sequential use of existing financing instruments to address constraints in responding to disasters.	<ul style="list-style-type: none"> <li>MEF and MoSVY approves proposal for financial sequencing using existing funds and resources</li> </ul>	<ul style="list-style-type: none"> <li>Undertake a rapid analysis of resources held nationally (e.g. the National Contingency Fund) to determine amount of transfers and/or new beneficiaries that could be included in shock-responsive instruments (e.g. HEF/MCCT).</li> <li>Review administrative rules for use of funds to ensure access and availability</li> <li>Develop a separate and broader contingency budget to fund the expansion of a number of social protection programmes starting with the HEF and the MCCT. Leverage the existing "budgetary reserve" and work to make this a permanent mechanism.</li> <li>Ensure that any contingency fund is calibrated by administrative level. For example, allocate 5 percent for the commune level to allocate as an early 'no-regrets' response to expand horizontal coverage based on when the first agreed threshold is crossed (for slow onset emergencies).</li> <li>Approach MEF regarding either fast-track approvals or pre-agreements on amount of Funds to be channelled through HEF/MCCT</li> </ul>	2019
	13. Develop a disaster risk financing strategy that focuses exclusively on human development and resilience.	<ul style="list-style-type: none"> <li>Disaster risk financing strategy approved by MEF</li> </ul>	<ul style="list-style-type: none"> <li>Consult Climate Financing strategies and actors.</li> <li>Develop ToRs prepared for necessary diagnostic assessments and studies.</li> <li>Develop concepts and hold discussions with regional partners on ASEAN based risk pooling mechanism amongst those countries most affected by hazards.</li> <li>Discuss with MEF the appropriate level of contingent liabilities.</li> </ul>	2019-2020
	14. Use one plan for responding to emergencies with common delivery systems	<ul style="list-style-type: none"> <li>RGC adopts one response plan for overall response</li> <li>RGC adopts one cash response plan</li> </ul>	<ul style="list-style-type: none"> <li>National Social Protection Council holds regular meetings with agencies involved in SRSP, cash transfers and emergency response to encourage a harmonized approach National Social Protection Council.</li> <li>Conduct joint assessments of emergency needs during disaster</li> <li>Develop a common response plan based on the assessment that sequences all response instruments from social protection and cash transfers through to the delivery of humanitarian aid</li> </ul>	2020

Phase	Step	Milestone	Indicative/sample activities	Timeline
<b>Phase 2:</b> Consolidate Approaches and Instruments	1. Develop and introduce a number of risk-adjusted procedures and processes for the MCCT.	<ul style="list-style-type: none"> <li>Risk Adjusted Programme Procedures manual developed</li> </ul>	<ul style="list-style-type: none"> <li>ToRs developed for review of the existing programme operational manuals and identification of procedures that require 'tweaking'</li> <li>Development of Risk Adjusted Programme Procedures manual</li> <li>Training of relevant staff in the Risk Adjusted Programme Procedures manual</li> </ul>	2021-2022
	2. Agree horizontal and vertical operational features for MCCT	<ul style="list-style-type: none"> <li>'Potential' beneficiaries registered in beneficiary lists and actionable plans in place</li> </ul>	<ul style="list-style-type: none"> <li>Develop a communications plan to ensure entry and exit conditions are well understood including by beneficiaries</li> <li>Pre-register potential beneficiaries using IDPoor</li> <li>Build capacity of front line workers and administrative offices involved</li> <li>SOPs developed for how to enrol these households into the programme, when additional payments should be made and how the administration of delivering support will work</li> <li>Contingency Plans developed at local level</li> <li>Integrate programme-specific Contingency Plans into Regional contingency plans and local structures</li> </ul>	2021
	3. Improve coordination procedures across multiple projects and programmes to support a system-building approach with common design and implementation parameters.	<ul style="list-style-type: none"> <li>SOPs developed to encourage common design and implementation</li> </ul>	<ul style="list-style-type: none"> <li>Standard Operating Procedures (SOPs) developed for how the RGC programmes could more effectively align existing government and non-government programmes for more impact.</li> <li>Standard Operating Procedures (SOPs) developed for how both RGC and non-RGC programmes could adopt design parameters.</li> </ul>	2021-2022
	4. Develop an integrated Social Registry	<ul style="list-style-type: none"> <li>A social registry is designed with partners and implemented</li> </ul>	<ul style="list-style-type: none"> <li>Develop ToRs under the Social Protection Council leadership to establish a social registry</li> <li>Identify funding and develop and roll out the social registry starting with the most vulnerable areas to shocks.</li> </ul>	2021-2022
	5. Invest in a livelihoods-based risk and vulnerability framework and analysis.	<ul style="list-style-type: none"> <li>A risk and vulnerability framework and analysis agreed by the RGC</li> </ul>	<ul style="list-style-type: none"> <li>Conduct a technical review of all available livelihoods assessments and frameworks completed in Cambodia – evaluating strengths and weaknesses of each methodology, and feasibility of using assessments in SRSP</li> <li>Broker discussions between RGC and development partners to agree on a framework and methodology</li> </ul>	2022
	6. Refine disaster risk financing strategy.	<ul style="list-style-type: none"> <li>Disaster risk financing strategy updated</li> </ul>	<ul style="list-style-type: none"> <li>Explore in the medium term other risk financing instruments for risk retention and reduction instrument, and other insurance instruments provided through the private sector (e.g. weather derivatives)</li> <li>Integrate with other climate financing and DRM financing initiatives (e.g. the Green Climate Fund)</li> </ul>	2021

Phase	Step	Milestone	Indicative/sample activities	Timeline
Phase 3: Strengthen Systems	1. Invest in modelling impacts of hazards on livelihoods (not just lives and infrastructure).	<ul style="list-style-type: none"> <li>Livelihood Impacts Tool developed and operational</li> </ul>	<ul style="list-style-type: none"> <li>Livelihood assessments (geo-referenced) consolidated into national early warning/humanitarian response system</li> <li>EWS data and short and long term climate trends overlaid onto geo-referenced livelihood assessment data</li> <li>Development of tool to model impacts of hazards and climate changes on livelihood systems and outcomes</li> </ul>	2023+
	2. Use the Scalability Frameworks to trigger early action in appropriate livelihood and labour market programmes	<ul style="list-style-type: none"> <li>One sector programme adopts the use of the Scalability Framework to determine when the programme needs to respond</li> </ul>	<ul style="list-style-type: none"> <li>MEF and the Social Protection Council promote use of the Scalability Framework with other 'productive' sectors starting with the Food Reserve System</li> <li>Sectors review and agree the triggers for early action</li> <li>Sectors tailor the interventions in their programmes according to the triggers in the Scalability Framework</li> </ul>	2023+
	3. Integrate social assistance programmes with labour market and livelihood programmes to provide pathways to resilience for hazard-exposed households.	<ul style="list-style-type: none"> <li>Households engaged in public works programmes are introduced to livelihood and/or labour market opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Review of available 'productive' programmes at local level</li> <li>Review of available private sector programmes at local level</li> <li>Working-age beneficiaries of social assistance programmes connected by MoSVY staff to other RGC programmes</li> <li>Working-age beneficiaries of social assistance programmes supported to access appropriate financial services</li> </ul>	2023+

These prototype examples are presented here as a starting point for further discussion. It is suggested that the further development of these frameworks is one of the first entry points for increasing coordination and technical cooperation between social protection and DRM actors. Technical discussions are required to choose appropriate indicators and triggers, and to decide on the coverage, transfer increases, duration and sources of funding.

## Sudden onset scalability framework – Health Equity Fund Scale-up

Phases of crisis	Triggers and source of information	Coverage of HHs	Frequency	Duration of transfer	Source of funding
Normal	<ul style="list-style-type: none"> <li>Routine Management Information System</li> </ul>	Routine SP beneficiary HHs	On-going coverage for those eligible	On-going	Regular Ministry budget
<b>Pre-Category 1</b> ex-ante (when data indicates flooding is imminent)	<ul style="list-style-type: none"> <li>Satellite based monitoring combined with hydrological simulation/modelling indicates x percentage probability of flooding</li> <li>Expert opinion (in the form of a technical committee) triggers a response based on pre-agreed levels of probability that flooding will occur (based on modelling and available data).</li> </ul>	Expand coverage of the HEF to pre-registered poor above IDPoor 1 and 2	Immediate access to health centres granted	3 months	Decentralized Contingency Budget (or other designated funds)
Category 1 Alert	<ul style="list-style-type: none"> <li>Satellite imagery confirms imminent flooding</li> <li>Rainfall levels exceed x mm per x amount of time</li> <li>River gauges indicate flood levels rising above x level</li> </ul>	Expand coverage of the HEF to affected communes	Immediate access to health centres granted	3 months	Regional and National Contingency Budget
Category 2 Alarm	<ul style="list-style-type: none"> <li>Rainfall levels exceed x mm per x amount of time</li> <li>River gauge levels indicate flood levels rising above x level</li> </ul>	Expand coverage of the HEF to affected communes.	Immediate	6 months	National Contingency Budget
Category 3 Emergency	<ul style="list-style-type: none"> <li>Rainfall levels exceed x mm per x amount of time</li> <li>River gauge levels indicate flood levels rising above x level</li> </ul>	Expand coverage of the HEF to affected communes	Immediate	9 months	Emergency response funds

## Slow onset scalability framework – Mother Child Cash Transfer Scale-up

Phases of crisis	Triggers and source of information	Coverage of HHs	Amount of transfer	Frequency	Duration of transfer	Source of funding
Level 1 Normal		<ul style="list-style-type: none"> <li>Routine SP beneficiary HHs (of poor mothers and children under 5)</li> </ul>	Standard payment	Every 2 months	On-going	Regular Ministry budget
Level 2 Moderate Drought	<p><b>Automatic Triggers</b></p> <ul style="list-style-type: none"> <li>Cumulative rainfall below x percent of seasonal norms</li> <li>Vegetation index (NDVI) index below x percent of seasonal norm.</li> <li>Well water levels fall below x levels.</li> </ul> <p><b>Expert Led Triggers</b></p> <ul style="list-style-type: none"> <li>Expert opinion (in the form of a technical committee) triggers a response based on pre-agreed levels of probability that drought will intensify (based on modelling and available data).</li> </ul>	<ul style="list-style-type: none"> <li>Size of MCCT transfer to routine HHs increased with conditionalities relaxed</li> <li>(vertical expansion)</li> </ul>	Standard payment plus 20 percent	Every 2 months	3 months	Decentralized Contingency Budget (or other designated funds)
Level 3 Severe Drought	<ul style="list-style-type: none"> <li>Progressive increases in trigger thresholds</li> <li>Expert opinion informed by additional needs assessments and used to calibrate size of transfer</li> </ul>	<ul style="list-style-type: none"> <li>MCCT: continue increase of size of transfer to routine HHs and relaxed conditionalities</li> <li>MCCT extended to pre-registered beneficiaries (until it reaches national coverage)</li> <li>(horizontal and vertical expansion)</li> </ul>	Standard payment plus 30-50 percent	Monthly	6 months	Regional/ National Contingency Budget
Level 4 Extreme Drought	<ul style="list-style-type: none"> <li>Progressive increases in trigger thresholds</li> <li>Expert opinion informed by additional needs assessments and used to calibrate size of transfer</li> </ul>	<ul style="list-style-type: none"> <li>MCCT: continue increase of size of transfer to routine HHs and relaxed conditionalities</li> <li>MCCT extended to pre-registered beneficiaries (until it reaches national coverage)</li> <li>(horizontal and vertical expansion)</li> </ul>	Size of emergency transfer harmonized with humanitarian interventions or linked to cost of nutritious diet	Monthly	9 months	Emergency response funds





# Options for risk-informed and shock-responsive social protection

Cambodia



The regional project ‘Strengthening capacity of ASEAN Member States to design and implement risk-informed and shock-responsive social protection’ is kindly funded by the European Commission Humanitarian Office (ECHO). It is implemented jointly by a number of UN agencies and demonstrates commitment to ASEAN regional efforts to work together to integrate disaster management and social protection. It is aligned with the implementation of the ASEAN Agreement on Disaster Management and Emergency Response (AADMER) 2016-2020 and the ASEAN Regional Framework and Action Plan to implement the ASEAN Declaration on Strengthening Social Protection.

**The study aims to support ASEAN Member States to improve the availability of policies and operational options for ASEAN member states to strengthen the shock-responsiveness of their social protection systems where relevant and appropriate.** This will ultimately help to reduce vulnerabilities of at-risk populations, strengthen their capacity to cope with and recover from shocks and, thus, enhance households’ resilience in order to mitigate the effects of shocks and improve preparedness for further crises. Case studies will be conducted in four countries: Cambodia, Myanmar, Philippines and Viet Nam to feed into ASEAN level policy processes.

The partners in the Project are the ASEAN Member States, the national governments of the case study countries—the Royal Government of Cambodia (RGC) and the national governments of Myanmar, the Philippines and Viet Nam—together with the regional and country offices of ILO, FAO, UNICEF, and WFP. Key technical agencies have provided assistance in Cambodia including UNDP, ActionAid, People in Need, and DCA.

**This study aims to support the Royal Government of Cambodia by identifying policy and operational options that can strengthen the shock-responsiveness of their social protection system.** Strengthening the shock-responsiveness of the Royal Government of Cambodia’s social protection system will help to:

- reduce vulnerabilities of populations “at-risk” to hazards, changes in the climate and other stresses and shocks,
- strengthen the capacity of at-risk populations to cope with, respond to and recover from shocks and climate stresses,
- enhance households’ resilience to prepare for, absorb, adapt to, transform and recover from shocks and climate stresses, and,
- increase cost-effectiveness of their responses to disasters and climate stresses.

**Specific outputs** include:

- Policy and Programme Options to make selected social protection programmes risk-informed and shock-responsive (this Paper), and
- A roadmap to implement agreed Options to make selected social protection programmes risk-informed and shock-responsive.

**This study will feed into the development of guidelines for ASEAN countries.** The guidelines will draw out lessons from experiences across the region about how to further develop risk-informed, shock-responsive social protection systems.

**An average of 27.65 percent of Cambodia's population is exposed to natural hazards every year.**<sup>1</sup> Floods and droughts are the two most common hazards affecting the Cambodian population and both result in extensive, costly damages to agriculture, livelihoods and infrastructure. The combination of the two occurring simultaneously is particularly damaging. In 2011, 1.5 million people suffered damage from floods, with damage totalling approximately USD 630 million. Drought, although less common, is also very costly, with 7.8 million people being affected up to 2013 and damages valued at USD 165 million.<sup>2</sup>

**Natural disasters can wipe out decades of investment in human development.** Such events have a direct impact on household incomes,<sup>3</sup> livelihoods, food security and access to basic services. However, the actions taken by households to cope, such as reducing food consumption, withdrawing children from school, or selling productive assets, ultimately increase their vulnerability. This further undermines hard won development gains and contributes to the transmission of poverty from one generation to the next.

**Poor and near poor households are often the most exposed to hazards and have the least means to cope.** Their incomes may be more dependent on weather, their housing and assets less protected, and they are likely to have lower access to savings and borrowing. There is also considerable overlap between the geographical incidence of the most destructive natural hazards and the regions with some of the highest poverty incidence.

**Social protection investments can be jeopardized during disasters.** In times of crisis, line ministries and in particular ministries of social

welfare are often called upon to respond to disasters in an ad-hoc manner without prior preparation (e.g. dedicated SOPs) or financing. This happened most recently in the Philippines during Typhoon Haiyan and in Nepal during the 2015 earthquake (see examples below). Prior planning and coordination is required to maintain the investments they have made in vulnerable populations through social protection programmes and to prevent them from sliding further into deprivations when facing stresses and shocks.

**Recurrent, predictable smaller scale shocks are often not addressed by the humanitarian apparatus.** This can lead to a progressive erosion of households' productive assets and their capacity to cope with both covariate and individual/household level shocks.

**A number of studies have demonstrated that early response is far more cost effective than late emergency response.** A 2018 economic analysis found that relative to typical humanitarian assistance, an *early* humanitarian response would save an estimated USD2.5 billion in humanitarian aid costs over a 15-year period. Social transfers were calculated to save USD3.5 billion over the cost of a late emergency response, or an average of USD231 million per year. A combined, resilience-building scenario (early humanitarian response + social transfers) were calculated to save USD4.3 billion, or an average of USD287 million per year. In other words, every USD1 spent on social transfers or resilience programming resulted in net savings of between USD2.3 and USD3.3, respectively).<sup>4</sup> Another recent study found that a package of early humanitarian response and social transfers is about 30 percent more efficient than typical humanitarian aid.<sup>5</sup> Another comparison of investments showed that the total investment required for emergency response and recovery could fund investment in resilience for 24 years consecutively.<sup>6</sup>

<sup>1</sup> World Bank, 2017

<sup>2</sup> Humayun, S. and Picard, M., 2017

<sup>3</sup> For example, on average, typhoons that hit the Philippines depress affected household incomes by 6.7 per cent (net of public and private transfers) and household expenditures by 7.1 per cent (Hobson, 2018).

<sup>4</sup> Cabot-Venton, C., 2018

<sup>5</sup> Potter et al., 2017

<sup>6</sup> Cabot-Venton, C. et al., 2012

**A recent World Bank study analysed the significant opportunities for annual savings from introducing shock-responsive social protection and related measures.** For Cambodia, the projected savings from introducing shock-responsive social-protection are estimated at USD546 million per year. This figure reflects the damaging financial effect that disasters have on the economy and how spending on shock-responsive social protection can help to mitigate their impact. By allowing social protection programmes to quickly expand as needed, social protection can act as insurance for Cambodia's poor, preventing them from resorting to negative coping strategies. Humanitarian and development actors would be able to respond swiftly, helping to protect lives and livelihoods and ultimately, save money. Additional investments in implementing regular and predictable cash transfers would save an additional \$250 million per year while implementing resilience promoting measures would save \$US92 million per year.<sup>7</sup>

**Effective, broad-based social assistance is a significant means of protecting the vulnerable and building resilience to large and small-scale shocks.** For example, regular social assistance enables vulnerable households to cope with small-scale shocks and stresses such as the loss of employment, poor harvests or family illnesses without resorting to damaging coping actions which, ultimately increase their vulnerability. Effective, broad-based regular social assistance provides 'space' for vulnerable people to build and diversify their livelihoods, human capital and assets and to address the longer-term impacts of climate change. It is also a critical means of enabling people to prepare for, cope with, and recover more quickly from natural disasters.

**In sum, by introducing shock-responsive social protection systems, the hard-fought gains secured through development programmes are insured.** Implementers will be able to maintain the investments they have made in vulnerable populations through social protection programmes and prevent them from sliding further into deprivations when facing stresses and shocks. Line ministries – and in particular ministries of social welfare – will be able to plan for how they can respond to disasters, rather than being called upon to respond in an ad-hoc manner without prior preparation (dedicated SOPs) or financing. Equally, the small but recurrent, predictable shocks which lead to a progressive erosion of households' productive assets and their capacity to cope can better be addressed. Shock-responsive social protection has the potential to better manage these constraints.

## **2.1. Objectives of a risk-informed and shock-responsive social protection system**

**The objective of the risk-informed, shock-responsive element of a social protection system is to temporarily expand select social protection instruments to better protect poor and vulnerable populations from risks and shocks.** This serves to increase the effectiveness of scarce response resources and to help build the resilience of poor and near poor people through timely and effective responses to risks and shocks. By temporarily expanding select social protection instruments, vulnerable populations can be better protected from risks and shocks, and the effectiveness of scarce response resources can be maximized.

<sup>7</sup> Hallegatte, S. et al., 2016

**Table 1. Country level examples of shock-responsive approaches**

DRM stage	Country example
<b>Prevent and Mitigate</b>	<ul style="list-style-type: none"> <li>• <b>Viet Nam: Adaptive Social Protection Feasibility Assessment</b> for Tra Vinh: Assessing the feasibility of developing climate smart livelihoods activities linked to regular social assistance beneficiaries in Tra Vinh resilience.</li> <li>• <b>India: National Rural Employment Guarantee Scheme:</b> guaranteed 100 days wage employment/50 million HH/year. Unskilled manual work for rejuvenating natural resources that have greatest potential to enhance resilience.</li> <li>• <b>Ethiopia: Rural Resilience Initiative</b> provides poor farmers the option to pay for index-based insurance by working on small community projects that build climate resilience e.g. irrigation and soil management. Automatic insurance pay-outs triggered if rainfall drops below a predetermined threshold.</li> </ul>
<b>Prepare and Respond</b>	<ul style="list-style-type: none"> <li>• <b>Viet Nam: Shock-Responsive Pilot:</b> in Can Tho City; social assistance delivery system strengthened so that during flooding it can scale up operations and deliver assistance to flood-affected households</li> <li>• <b>Fiji: Tropical Cycle Winston</b> Govt. topped up the cash transfers for beneficiaries of all the national social protection programmes: USD300 for Poverty Benefits Scheme beneficiaries and USD150 to beneficiaries of other schemes.</li> <li>• <b>Philippines: Typhoon Haiyan</b> WFP delivered emergency cash transfers to 105,000 HHs, through existing government system, topping up payments to beneficiaries of the country's flagship cash transfer programme (4Ps).</li> <li>• <b>Nepal: 2015 earthquake</b>, UNICEF used the existing social assistance system of the government to transfer funds to 435,000 people in 3 months.</li> </ul>
<b>Recover</b>	<ul style="list-style-type: none"> <li>• <b>Philippines: Typhoon Haiyan.</b> UNICEF delivered monthly recovery transfers to 6,000 HHs for 6 months through the country's flagship cash transfer programme (4Ps).</li> <li>• <b>Nepal: 2015 earthquake:</b> UNICEF extended targeting to all children aged 5 yrs or under, providing recovery transfers for 12 months. Evidence of impact contributed to Government of Nepal decision to extend regular child grant benefit across additional districts in Nepal.</li> </ul>



**Cambodia's impressive rate of growth over the past twenty years has contributed to a dramatic reduction in income poverty.** In 2007, 47.8 percent of the population lived below the income poverty line but by 2012 this figure had dropped to 18.9 percent. This reduction can be explained by an increase in remittances due to higher migration, increased agricultural production, higher wages and higher prices for agricultural goods amongst other factors.<sup>8</sup> Because the vast majority of the poor live in rural areas (91 percent of poor households in 2011), poverty reduction has been concentrated in rural areas.<sup>9</sup>

**However, a significant percentage of the population remain vulnerable as they hover just above the poverty line and remain susceptible to shocks.** The high levels of vulnerability are reflected in Cambodia's multi-dimensional poverty rate which registers at 33 percent, significantly higher than the income poverty rate.<sup>10</sup> Gender is a significant factor in determining vulnerability to poverty. Female headed households are more likely to be poor and experience shocks differently because although women's participation in the workforce is high, they have access to fewer economic opportunities and smaller landholdings than men. Additionally, due to insufficient social protection coverage, borrowing has become an important coping mechanism for many Cambodians, particularly for the rural poor. While loans are not reflected in poverty measurements as they generally focus solely on household consumption, inability to pay debts as a result of a shock places many individuals at risk of falling into poverty; or falling back into poverty. Prior to the 2011 floods for example, data shows that 63 percent of households had at least one outstanding loan. After the floods, 48 percent of these rural households surveyed had taken out additional loans as a direct result of the flooding.<sup>11, 12</sup> In 2011 it was estimated that

a reduction of just USD1200 riel or USD30 per capita would more than double the income poverty rate, illustrating the vulnerability of many people to falling into poverty.<sup>13</sup>

**This is compounded by life cycle challenges for vulnerable groups such as women, children, the elderly and those with disabilities.** They face a range of pre-existing constraints which are often compounded by disasters. Evidence shows that natural disasters lower women's life expectancy more than men's, and in some cases women and girls make up as much as 90 percent of those killed in weather-related disasters. Women and girls are increasingly vulnerable to human trafficking or to sexual assault in crowded shelters or camps when they survive. In times of drought girls are at greater risk of early marriage and are often the first to be withdrawn from school or they attend school less frequently so that they can contribute to household responsibilities.<sup>14</sup> Nutrition is another major challenge for human development; a challenge magnified by disasters. While stunting among children under five has seen a steady decline, it still remains high at 32 percent as per the Cambodia Demographic Health Survey 2014.

**Households categorised by IDPoor as poor or very poor show significant movement in and out of poverty.** Over half of the households categorised as non-poor remained out of poverty over three series or waves of analysis. Among those categorised as poor in each of the first two waves, about one-third transitioned out of poverty by the third survey, while one-third remained poor and one-third fell into extreme poverty. About half of the very poor in each of the first two waves transitioned out of poverty, but about 6 percent fell back into extreme poverty thereafter. The following graph shows the movement of Cambodian households between states of welfare between 2008 and 2014.

<sup>8</sup> OECD, 2017

<sup>9</sup> ADB, 2014

<sup>10</sup> OECD, 2017

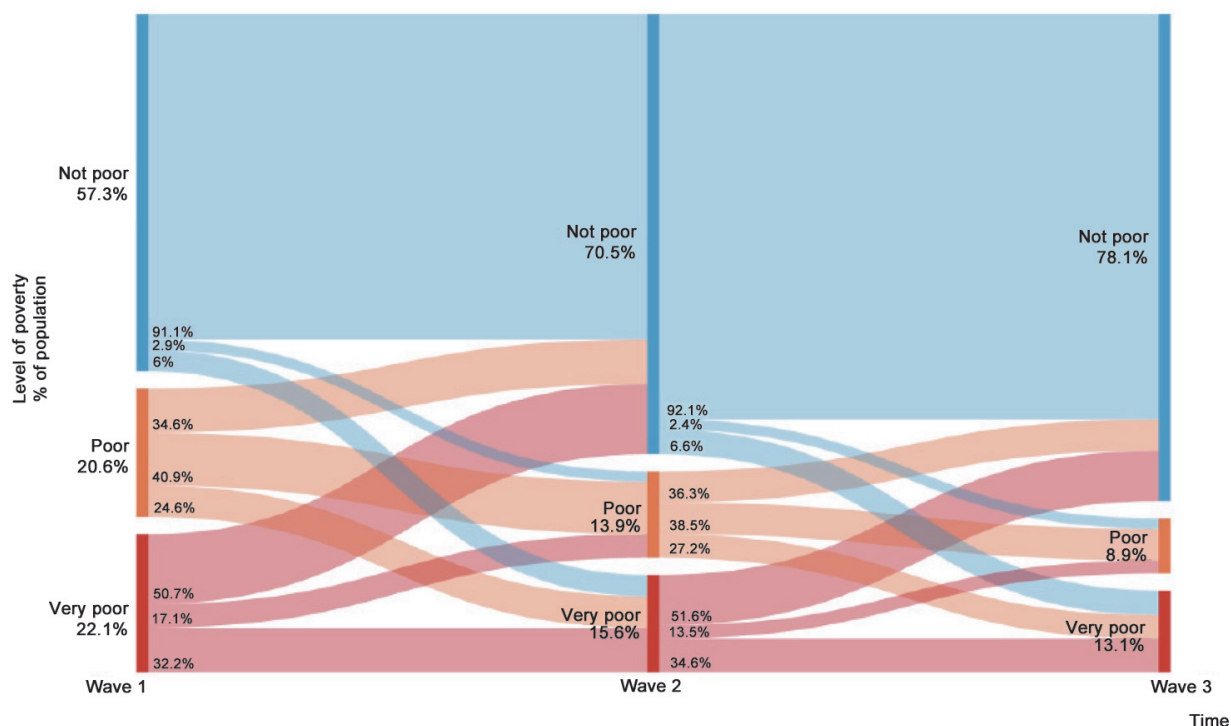
<sup>11</sup> Bullen, D. and S. Corita, 2012

<sup>12</sup> ADB, 2014

<sup>13</sup> World Bank, 2014a

<sup>14</sup> Kwauk, C. and Braga, A., 2017

**Figure 1. IDPoor analysis of movement in and out of poverty**



Source: OECD, 2017

**This depiction of the high levels of transitioning in and out of poverty is a strong argument for developing a shock-responsive component within the social protection system.** This could follow a system building approach of intensifying the roll out of the NSPPF and foreseen ‘regular’ social protection programmes, and progressively building to a shock-responsive social protection system in Cambodia. By using social protection programmes to flex early within a specified range in response to a shock, this relatively small early response, can have a greater impact than more spent once a crisis is full blown. If coordinated with other DRM and development interventions, it can help prevent backsliding into poverty because of covariate type shocks.

**One of the main threats to sustained economic growth and human development is the high exposure of Cambodia to natural hazards.** Regular hazards include storms, floods, cyclones, droughts, landslides, salination, sea water intrusion, and. More than 200 million people were affected by disasters in the region between 2000 and 2015.<sup>15</sup> The 2017 World Risk Report ranks seven of the 10

ASEAN countries are either ‘very highly’ or ‘highly’ exposed to natural hazards with Cambodia ranked 8<sup>th</sup> globally in terms of overall risk.

**Flooding usually occurs between August and October and floods are divided into two categories-** those due to the overflow of the Mekong River and the Tonle Sap Lake and flash floods caused by rain in the mountains. Mekong River floods are most common in Stung Treng, Kratie, Kampong Cham, Prey Veng, Svay Rieng, Kandal, and Takeo. Meanwhile, flash flooding occurs in Kandal, Kampong Speu, Kampot, Pursat, Battambang, Kampong Chhnang, Rattanakiri, Preah Vihear, and Otdor Meanchey.

**Significant flooding with widespread damage is thought to happen every 5 years.** According to the NCDM, due to one of the worst floods in Cambodia’s history, in the year 2000, 750,618 families had to be evacuated from their homes and of the 347 reported deaths, 80 percent were children.<sup>16</sup>

<sup>15</sup> Babel, M.S., 2016

<sup>16</sup> NCDM and MoP, 2008

**Drought is caused by a delay of the seasonal rains or an early end to the rains and usually occurs between December and May.** A total of 270 of 1,621 communes are identified as drought prone.<sup>17</sup> These droughts impact on rural livelihoods as they curb rice and vegetable production and community water and sanitation. The 2016 drought resulted in water shortages affecting both human consumption and agricultural production with an estimated 260,000 households required water deliveries.<sup>18</sup>

### 3.1. Overview and analysis of national social protection and DRM systems

#### 3.1.1. Policy frameworks

**The National Social Protection Policy Framework (NSPPF), adopted in 2017, sets out the plan for a more financially stable future for Cambodian citizens.** The policy outlines existing programmes and identifies ways in which they should be enhanced while proposing new programmes in an effort to widen social protection coverage to all those who need it.

**The Framework covers both social assistance and social security.** Social assistance refers to the non-contributory schemes aimed at protecting the poor and vulnerable. These programmes are broken down further into four categories: emergency response, human capital development, vocational training and welfare provision to the most vulnerable people. On the other hand, social security refers to schemes for workers including: pensions, health insurance, work injury insurance, unemployment insurance and disability insurance.

**The Cambodia Climate Change Strategic Plan 2013-2023 (CCCSP) established steps towards making Cambodia more resilient against the effects of climate change and the disasters that it exacerbates.** It aims to ensure that ministries engage in disaster risk reduction by developing their own climate change action plans, utilising climate resilient infrastructure and climate early warning systems.

**The Law on Disaster Management of 2015 establishes the National Committee for Disaster Management (NCDM) as the leading state body to coordinate disaster management and response.** Through the NCDM, the Act promotes prevention, adaptation and mitigation in the pre-disaster period, emergency response during the disaster and recovery in the post-disaster period. Alongside the DM Law, the National Action Plan for Disaster Risk Reduction (NAP-DRR) of 2014-2018 which emerged out of the Strategic National Action Plan for Disaster Risk Reduction 2008-2013 (SNAP), is a strategy for implementing the Hyogo Framework for Action. Its aim is to build community resilience to disasters in an effort to create sustainable development by building the capacity of DM institutions, improving risk assessment and eliminating these risks, enhancing EWS as well as response and recovery systems.

#### 3.1.2. Social protection

**The NSPPF outlines a foundation for building stronger social protection systems in Cambodia which will require additional resources and support to realize.** Social assistance programmes in particular have benefited from substantial donor assistance in the past. However, the RGC is gradually scaling up and assuming greater financial responsibility.

**Cambodia's largest social assistance programmes are focused on human development and emergency response.** Programmes to support the development of Cambodia's children are at the centre of its social assistance provision. These include school scholarships run on an unconditional basis implemented in certain regions, to children in certain grades; and maternal and child health and nutrition schemes, and School Meal Programme. Emergency response includes the food aid based Emergency Food Assistance Project (EFAP) in response to the 2008 financial crisis which eventually was extended to include cash and food for work programmes, the establishment of the Cambodia Food Reserve System (FRS), amongst others.

<sup>17</sup> CFEDMHA, 2014

<sup>18</sup> Caritas Cambodia, 2016

**Table 2. Overview of social assistance programmes in Cambodia**

Name	Type of transfer	Target group	Coverage	Remarks
Emergency Food Assistance Project (EFAP)	Food	Food insecure households: IDPoor 1 and 2 affected by food price crisis	<ul style="list-style-type: none"> <li>Beneficiaries: 500,000</li> <li>Provinces: 10</li> <li>Districts: 50</li> <li>Communes: 200</li> </ul>	<ul style="list-style-type: none"> <li>Executing Agencies: MEF; Implementing agencies: MRD, MAFF, MoWRAM, NCDM, MoC, MoEYS and MoWA.</li> <li>Year: 2008-2012 (Phase I), and 2012-2015 (Phase II)</li> </ul>
Food Reserve System (FRS)	Food	Food insecure households affected by natural disasters	<ul style="list-style-type: none"> <li>Nationwide</li> </ul>	<ul style="list-style-type: none"> <li>Committee led by MEF with members from NCDM, OCM, MoI, MRD, MoC, MAFF and CRC</li> </ul>
Social interventions for emergency and relief	Food	Households affected by natural disaster and other vulnerabilities	<ul style="list-style-type: none"> <li>Provinces: 15 (provinces prone to natural disasters)</li> <li>Beneficiaries: 47,275 households (mostly from southeast and northwest provinces)</li> </ul>	<ul style="list-style-type: none"> <li>Public budget</li> <li>Implemented by Ministry of Social Affairs, Veteran, and Youth Rehabilitation</li> <li>Year 2017</li> </ul>
Cash-for-work programme	Cash; on average USD 5/work day	Food insecure households affected by natural disasters	Beneficiaries: 19,209 Provinces: 12	<ul style="list-style-type: none"> <li>Executing Agencies: MEF; Implementing agencies: MRD, MoWRAM and EDC</li> </ul>
Reducing the vulnerability of rural Cambodian livelihoods through enhanced sub-national climate change planning	Cash	Poor households	<ul style="list-style-type: none"> <li>Provinces: 2</li> <li>Beneficiaries: close to 15,000, about 4,000 of whom are poor/vulnerable women</li> </ul>	
NOURISH Mother/Child nutrition cash transfer incentive for health	Cash	Pregnant women and U2 children	<ul style="list-style-type: none"> <li>Provinces: 3</li> <li>Villages: 565</li> <li>Beneficiaries: 300,000</li> </ul>	<ul style="list-style-type: none"> <li>Executing agency: Save the Children</li> <li>Year: 2014-2019</li> </ul>
Primary school scholarship for students from poor households	Cash (USD60)	Students from Grade 4-6 from IDPoor	<ul style="list-style-type: none"> <li>Schools: 4,611</li> <li>Students: 96,507</li> </ul>	<ul style="list-style-type: none"> <li>Public budget</li> <li>Executing Agency: Ministry of Education Youth and Sports</li> <li>Year 2018</li> </ul>
Primary school food scholarship for students from poor households	Cash	Students from Grade 4-6 from IDPoor	<ul style="list-style-type: none"> <li>Schools: 260</li> <li>Students: 4,600</li> </ul>	<ul style="list-style-type: none"> <li>WFP supports</li> <li>Year 2018</li> <li>Executing Agency: Ministry of Education Youth and Sports</li> </ul>
Primary school food scholarship for students from poor households	Food (100 kg of rice, soybean, and oil)	Students from Grade 4-6 from IDPoor	<ul style="list-style-type: none"> <li>Schools: 444</li> <li>Students: 8,414</li> </ul>	<ul style="list-style-type: none"> <li>WFP supports</li> <li>Year 2018</li> <li>Executing Agency: Ministry of Education Youth and Sports</li> </ul>
Scholarship for vulnerable students	Cash (with equivalent to food scholarship)	Students from Grade 1-6	<ul style="list-style-type: none"> <li>Students: 2,325</li> </ul>	<ul style="list-style-type: none"> <li>Child Fund supports and New Generation School scheme</li> <li>Executing Agency: Ministry of Education Youth and Sports</li> </ul>
Primary school scholarship for students from poor households	Cash (USD60)	Students from Grade 1-3 from IDPoor	<ul style="list-style-type: none"> <li>Students: 5,000</li> <li>7 Provinces: Tbong Khmum, Kratie, Preah Vihear, Uddor Meanchey, Koh Kong, Mondul Kiri, Pailin</li> </ul>	<ul style="list-style-type: none"> <li>Public budget</li> <li>Executing Agency: Ministry of Education Youth and Sports</li> <li>Year 2018</li> </ul>

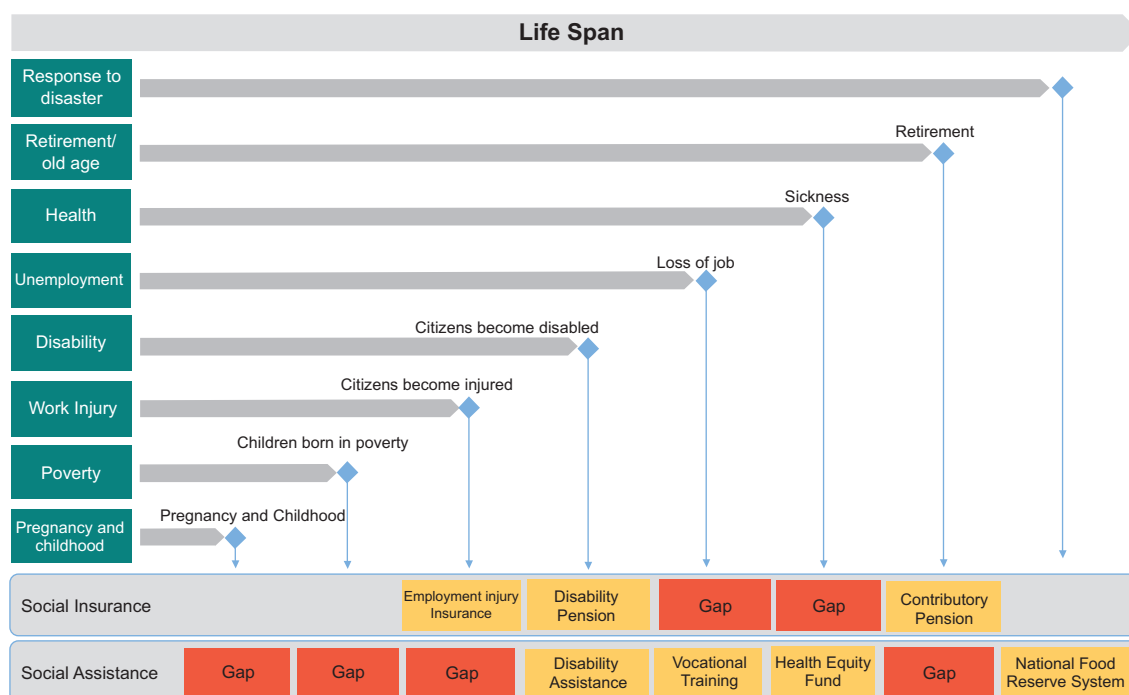
**Table 2. (continued)**

Name	Type of transfer	Target group	Coverage	Remarks
School Meals Programme	Breakfast, (USD0.16 per meal, 200 meal per year)	All students, in 9 provinces, food-insecure areas	<ul style="list-style-type: none"> <li>Schools: 1,177 (89 schools is under the model of home-grown school meal)</li> <li>Students: 288,987</li> </ul>	<ul style="list-style-type: none"> <li>WFP supports</li> <li>Executing Agency: Ministry of Education Youth and Sports</li> <li>Year 2018</li> </ul>
Cash scholarship to categorically poor students	Cash (USD60)	Students with categorically poor (IDPoor, overage, handicap, ethnic minority, street children)	<ul style="list-style-type: none"> <li>Students: 22,878</li> <li>Provinces: 21</li> </ul>	<ul style="list-style-type: none"> <li>Action Aid</li> <li>"Education Opportunities for Less-Opportunity Children" programme</li> <li>Aimed at 50,000 beneficiaries</li> <li>Executing Agency: Ministry of Education Youth and Sports</li> <li>Year 2017</li> </ul>
Lunch Programme	Lunch	Students and teachers in Kampong Chhnang province	<ul style="list-style-type: none"> <li>Students: 20,000</li> <li>Province: Kampong Chhnang</li> <li>With specific 2,474 students receive food scholarship</li> </ul>	<ul style="list-style-type: none"> <li>USDA support "Food for Education" programme</li> <li>Executing Agency: Ministry of Education Youth and Sports</li> <li>Year 2017</li> </ul>
Lower-secondary school scholarship for students from poor households	Cash (USD90)	Students from Grade 7-9 from IDPoor	<ul style="list-style-type: none"> <li>Students: 69,514</li> <li>Schools: 809</li> </ul>	<ul style="list-style-type: none"> <li>Public budget</li> <li>Executing Agency: Ministry of Education Youth and Sports</li> <li>Year 2017</li> </ul>
Upper-secondary school scholarship for students from poor households	Cash (USD90)	Students from Grade 9-12 from IDPoor	<ul style="list-style-type: none"> <li>Students: 3,600</li> <li>Schools: 120</li> </ul>	<ul style="list-style-type: none"> <li>Public budget</li> <li>Executing Agency: Ministry of Education Youth and Sports</li> <li>Year 2017</li> </ul>
Various schemes of donor-supported secondary school scholarship programmes	Cash (varied, around USD60-90)	Ethnic minorities, street children	<ul style="list-style-type: none"> <li>Students: 1,000</li> </ul>	<ul style="list-style-type: none"> <li>Supported by UNICEF, Mekong d'Enfant...</li> <li>Year 2017</li> </ul>
Vocational training programme	TVET for poor adults, with second chance education	Youth TVET, on various subjects	<ul style="list-style-type: none"> <li>Youth: 43,195</li> </ul>	<ul style="list-style-type: none"> <li>ADB and public budget</li> <li>Executing Agency: Ministry of Labour and Vocational Training</li> <li>Year 2016</li> </ul>
Allowance for people with disabilities in community	Cash (USD5 per month)	People with disabilities from IDPoor, with medical test	<ul style="list-style-type: none"> <li>Provinces: (2) Tbong Khmum, Pailin</li> </ul>	<ul style="list-style-type: none"> <li>Public budget</li> <li>Executing Agency: Ministry of Social Affair, Veteran, and Youth Rehabilitation</li> <li>Year 2018</li> </ul>

Adapted from: OECD (2017), World Bank (2018), Social Protection Mapping (2018) and Annual Report of Ministry of Education, Youth and Sport (2017, 2018), Ministry of Social Affair, Veteran, and Youth Rehabilitation (2017, 2018), and Ministry of Labour and Vocational Training (2016)



**Figure 2. Overview of social protection gaps**



Source: FAO, 2018

**Increasing the breadth of social assistance remains a challenge.** Social assistance is in a nascent stage of development in Cambodia, with relatively limited scope and coverage for the poor, leaving them vulnerable to shocks. Although the NSPPF sets out plans for expansion, the current makeup of the social protection system is geographically fragmented and involves many small programmes implemented by different agencies and actors. The limited reach of these programmes and their lack of a coherent structure hinders their capacity to have any real impact on reducing levels of poverty and vulnerability on a macro scale. However, there is a national cash transfer programme currently under development with an ambition to eventually rollout on a national scale based on experience from the pilot process.

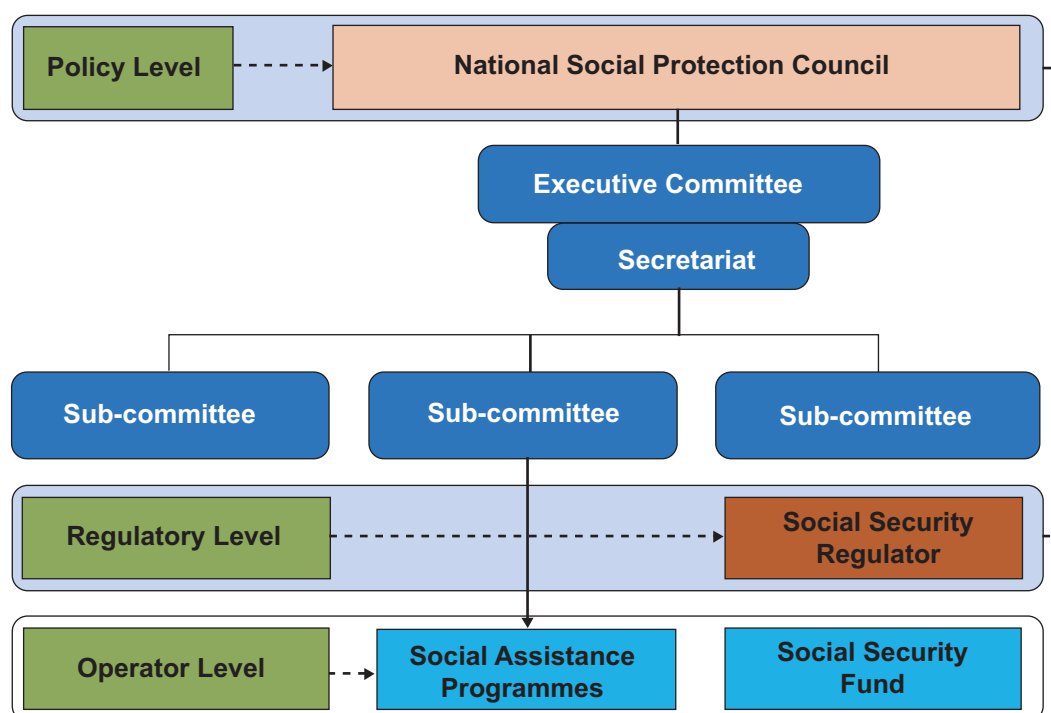
**Social protection initiatives are spread across various government institutions.** The absence of a unified structure has proved to be challenging as it has led to gaps in coverage in some areas and duplication of efforts in others, therefore limiting the overall impacts of programmes. Furthermore, the lack of a defined mechanism in place to monitor the progress and impacts of these interventions, is an additional complication for the development of further programmes and policies.

**The Royal Government of Cambodia recognises the difficulties posed by its institutional structure and has consequently outlined a new structure which aims to support a more integrated approach with defined responsibilities within the social protection framework.** At the head is the National Social Protection Council which is responsible for high level decision making on policies and strategies. It is made up of focal points from government ministries and institutions. At the regulatory level, there is a plan to develop a Social Security Regulator which ensures that the schemes are financially sustainable and transparent. This plan includes developing a Social Assistance Fund to specifically deal with cash transfers and to provide one mechanism for the disbursement of funds. The Fund also aims to ensure coherent social assistance delivery by coordinating member registration systems. The Social Security Operator is another component of the new framework and absorbs all of the social security institutions into one. It manages all of the schemes such as old aged pensions and disability benefits for workers.<sup>19</sup>

**The Health Equity Fund is Cambodia's largest social protection programme.** The initiative offers health services free of charge to at least two million poor Cambodians, with one study indicating that it

<sup>19</sup> FAO, 2018

**Figure 3. The institutional architecture of social protection in Cambodia**



Source: National Social Protection Policy Framework (2016-2025)

has reduced out of pocket spending on health by 35 percent.<sup>20</sup>

**The Health Equity Fund has made impressive strides in improving its coverage.** It has the most widespread coverage of any social protection programme and is most commonly used by the poorest. In rural areas, where poverty is most prevalent, and where households are more likely to experience catastrophic out-of-pocket health expenditure, 9.2 percent of households reported access to the scheme. Overall, 8.3 percent of Cambodians were able to access free or subsidized health care in 2014.<sup>21</sup>

**Although there has been progress in the provision of social health protection, the current social protection system leaves many vulnerable groups at risk of poverty and multiple deprivations due to large gaps in provision.** Despite being highlighted in the NSPPF there remains no nationwide cash transfer programme for the elderly, the disabled, mothers of children under 5, or pregnant and breastfeeding women. Scholarships and school feeding for poor primary and secondary school children are also not offered nationwide contributing to low enrolment rates of

40 percent for lower secondary and an even lower 20 percent for upper secondary. These enrolment rates are an indication of the high costs associated with attendance such as a loss of labour income and the cost of schooling.<sup>22</sup>

**Cash transfer social protection programmes are at an early stage of development in Cambodia marked by a number of encouraging schemes in various stages of development.** Each of these has different implementors and different sources of finance. There is currently no single, nationwide cash transfer for any group. However, the policy environment is very conducive and the use of cash transfers is prominent in the Social Protection Framework. The main schemes to date are:

- **Council for Agricultural and Rural Development (CARD) (UNICEF supported):** A pilot programme with similar objectives to NOURISH, UNICEF's conditional cash transfer pilot project for mothers and children started in 2014 in collaboration with CARD, in an effort to improve childhood nutrition and health. It was also an attempt by the government to trial a cash transfer programme with UNICEF's financial and technical backing

<sup>20</sup> Flores, G. et al. 2013

<sup>21</sup> OECD, 2017

<sup>22</sup> OECD, 2017



in 8 communes in Prasat Bakong District. It has targeted approximately 1,300 pregnant women who are either registered as IDPoor 1 and 2 or identified by their commune chief as needy. Women on the scheme receive a basic transfer of USD 5 per month per individual woman & child and a bonus transfer upon completion of co-responsibilities. These include their attendance at check-ups, health and nutrition education sessions, growth monitoring and vaccination appointments, pre-natal and post-natal check-ups and their agreement to an institutional delivery.<sup>23</sup>

- **USAID/Save the Children (NOURISH):** In an effort to reduce stunting, NOURISH (2014-2019), a programme run by Save the Children and funded by USAID, provides cash incentives to mothers for the first 1,000 days of their children's lives from pregnancy until the age of two. Rolled out in 2014 in Siem Reap, Battambang and Pursat, NOURISH cash transfers are contingent on participants' engagement with health and nutrition services—ultimately encouraging behavioural changes related to health and WASH practices. In order to qualify, beneficiaries must be identified as IDPoor 1 or 2 pregnant women and mothers of children under two and are enrolled by Commune Councils for Women and Children as well as village chiefs. Alongside the CCTs, the programme also trains village health support groups (VHSG) to deliver guidance on nutrition and to support growth monitoring and promotion. Health workers and VHSG members report on those beneficiaries who have met the requirements for the CCTs and these results are reviewed by the Commune Council before cash transfers can be sent to beneficiaries' accounts. In August 2017 the project had reached 26,000 beneficiaries in 565 villages.<sup>24</sup>

- **National Committee for Democratic Development Secretariat (NCDDS), (World Bank supported):** The NCDDS Cash Transfer programme set out to encourage pregnant women and households with children under 5 to utilize health services by providing cash incentives. Running from 2014-2016, the programme which was funded by the Department of Foreign Affairs and Trade of Australia (DFAT), reached 1,589 households in Siem Reap province and Banteay Meanchey province. In conjunction with RGC, which was responsible for coordination and implementation of the pilot, women received 5 USD per month through microfinance institution AMK or an NGO, if they meet the co-responsibilities of the initiative <https://www.unicef.org/cambodia/2018-04-30-Formative-Evaluation-Cash-Pilot-Volume-I.pdf>Racha. These co-responsibilities included attending regular health care visits and community based education classes. Participants were targeted using the IDPoor database. An impact evaluation for this project is forthcoming.<sup>25</sup>

**None of the existing cash transfer or social protection programmes have been designed to scale up for emergency response.** The issue of scaling up existing programmes is an important issue to consider in the design process. However, caution must be taken to ensure that this is done in a measured phased approach that takes into account the maturity of the programmes, the capacity and resources required, and that it does not compromise the functioning of the core social protection mandate.

**While some common operational modalities do exist for cash transfers, more coordination is needed.** All cash transfer programmes in Cambodia use microfinance institutions, namely AMK, to pay their beneficiaries. The World Bank Cash Transfer programme, NOURISH, the UNICEF cash transfer pilot supporting mothers and children and the RGC and WFP's Cash Scholarship programme all used AMK to disburse funds.<sup>26</sup> However, there is still

<sup>23</sup> <https://www.unicef.org/cambodia/2018-04-30-Formative-Evaluation-Cash-Pilot-Volume-I.pdf>

<sup>24</sup> Save the Children Cambodia, n.d.

<sup>25</sup> UNICEF, n.d.

<sup>26</sup> Ibid

a lack of a common overall methodology and operational modality for implementing cash transfer programmes. While room for innovation and different approaches is required, developing core common standards for RGC programmes is required.

**The Government plans to increase social protection coverage and is considering integrating support into a ‘Family Package’ approach starting with core transfer programmes.** The concept of a Family Package was introduced in the current National Social Protection Policy Framework. It is meant to bundle various cash transfer schemes into one combined transfer. This will initially include transfers targeted to pregnant women and children, the elderly, and people with disability who are within one household.

**Cambodia has the advantage of a core identification system used by both development and humanitarian actors.** The Identification of Poor Households Programme (IDPoor) is a system used to identify poor households for social services with the overarching aim of poverty reduction. Implemented by the Ministry of Planning, in 2011 the system became the RGC’s primary targeting mechanism through Sub Decree 291 which states that:

## BOX 1

### Sub Decree on the Identification of Poor Household(s)

“Relevant government ministries/institutions, non-governmental organizations and local communities may not identify poor households in areas where valid official data on poor households is available, or in areas where the Procedures for Identification of Poor Households are currently being implemented or are planned to be implemented” (RGC 2011)

*Sub Decree on the Identification of Poor Households)*

Source: RGC, 2011

**IDPoor has helped to shape the way that programmes are developed as it provides a standardized tool for classifying poverty for all interventions targeting the poor.** The selection of IDPoor beneficiaries happens every three years. At this time, village representatives are chosen to prepare a list of potential beneficiaries who they believe to meet the criteria. They then interview

potential candidates using a standard IDPoor questionnaire. This questionnaire assesses their ability to meet their basic needs including categories such as housing and sources of income. Once the interviews have been conducted the Village Representative Group meets to tally results and to classify villagers as IDPoor 1 (very poor), 2 (poor) or non-poor. This list is then posted in the village for feedback. Once revised, it is sent to the Commune Council for further verification. IDPoor 1 and 2 households are added to the IDPoor Database and given an Equity Access card which they can use to participate in social assistance programmes available in their area.<sup>27, 28</sup>

**Although there is no comprehensive social registry in Cambodia at present, the IDPoor is a useful starting point.** IDPoor data is currently used to feed into state and development partner interventions for the poor and vulnerable, enabling access to appropriate beneficiaries. According to the NSPPF, the IDPoor will be the source for the list of potential beneficiaries of different SP programmes in the future.

**While overall social protection coverage is low, some programmes are being tested and some have enough coverage to consider designing risk-informed flexible systems.** Considering how risk prone Cambodia is and the anticipation of increasing levels of shocks, it is prudent to explore how to design flexibility within social protection programming, and more broadly across the wider development spectrum.

### 3.1.3. Disaster risk management

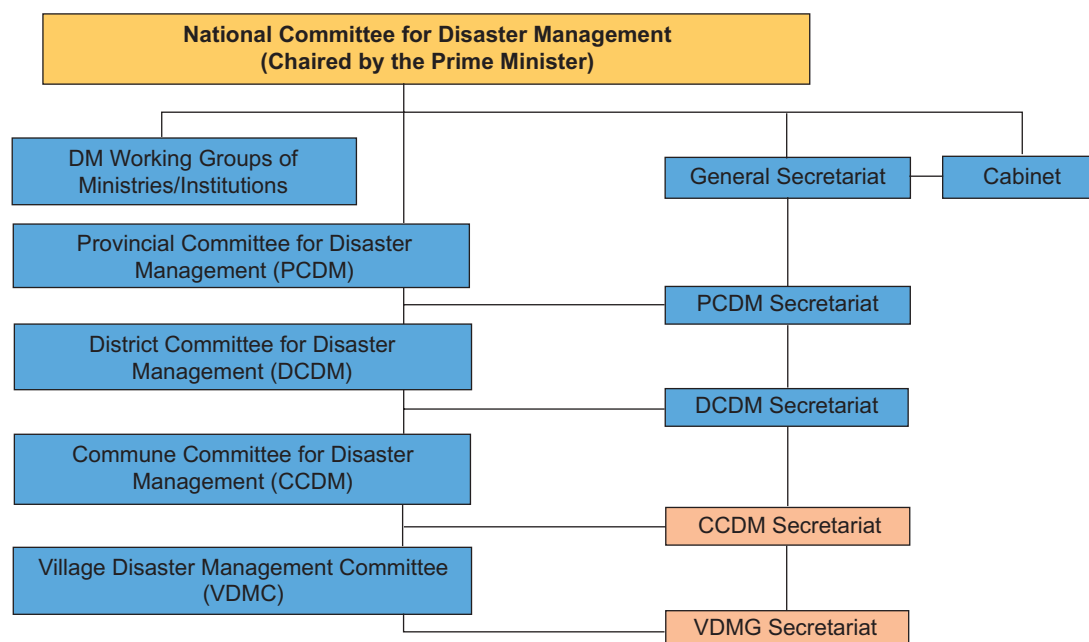
**The NCDM is the government body charged with facilitating and coordinating emergency response efforts and disaster management.** The Prime Minister chairs the NCDM while two senior ministers manage its affairs. At the national level, all ministries are members of the committee. As a result, they are responsible for developing contingency plans and appointing designated focal points for the NCDM. They are also relied upon for relief and recovery efforts in the event of an emergency by providing the NCDM with financial and technical support, equipment, materials, human resources.<sup>29</sup>

<sup>27</sup> OECD, 2017

<sup>28</sup> Chantum, C., n.d

<sup>29</sup> RGC, 2015

**Figure 4. Institutional framework of the NCDM**



The NCDM is further decentralised with the PCDM at the provincial level, DCDM at the district level, CCDM at the commune level. These committees are led by the heads of these regions. Subnational committees are tasked with data collection and reporting on emergencies.

**The Humanitarian Response Forum (HRF) is composed of primarily UN agencies and International NGOs** and has annually developed and updated an HRF Contingency Plan for particular disasters including droughts, floods, storms, and epidemics etc. This is meant to complement government efforts, especially while the EPRP system is being strengthened. However, although it is a key action document for its members, the plan is not well known amongst government actors nor local NGOs who work in the DRR sector.

Other relevant structures include:

- **The Joint Activities Group (JAG).** JAG is an informal civil society network for international NGOs actively engaged in Disaster Management and Disaster Risk Reduction in Cambodia. JAG is a forum to share information, promote best practices, and to plan and coordinate the DRR activities to which NGOs are giving priority. In the event of a disaster, JAG also acts as a coordinating body to link emergency coordination forums with the DRR actors in order to improve the response.

- **The Cambodia Humanitarian Forum (CHF)** was founded in 2012 to coordinate and promote capacity building in disaster management for local NGOs across the country.

**When the state is unable to meet the needs of the population following an emergency, the HRF Contingency Plan comes into play.** Similar to the NCDM, the HRF divides disasters into three categories, which determines the course of action to be taken. The least severe disasters are those where response efforts of most organizations are able to be carried out coordinated by the PCDMs and the HRF. For a more serious disaster, the NCDM is responsible for coordination. The HRF may step in to request funding from its donors and coordinate the response between HRF members, NCDM, the CRC and other stakeholders. For a level three disaster, the HRF focuses on expanding the capacity (human or otherwise) for their member organizations (see lessons from the El Niño drought below).<sup>30</sup>

**Preparedness planning is under-resourced and requires both financial support and political will to be effective.** Currently, the Government is encouraging their institutions to develop Emergency Preparedness and Response Plans (EPRP) at the

<sup>30</sup> HRF, 2017

national, provincial, and district levels. With support from INGOs and UN agencies, a number of ministries and provincial authorities have developed and updated EPRPs. Developing the government EPRP system is taking considerable time since there is a need for extensive consultation including coordination meetings and workshops as part of a more general capacity building effort targeted at government officers and government planners. The EPRP process does not at present include social protection although related issues are addressed such as the pre-identification and selection process of the beneficiaries which target IDPoor household families. However, even with EPRPs in place, there are a number of barriers to implement these plans including the lack of funding and human resources. A strong prioritization of this issue amongst the leadership will help to address these challenges.

### 3.1.4. Early warning system

**The Department of Meteorology (DOM) within the Ministry of Water Resources and Meteorology (MOWRAM) is responsible for disseminating forecasts and warnings to the relevant government ministries and to the citizenry at large.** The EWS focuses on monitoring and reporting on weather based hazards (primarily typhoons) and flooding.

- Typhoon detection, weather warning, and weather forecasts are monitored, analyzed, and disseminated through DOM which interprets data from 33 automatic agro-meteorological weather stations. MOWRAM conducts a monthly study that monitors the El Niño Southern Oscillation within Cambodia. Weather predictions are determined through internet searches mostly within Thailand and from provincial data. During the El Niño, forecasting relies heavily upon the Southern Oscillation Index as a model for temperature.
- Flood forecasting/predictions are based on a series of hydrological stations around the Mekong Delta, Bassac, and Tonle Sap River. These stations are maintained by the Department of Hydrology and River Works (DHRW) and MoWRAM. The data received from these stations enables DOM to predict three days of water level rise/fall. The information is transmitted daily to the Department of Hydrology and the Mekong

River Commission Secretariat (MRCS) in Phnom Penh. The MRCS sends water level forecast to the DHRW, which also prepares its own water level prediction within a three day parameter that is based on local models and experience.

- Flood warnings are issued to the public as a Flood Advisory or a Flood Warning. A Flood Advisory is when a flood is imminent and likely with recommended actions. A Flood Warning is issued when the flood is expected to occur within 24 hours.<sup>31</sup>

In the event of an impending disaster the DOM releases a warning to MOWRAM which is then relayed to the Prime Minister. A warning is also sent to the NCDM, NGOs and the Ministry of Interior. Furthermore, the Minister of MOWRAM and/or a representative of the DOM warn the public through announcements on the television and radio (DOM, 2014).

**The EWS produces a series of forecasts that are weather based.** DOM produces 4 kinds of forecast including 'now-casting', 3-day forecasting (updated on a daily basis), seasonal forecasting (3 months), and annual forecasting. Besides these forecasts, MOWRAM has different types of announcements, especially for severe weather situations such as heavy rainfall, heat wave, and/or storm surges. Every year, MOWRAM releases seasonal weather forecasts including precipitation, maximum and minimum temperature.

For forecasting, DOM reports to MOWRAM and releases information directly to the public through social media, currently Facebook, and mass media including TV, Radio, and e-newspapers. In the case of an urgent warning, DOM provides an announcement to MOWRAM, and then MOWRAM reports to the Prime Minister. The Minister of MOWRAM and/or the Director of DOM make live announcements of warning on television and radio stations. At the same time DOM sends the warning to NCDM, to Ministry of Interior, and to local authorities and non-governmental organizations (NGOs). The Minister of MOWRAM is the one who authorizes and signs off on all warnings.<sup>32</sup>

<sup>31</sup> Humayun, S. and Picard, M. 2017

<sup>32</sup> DOM, 2014

**Although improvements have been made in recent years, challenges remain for the EWS.**

One of the most significant of these challenges is the limited range of hazards for which warnings are given, and the relatively limited number of indicators that are monitored. The EWS in Cambodia is currently best equipped to respond to sudden onset disasters such as typhoons and floods. However, it lacks the means and methods to effectively monitor drought dynamics beyond weather based information. The system for communicating warnings could also be improved to enable communities to have more time to take the necessary precautions. In 2009 for instance, communes in Kampong Thom, Ratanak Kiri, and Siem Reap were not made aware of the imminent threat of Typhoon Ketsana, thereby exacerbating the damage caused.<sup>33</sup>

**Disaster response in Cambodia is largely ex-post, signalling the need to strengthen the early warning and response systems.** The constitution states that the King alone can declare a national state of emergency. The DM Law outlines that once a state of emergency has been declared, the NCDM

must take action to initiate disaster response proceedings. However, it is rare for a state of emergency to be called on the national level. On a subnational level, the law allows districts and communes to declare a disaster within their area. The Law on Disaster Management defines a State of Emergency as being beyond the capability of the local authorities. A Governor may recommend that a municipality or province should be declared a State of Emergency if a series of conditions are shown that all relate to ex-post destruction (e.g. at least thirty percent of the municipality or provincial population have their residence destroyed and are in immediate need of assistance, a significant means of livelihood i.e. fishing boats, vehicles, and such are destroyed, etc.). However, in practice this can inhibit earlier responses as officials wait for the official emergency declaration before responding – this can lead to a response gap between acknowledgement of the problem and action. There is an opportunity to use social protection to respond earlier before an emergency is declared. In this regard, it is useful to look at the experience of the last El Niño drought.

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<sup>33</sup> Ibid

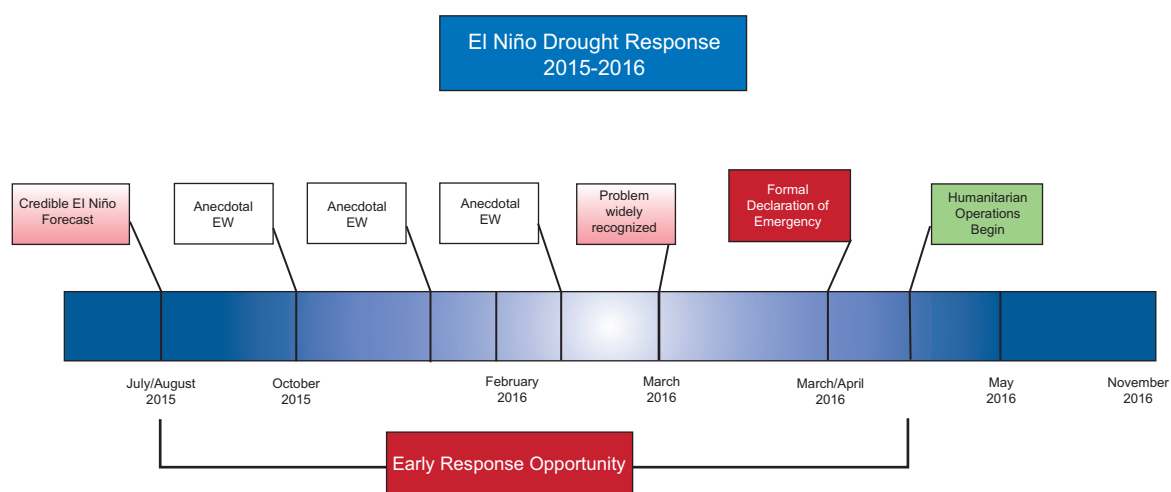


### Experience from the El Niño drought response of 2015/16 points to an early response opportunity to intervene early by scaling up existing programmes including social protection.

In previous disasters, the government's reluctance to acknowledge that a drought was taking place led to a delay in a full scale emergency response resulting in damaging effects on livelihoods, livestock and crops. During the 2015-2016 drought for example, the RGC did not launch its response efforts until April 2016, despite reports of a drought since September of the previous year. The following graphic details the stages of the crisis and when the humanitarian response began:

- The first credible El Niño forecast was issued in July/August of 2015.
- Several anecdotal reports followed from the lower administrative levels and operational agencies that pointed to localized stress and drought conditions starting in September.
- By March 2016, there was widespread acknowledgement of a problem by the government and the humanitarian community.
- In April 2016 the Royal Government of Cambodia declared that 18 of Cambodia's 25 provinces have been severely affected by drought, impacting 2.5 million people. The humanitarian response geared up in April/May 2016 and while effective, the opportunity for early response was missed.

**Figure 5. Lessons from the El Niño drought 2015-2016**



**The current EWS does not cover risk and vulnerability analysis (RVA).** Risks arise from the combination of hazards and vulnerabilities at a particular location. Assessments of risk require systematic collection and analysis of data and should consider the dynamic nature of hazards and vulnerabilities that arise from processes such as urbanization, rural land-use change, environmental degradation and climate change. Risk assessments and maps help to motivate people, prioritise early warning system needs and guide preparations for

disaster prevention and responses.<sup>34</sup> At present, there is no analysis that shows how government decisions relating to disasters are informed by an understanding of household risk and vulnerability, if at all. Government decisions appear to be made based on hazard monitoring rather than any modelling of which households have which vulnerability to which shock where and to what degree.

<sup>34</sup> ISDR, 2006

**There are no current linkages between the EWS and the social protection programmes,** nor is there a system to link development interventions to early response. Consequently, there are no provisions to releasing financing early to support disaster-affected households and no predictive analysis of how hazards may impact on livelihoods. Rather, the emphasis is on providing alerts to save lives once a high ‘danger’ threshold is met; there is no local level use of the information prior to an alert. To be most useful for an early social protection response, a system is needed that predicts the different impacts felt by different households in different wealth groups in different livelihood areas affected by different hazards.

**Early action is hampered by a lack of an established system of triggers for major shocks such as floods and drought, and a limited weather based forecasting system.** While floods have been categorized according to severity, work still remains to align the categories with levels of response. The current categorization of severity for floods and drought are:

- **Floods:** The NCDM divides floods into three categories according to their level of severity. The first category is a flooding event in which up to 4 provinces, 500,000 people and 100,000 hectares of rice have been impacted and where up to 150,000 people need to be evacuated and 30 percent of those affected have no access to clean water. Category 3 is the most severe with more than 10 provinces, over 1,000,000 people and more than 50,000 hectares of rice impacted and requiring at least 150,000 people to be evacuated with 75 percent of those affected to having no access to clean water. The Chair of the NCDM, the Prime Minister, declares whether a flood falls into one of these categories.
- **Drought:** There are no established government thresholds or triggers for drought although several agencies are working on the issue. The HRF uses a categorization of the stages of drought and UNDP and a number of operational agencies are supporting further work on the issue. The greater use of remote sensing as the technology continues to rapidly advance has the potential to aid in this process.

These levels are linked to general directives to mobilize agencies and the general information needed to implement the contingency plan. Although these directives are aimed at coordination and operations rather than specifically triggering activities, the directive for Level 1 is relevant to scaling up social protection: “Expanded Programme areas. Organizations expand Sector based response into new areas which have been pre-agreed to cover gaps. Organizations may choose locations which are close to existing work, or places they would like to expand normal programming into, or may commit to working in areas simply because no-one is present there.”

While these categories have proven useful for developing a consensus on the severity of a flood in particular, more work should be done to refine the categories and to align them with clear triggers for response.

**The current EWS information covers the national and provincial levels. However, it is not disaggregated down to the community level; and it does not capture different geographical or climatic zones.** Communities must also have access to this information and be supported to take local action to complement other response efforts.

**EWS capacity is being strengthened, but more support is required.** There are a number of on-going initiatives in Cambodia working on early warning and DRM including the use of triggers:

- UNDP is assisting MOWRAM in setting up 24 automatic agro-meteorological stations (AMS) and 55 automatic hydrological stations (AHS) covering surface and ground water across the country and developing a weather information system that is able to analyse the data from the different stations and conduct hydrological modelling using the data from the weather and hydro stations allowing the real-time warning, based on the set-up threshold and hydrological modelling. The platform is also able to link other hydro-meteo data from EWS 1294, Mekong River Commission and other existing stations in Cambodia managed by MOWRAM.
- ECHO is funding a joint initiative by ActionAid, PIN, and DCA to develop a series of prototype tools and approaches to help Cambodian people, including



vulnerable urban population, prepare for droughts, floods and storm.

- Their initiatives include developing a mobile phone early warning system (EWS 1294) linked to solar power river gauges on key rivers to provide early warning to local communities of floods. The flood gauges provide real time reporting and can give an extra 72 hour advance notice of an impending flood. Not only will this help move people to higher ground, but the use of the river monitors could also be used to trigger an HEF response (see below). The 'detection layer' of this integrated system is able to be configured to provide automatic triggers for flood and storms. This could be a very solid basis for developing an automatic trigger for the HEF. Action Aid is also working on slow onset triggers and is experimenting with placing gauges in boreholes to monitor ground water levels. This also holds promise for a potential automatic trigger for slow onset disasters with a focus on drought.
- WFP's PRISM initiative<sup>35</sup> is recognized by the RGC as an important initiative to help compile and coordinate the many different data streams and to inform decision making. As part of this, WFP is working on automating early warning which aims to speed decision making and thus humanitarian response.
- The World Bank is developing a Flood Monitoring and Impact Assessment system (SEADRIF) for Cambodia, Lao PDR and Myanmar that aims to provide governments with rapid, reliable, and relevant information to make better risk-informed decisions before, during and in the aftermath of flooding. It also aims to link Cambodia to various Disaster Risk Finance Options including the international reinsurance markets. The technical approach proposed combines satellite-based monitoring, historical flood losses overlaid with meteorological and hydrological data, and flood simulation modelling. Such an approach to combine

modelled and observed flood information with exposure data can enhance the accuracy and efficacy of automatic flood triggers.

Collectively, these initiatives provide rich experience and technical inputs to help define clear triggers within a scalability framework for select social protection programmes.

### 3.1.5. Financing

**With social assistance programmes in Cambodia spread across a variety of institutions, funding for interventions is derived from a range of sources.** This makes total social protection spending in the country quite difficult to quantify but rough estimates indicate that in 2018 the figure was approximately 1.3 percent of the national budget.<sup>36</sup> In the 2018 budget social assistance programmes have been allocated the following:

- Health Equity Fund – USD26 million
- Kuntha Bopha hospital – USD15.6 million
- Cash transfer programmes for pregnant women and children – USD5 million
- Emergency food assistance – USD1.38 million
- Scholarship programme – USD12.48 million
- Vocational training programmes – USD12.94 million
- Cash allowances for the poor – USD0.53 million
- Cash allowances for the disabled – USD0.38 million
- Programmes for women's socio-economic development – USD1.3 million<sup>37</sup>

<sup>35</sup> See Loek, S., 2018 for a description of PRISM.

<sup>36</sup> Sann, V., 2018

<sup>37</sup> This analysis is extrapolated from the annual budget earmarked by the Ministry of Economic and Finance and does not include the share of the Development Budget. In some cases, if the specific programme is co-financed with Development Partners (e.g. Vocational training or TVET) in which case the Public Budget (PB) would go to administrative costs or supply side improvements. These figures do not include any underspends of the earmarked budgets.

**Designated funding for disaster management in Cambodia is very limited.** The NCDM which is the agency responsible for coordinating DM efforts, does not have funding for its operational activities. Instead, the only funding that it receives goes towards its administration costs. Thus, the onus for DM work falls on the NCDM members. However, ministries are not given any specific budget for these activities and are expected to reserve a portion of their annual budget for them. Sub national committees such as the PCDMs and CCDMs are also not allocated state funding for their work. As a consequence, development partners are heavily relied upon for such funding.<sup>38</sup>

**Cambodia's national budget also includes a \$115 million contingency budget controlled by Office of the Council of Ministers.** This is a general budget for any unplanned expenses so that while it can be used in the event of a disaster, it is not exclusively for emergencies. Due to the dearth of financial support for state institutions to engage in meaningful disaster management, there is a much greater concentration on responding to shocks than preparing for them, despite the overall economic gains to be had from preparedness.

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<sup>38</sup> Loek, S., 2018

## COMPONENTS OF RISK-INFORMED AND SHOCK-RESPONSIVE SOCIAL PROTECTION SYSTEMS

**Social protection programmes seek to help support and build the resilience of poor households; the same households that are most vulnerable to shocks.** By introducing risk-informed and shock-responsive components to those programmes, they can help to protect the lives and livelihoods of the poorest and the most vulnerable by quickly expanding existing social assistance programmes when shocks occur, thus ensuring that these households are protected. These components are built into the programme design so that when there is a shock, programmes are able to flex to meet the initial needs of the affected population in a timely manner to avoid further devastation.<sup>39</sup>

### Principles for Shock-Responsive Social Protection

- **Do no harm:** Ensure that initiatives do not damage the underlying social protection system and that beneficiaries are not worse off from receiving emergency support through a regular social protection system.
- **Leave no one behind.** Ensure that poor and all vulnerable groups are effectively reached by programmes and services.
- **Flexibility and simplicity:** Design assistance to be as simple, realistic and flexible as possible. Work to adapt the operational systems and processes that already exist rather than developing parallel approaches outside the regular social protection programme.
- **Prepare and respond early:** Disaster Risk Management (DRM) is a systematic approach to identifying, assessing and reducing the risks of disaster and includes a focus on preparedness planning.<sup>40</sup> Ensure that social protection ministries and programmes are included in preparedness processes.<sup>41</sup>
- **No regrets early response.** Because the poorest are targeted in most social assistance programmes, an earlier response is important even if the predicted shock does not occur. An response strengthens the poor's ability to cope with the shock, and they are able to bounce back better from the shock. But even if a shock does not materialize, the poor's resilience to the next drought will still be strengthened.
- **Align with humanitarian principles:** Align all responses with International Humanitarian Law and the principles of humanity, neutrality, impartiality and independence which are central to all emergency relief operations.

**There is an emerging consensus internationally about the ways that social protection programmes have, and can, prepare and respond to disasters.** Global experience, most recently documented in the DFID funded operational research guidelines conducted by OPM, suggests that there are five means of using social protection programmes to respond to disasters:

None of these categories are exclusive. That is, more than one approach can be used depending on the situation:

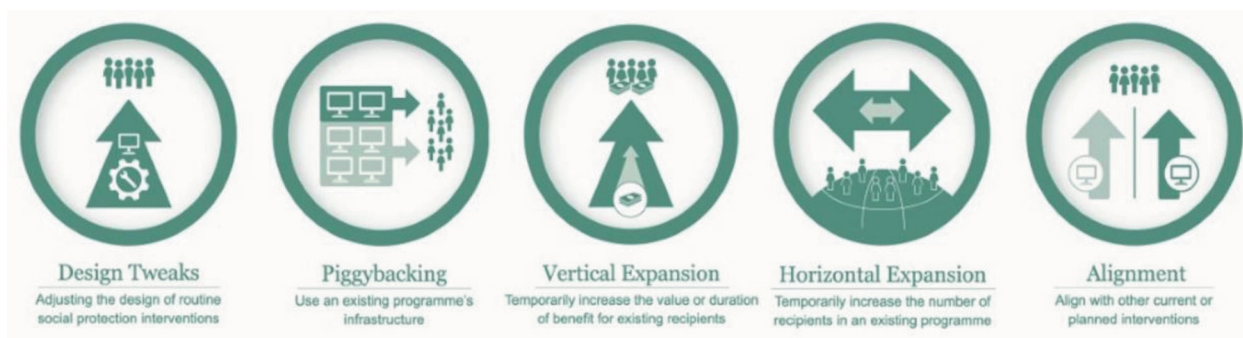
- **Design tweaking** involves adapting the design of existing social protection programmes on an ad hoc or on-going

<sup>39</sup> See Annex 2 for more details on this section.

<sup>40</sup> Preparedness planning (often referred to as contingency planning) is a process, in anticipation of potential crises, of developing strategies, arrangements and procedures to address the humanitarian needs of those adversely affected by crises (Choularton, R., 2007).

<sup>41</sup> ASEAN, 2018

Figure 5. Ways to adapt social protection programmes



Source: O'Brien et al., 2018a

basis, in order to temporarily ease administrative burdens and smooth delivery of the programme during a crisis.

- **Vertical scale-up** means increasing the benefit level of existing social protection programmes to existing social protection programme beneficiaries, so they can better cope with the shock;
- **Horizontal scale-up**, which means rapidly and temporarily enrolling new beneficiaries into existing social protection programmes, so they can better respond to the shock;
- **Piggy backing**, which means allowing humanitarian agencies to use the administration systems of existing social protection programmes, to minimize duplication and maximize efficiencies;
- **Alignment**, which means ensuring disaster-response agencies use the same social protection design parameters and operational modalities in emergency response programmes that run parallel to existing social protection programmes.

**Four core components should be built into the social protection systems.** This means that when there is a shock, select social protection programmes are able to rapidly expand to meet the initial needs of the affected households in a timely manner to avoid further devastation. To do this, adjustments should be made to information systems, delivery systems, coordination and capacity, and financing.

## Component 1: Information systems

**Socio-economic and disaster risk and vulnerability information systems play an important role in helping to identify which households should be identified after a shock and where.** Together they can be used to predict and plan appropriate programmatic responses to future events. The information systems can also be used to develop 'triggers' for when funds can be released, so that responses can be phased for different magnitude responses.

**When developing triggers, it is often necessary to differentiate between sudden-onset (e.g. flooding) and slow-onset disasters (e.g. drought)** as each can require a different approach to triggering action.<sup>42</sup> There are broadly two ways to use forecasting information to trigger early action:

### What is an Early Warning System?

An Early Warning System provides alerts regarding the predictability and severity of hazards. The information that could lead to an alert may come from the community, Government institutions, meteorological offices or other stakeholders. In best practice examples, an Early Warning System systematically integrates hazard monitoring, forecasting and prediction, disaster risk assessment, communication and preparedness activities, systems and processes. It alerts individuals, communities, governments, businesses and others to a hazardous event, allowing them to take timely action to reduce risks.

<sup>42</sup> ODI, 2018

- **Automatic triggers:** refers to the use of one (or more) scientific trigger(s) for action that do not require additional interpretation or discussion to lead to action.
- **Expert led triggers:** refers to combining available data with expert judgement. The set level of risk is again defined as thresholds (e.g. levels 1-3) and a range of trigger indicators are aligned with each threshold level. However, instead of triggering automatic action, the data is

discussed by a group of experts who interpret the data and decide if action is required.

**This information can be brought together in an overall framework to guide scalability.** Triggers can be aligned to a scale up of a social protection mechanism. The scale-up is up to a pre-defined level on the basis of the pre-identification of poor households.

**Figure 6. Drought scalability framework example<sup>43</sup>**

Geo-graphic Location	Trigger Vegetation Condition Index (VCI)		Drought Phase Equivalent	Maximum Coverage of HHs to receive CT	Amount of Transfer (2015-2016)	Frequency	Duration of Transfer
Sub-Country	≥50 And 35 to 50	Wet or No Drought	<b>1 Normal</b>	Routine HSNP HHs	Standard payment (5,100 Ksh)	Every 2 months	On-going
	20 to 35	Moderate Drought	<b>2 Alert</b>	Routine HSNP HHs	Standard payment (5,100 Ksh)	Every 2 months	On-going
				HHs beyond routine % <b>only if</b> another Sub-Country in the Country has hit the severe or extreme VCI threshold	Emergency payment (2,550 Ksh)	Every month	For each month VCI at severe drought status
	10 to 20	Severe Drought	<b>3 Alarm</b>	Routine HSNP HHs	Standard payment (5,100 Ksh)	Every 2 months	On-going
				HHs beyond routine up to approximately 50%+ Coverage in each Sub-Country	Emergency payment (2,550 Ksh)	Every month	For each month VCI at severe drought status
	<10	Extreme Drought	<b>4 Emergency</b>	Routine HSNP HHs	Standard payment (5,100 Ksh)	Every 2 months	On-going
				HHs beyond routine up to 75% Coverage in each Sub-Location	Emergency payment (2,550 Ksh)	Every month	For each month VCI at extreme drought status

## Component 2: Delivery systems

**Dynamic and flexible delivery systems are essential to risk-informed, shock-responsive social protection systems.** Delivery systems are the tools, processes and administrative means for identifying, enrolling, targeting, reaching and continually interacting with beneficiaries. Dynamic delivery systems are the tools and processes that the programme uses to quickly and easily provide support to beneficiaries in risk-prone areas (both *ex-ante* and *ex-post*).

## Component 3: Coordination and capacity

**Disaster Risk Management (DRM) and social protection institutions should work together to maximize their impact and avoid duplication of interventions.** When DRM and social protection partners are able to consent to a coordinated response effort during the design phase of their programmes, it strengthens their ability to combine their resources and support each other's interventions. Key to this coordinated response is a strong and robust contingency planning process that has political backing, and dedicated financing.

<sup>43</sup> HSNP, 2016



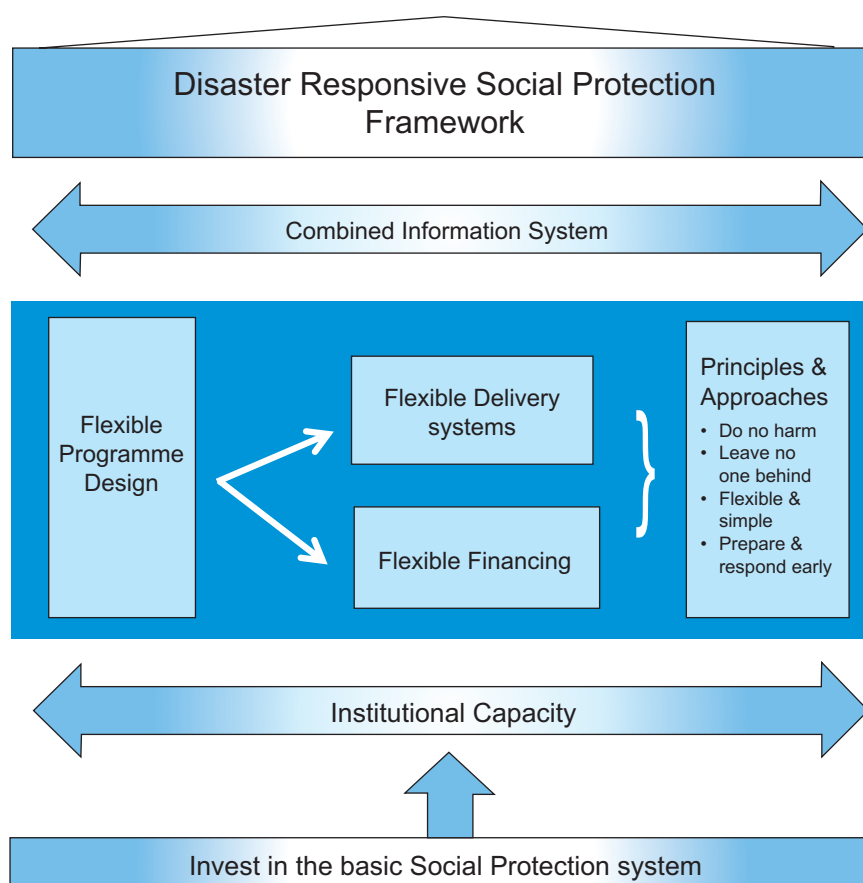
## Component 4: Financing

**Funding must be secured before a crisis in order to maximize the impact of the expansion of social protection programmes.** Mobilizing funds after a disaster strikes can slow down the response time, leaving the vulnerable without sufficient support at a time when they need it the most. Layering risks (separating risks into tiers) through different financing instruments means introducing instruments that finance responses for differing magnitudes of risk at different administrative levels. Risk-informed and shock-responsive social protection requires that

adequate financing be established and committed in advance, whether through current sources such as taxation, disaster insurance, emergency credit and/or contingency funds.

**There are a range of approaches to Disaster Risk Finance.** Within a country, this includes earmarking rapid response contingency funding within the national budgeting process and protecting it accordingly; budget safeguarding is key. Disaster Risk Finance can also involve arranging financing in advance from a range of other instruments. The most common instruments for accessing financing are summarized in Annex 5.

**Figure 7. Building blocks of disaster responsive social protection**



### 4.1. Timing and sequencing

The following is a general overview of the concepts of sequencing and integration.

#### Short term

**The overall goal of leveraging social protection for early response is to build a clear set of sequenced and scalable interventions that**

**provide early support before a humanitarian response is necessary.** This will facilitate a shift away from relying exclusively on the traditional humanitarian response operations or *ad hoc* responses. In the short term, the starting point for realizing this goal is create an explicit role for 1-2 social protection programmes to respond as early as possible to disasters. Planning, assessing and targeting between the 1-2 social protection programmes should be coherent and be aiming to

use common modalities where possible. Simple coordination between these programmes and others also operating in disaster contexts is critical for efficiency and effectiveness purposes.<sup>44</sup>

Using 1-2 programmes in this way, helps to ensure that there is a practical entry-point to understanding what being ‘risk-informed and shock-responsive’ means as well as understanding that there are efficiencies to be gained through using these programmes to respond. It also serves to build the body of experience-based knowledge necessary to integrate this into a system-wide approach – understanding the practical challenges and systemic constraints in transitioning from programmes to systems and identifying measures to overcome those constraints, at scale. In the short term, this means ensuring that existing social protection programmes can:

- prepare for how they respond to predictable hazards
- provide rapid support to households living in areas affected by disasters when they need it and in as predictable and cost-effective manner as possible. This also requires ensuring that households are aware of the range of benefits that they are entitled to, if a hazard becomes a disaster.

### Medium term

**In the medium term, the aim is to apply the experience from 1-2 social protection programmes to a wider range of social protection programmes that contribute to all aspects of the disaster risk cycle** (i.e. not just preparation and response phases, but also prevention, mitigation, recovery and rehabilitation) and build household resilience to disasters.

Expanding the suite of integrated programmes helps to further protect and maximize both the economic investment in social protection and the impact on households. For households with productive capacity and potential, this means ensuring that existing social protection efforts are complemented by:

- access to social services (health, education and WASH amongst others), and
- access to ‘productive’ services (financial literacy, access to credit, TVET and related skills/vocational training, income generation activity support, etc.) that provide pathways to stable and sustainable livelihoods and build resilience to shocks.

This requires ensuring that the household has access to a range of appropriate existing services and programmes and that the services are available. The expanded number of social protection programmes can help enable this. In addition, agreements to plan, assess and target together using common modalities should be established. A social registry that can then track access to the various programmes is an important element to ensure integration, and to avoid duplication and wasted resources.

### Moving to the Long term

**If the short and medium term is about designing and implementing shock-responsive approaches through programmes, the long term focus is on systems level development and the continued shift towards more integrated approaches to improve resilience outcomes.** This does not suggest that a systems-building focus should be left only to the long-term; building systems can, and should, start at the programme design stage. Systems building is however a longer-term effort – programmes are the quick means to deliver support and the starting point for building the necessary systems.

**The key features of an overall system framework should include:**

- A clear policy/procedural framework: adapting and/or strengthening structures, policies and procedures are the core of any risk-informed, shock-responsive system. All other elements ‘feed’ the structures, policies and procedures. On their own, all other elements are of limited value if effective structures, policies and procedures are not in place. The broad range of structures, policies and procedures required include:
  - clear linkages between early warning information, risk and vulnerability analysis with social protection data

<sup>44</sup> Although it is time and resource intensive, coordination is nonetheless a cornerstone of effective responses. Appreciating this is important, to ensure that appropriate capacity assessments are completed, and resources allocated accordingly.



- sets; and a consistent flow of feedback information between them
  - analytical capacity to make timely and informed decisions on the type, scope, scale, and geography of response
  - clear roles and responsibilities for decision making at the appropriate administrative level (e.g. commune level upwards)
  - supportive management processes and capacity
- Risk and vulnerability analysis is an important starting point to add value to:
  - early warning information
  - contingency planning processes
  - needs assessments (including post-disaster needs assessments).
- Timely and effective responses depend on effective funding mechanisms as well as the availability of funds. This means that resources must be available, timely, accessible and appropriate.
- The risk-informed shock-responsive social protection system is a chain and the principle of 'the weakest link' holds. Where one component is not delivering (e.g. poor decision-making), this cannot be remedied by increased investment in another component (e.g. improved technical risk and vulnerability analysis, or early warning). This is not to say all components need to be present and effective from the beginning of operations, but it is to say that investments in the various components need to be balanced (at least over time) and understood as part of a progression to system development.
- Over time, improvements will need to be made to the sequencing and integration of not only social protection programmes, but also the other essential social and productive services required to improve resilience outcomes.

# STRATEGIC OPTIONS FOR ADAPTING SELECT SOCIAL PROTECTION PROGRAMMES IN CAMBODIA

The following is series of overall option recommendations. A more detailed set of recommendations is included in Annex 3 for scaling up two social protection programmes: HEF and MCCT. These two options were chosen in consultation with delegates from the RGC and development partners at a consultation workshop in April 2018 and are meant to provide operational examples of how this could be achieved, and recommendations going forward. A separate roadmap document discusses the way forward for developing a shock-responsive social protection approach in Cambodia.

## 5.1. Overall option recommendations

### 5.1.1. Policy recommendations

**The current emergency section of the National Social Protection Policy Framework 2016-2025 refers exclusively to ex-post interventions – however social protection has a very important ex-ante function in responding to disasters under the National Disaster Management law framework.** By taking advantage of this capability , overall efforts to reduce and respond to the impact of disasters can be strengthened, and the overall financial burden for the government can be reduced.

#### *Excerpts from the Social Protection Policy Framework 2016-2025 (2017)*

##### *Section 2.1 – Emergency Responses*

##### *2.1.1. General Overview*

*Poor and vulnerable families are particularly exposed to the risks of climate change, e.g. floods, droughts or storms. Women and children of poor families are affected by these disasters when their properties are damaged, their job opportunities are lost, or they are cut off from social services. These crises regularly prevent poor families from getting out of poverty, push them back into poverty or make them even poorer.*

*Through the National Committee for Disaster Management, the Royal Government has been managing food supplies provided to poor families in times of crisis. In addition, the MEF initiated a food security programme aimed at poor and vulnerable citizens affected by the rise of food prices during a crisis. Under this programme, 16,000 tons of food, 3,000 tons of rice seeds and 50 tons of crop seeds are reserved.*

##### *2.1.2. Challenges*

*The existing mechanisms and programmes are not yet sufficient for dealing with potential crises. The main challenges are financial capacity development, institutional capacity and human resources in developing policies and programmes to serve as permanent mechanisms for dealing with crises.*

*Another challenge is the need for an effective coordination between humanitarian aid and social assistance system in order to identify most vulnerable people during a crisis.*

##### *2.1.3. Future Strategies and Goals*

*Institutional capacity and human resources are the two main areas to be improved to get ready for potential crises. The Royal Government will continue improving its national food reservation capacity.*

*The Royal Government will explore the possibility of developing a comprehensive database management system in order to correctly identify poor and vulnerable people by linking the system to the IDPoor system, which will then be transformed into a single registration system for poor and vulnerable people.*

Source: MoSVY, 2017

**During the next stage of policy development of the Social Protection Framework, an opportunity exists to broaden the current narrow emergency definition to include broader DRM concepts,** and to make social protection more risk-informed and shock-responsive. This would help address clearly articulated government policy priorities and international commitments. This could be included under a broader heading for the emergency section of the Social Protection Framework for the next phase of policy development into law, decrees and guidelines. For example, a new heading could be “Disaster Risk Management and Disaster Response”.

### 5.1.2. Information system recommendations

**Household-level information is key to the identification of who<sup>45</sup> should be targeted by disaster responsive social protection and how they can be practically identified.<sup>46</sup>** This includes an understanding of their risk exposure to natural hazards and climate change, and the existing social protection coverage. Social protection programmes often aim to reach those who are chronically poor and vulnerable in various, multi-dimensional forms. Humanitarian interventions aim to reach those who are most in need of assistance following a crisis or disaster. Consequently, the different information systems must be coordinated to reach a common view on eligibility for response from all actors.

**Faster response time to disasters is possible if relevant information systems are strengthened and incorporated into disaster preparedness plans before a disaster strikes.** Identifying households that may be likely to need assistance in the event of a disaster *ex-ante* can save significant time in labour-intensive targeting processes after a disaster. The ultimate aim is to have one assessment and targeting process to feed into one sequenced response plan that includes both social protection and humanitarian assistance.

For the HEF, the health MIS should be strengthened. This could include areas such as: (a) past diseases /morbidity-mortality database to identify vulnerable areas and types and timings of disease outbreak; and (b) real time disease surveillance system for

rapid scale up of the HEF. As a medium measure, information about ‘lifestyle diseases’ should be added such as blood pressure, diabetes etc. as well as ‘chronic diseases’ like TB, HIV etc. that may need additional health care support during disaster situations. However, this also poses another set of challenges like identity-privacy, income level-eligibility which may have implications on inclusion and exclusion biases and errors. For the MCCT, a robust MIS system should be part of the design process with explicit linkages to the contingency planning and response processes encouraged.

**Any work on making a cash transfer programme shock-responsive should make an explicit link to the possible development of an integrated social registry.** A registry is an important starting point for developing harmonized registry information that can be used to target both social protection and humanitarian interventions. The registry can then be the basis for recording all of the benefits received/ services accessed in order to ensure the beneficiary receives the optimal set of services, which should include any scale-up of the programme in response to a shock.

There are several types of registries:

- **Single beneficiary registry:** contains information only on beneficiaries of specific social protection programmes. Tracks data on beneficiaries such as payments, case management, conditionality monitoring, and grievance and redress via management information systems.
- **Integrated (or ‘unified’) beneficiary registry:** contains the same information as a single beneficiary registry but hold this information for a variety of programmes.<sup>47</sup> Allows for monitoring and coordination of “*who receives what benefits*”, and for identifying intended or unintended duplications across programmes.
- **Social registry:** contains information on *all or a large portion of households in a community*, whether or not they are deemed eligible for, or are ultimately enrolled in a social protection programme. Supports outreach, intake and registration, and assessment of needs and conditions to determine potential eligibility for social

<sup>45</sup> Both at a geographical and household level.

<sup>46</sup> This information is also necessary to develop disaster risk financing strategies.

<sup>47</sup> social protection and potentially other development programmes or services.

protection programmes. Data usually reflects measures of socio-economic status, categorical factors, and ideally information on where households are geographically located.

- **Integrated (or ‘unified’) social registry:** contains the same information as a social registry but combines the processes of outreach, intake and registration, and assessment of needs and conditions to determine potential eligibility for multiple programmes. Serves as a platform to support access to benefits and services that can extend well beyond the sphere of social protection.

*Source: adapted from Oxford Policy Management, 2018.*

**To effectively and quickly scale up the HEF or MCCT prior to a crisis (and indeed, any social protection programme), there is a need to combine/layer geo-spatial information about which areas are vulnerable to floods, drought and storms with IDPoor data.**<sup>48</sup> The data on areas most affected by and vulnerable to these shocks is available in Cambodia and is occasionally updated as part of the HRF contingency planning process (a process that should itself be institutionalized within the early warning system). For the HEF, this information should be correlated with increased disaster health risks in areas with increased incidence of Severe Acute Malnutrition (SAM), malaria, water-borne diseases, etc.

**In addition to the geographic mapping of areas most vulnerable to Cambodia’s major shocks, a broader process of poverty mapping should be overlaid to capture risk and vulnerability information of who is most vulnerable.** One way to do this is to incorporate risk and vulnerability analysis into the IDPoor data sets and interview process. However, in the short term there is a risk of overloading the IDPoor information collection process by adding risk and vulnerability information to an already long interview process that still requires capacity support. It risks overwhelming the system.

- In order to incorporate risk and vulnerability information together with IDPoor and geo-spatial information on shocks, a starting point is to leverage the use of WFP’s PRISM<sup>49</sup> for example as a tool to better integrate existing data sets. This has the potential to make the best use of existing data without the risk of overloading the IDPoor, or of duplicating on-going data collection systems. PRISM has already linked to many of the major information systems related to DRM which can greatly facilitate this process.
- This integrated information set can then be used to enhance the targeting process of IDPoor by bridging the gap between IDPoor and traditional humanitarian assessment. This has already been bridged to a significant degree, but it still lacks a more formal process of integration, especially ex-ante.

**The IDPoor represents good practice in the ASEAN region because it officially legitimizes a common targeting system through the IDPoor Decree.** It is critical to ensure that all targeting efforts to scale up social protection programmes continue to be based on the IDPoor system.

#### 5.1.2.1. EWS recommendations

**Broaden the Early Warning system focus.** The EWS should be supported to broaden its analysis framework beyond the current focus on hydrometeorological hazards, particularly typhoons, rains and floods, and related weather disturbances such as tsunamis, storm surges. This should include a **multi-hazard approach** that monitors hazards most impactful for the nation and particularly vulnerable areas and groups. A broader set of indicators to monitor should be developed based on a vulnerability and risk analysis (see below). EWS that are adjusted to understand signals specific to local livelihoods are more effective and can be more directly linked to the needs assessment process. Additional indicators could include market prices and terms of trade of livestock, the supply and distribution of agricultural inputs, the labour wage rates, the spread of human diseases, the emergence of conflict, etc. The aim is to develop a manageable set of indicators tailored to Cambodian realities.

<sup>48</sup> Additional information required includes geospatial data of health facility location to check accessibility during a crisis.

<sup>49</sup> See Loek, S., 2018 for a description of PRISM

Care should be taken to collect as much existing data as possible with the EWS serving as a warehouse of risk related information. Methodologies such as PRISM can facilitate the ability to link different data sets together.

**Develop the capacity to conduct geo-referenced Risk and Vulnerability Analysis (RVA).** In order to understand the potential impact of shocks at the household level, it is important to develop capacity to analyse risk and vulnerability. At present, there is little focus on what the cumulative impact of repeated shocks over time is, especially on poor and vulnerable households. This is increasingly important, given the RGC's commitment to better prepare, respond and recover from disasters. Recalibrating the type of risk information collected, for what purpose, how it is analysed, and what the predictive analysis says about the impact on households (i.e. going beyond quantifying immediate needs or commodity supply chains) will contribute to a shift from focusing on *ex-post* consequences to *ex-ante* preventive activities.

By definition, EWS focus on the 'early', timely nature of disaster risk. This means understanding where and when risks start and finish, at least in specific regions and for specific types of hazards (for example, on the onset and duration of flash floods in specific provinces, or the identification the onset of typhoon along set coastal areas). Information is also needed on processes that influence risk levels, including changes in land and resource use, climate, built infrastructure and levels of urbanization. The starting point for activities in EWS is therefore the collection of risk and vulnerability knowledge, through mapping and analysis exercises, to identify regions and populations at risk, and activities which may change their levels of vulnerability. Information collected through assessments and other exercises can then be used to guide other elements of EWS, and more accurately trigger an earlier response.

There are several different approaches to RVA which could be considered.

- In 2014, the Ministry of Environment conducted a vulnerability assessment using data from the Commune Database with UNDP support for the climate change agenda. The assessment included vulnerability indicators with a significant correlation (95 percent) to damages and

losses from different types of hazards. Proxies of poverty, agriculture, environment, health, education and business were used to predict vulnerability to floods, storms and droughts. The resulting Vulnerability Index (VI) could be updated and linked to the IDPoor data set. This would also encourage a stronger link between DRM, Climate Change Adaptation and social protection (see Annex 4).

- UNICEF's Child Centred Risk Analysis (CCRA) may be another useful starting point, not least because children's vulnerabilities are good indicators of larger development challenges. The CCRA approach based on spatial risk assessments allows for an intuitive visual comparison of risk across a country. The CCRA maps could also contribute to prioritisation by identifying both the location and magnitude of at-risk areas which are helpful for risk-informed planning and programming.
- The Household Economy Approach (HEA) is a livelihoods-based framework for analysing the way people obtain access to the things they need to survive and prosper. It is based on the principle that an understanding of how people make ends meet is essential for assessing how livelihoods will be affected by wider economic or ecological change and for planning interventions that will support, rather than undermine, their existing survival strategies. HEA is used in the Famine Early Warning System Network in 34 countries in Africa, the Middle East, Central America and the Caribbean to better predict outcomes and forecast need before as well as after a disaster strikes.

Regardless of the approach, such efforts should be closely coordinated with the NSDP action plan which aims to undertake vulnerability and hazard mapping process (see below).

**Refine the categories/phases used to classify floods and drought and to align them with clear triggers for response.** The current phases used for classifying the stages of an emergency should be updated and matched to international standards.



This will ensure a more rigorous and clear process that can better link to regional information resources. As a starting point, use the Integrated Phase Classification (IPC) standards and adapt these to the Cambodian context.<sup>50</sup>

**Using the updated categories/phases, develop triggers for early response and linking these to social protection and other relevant programmes through a scalability framework.** A Scalability Framework should be developed with RGC and technical specialists in other agencies. Under RGC leadership, it details when a programme could scale up operations based on objectively verifiable indicators, who it should reach, when it should provide resources to households, and the frequency and duration of transfers. A draft prototype Scalability Frameworks for cyclones, floods and droughts are contained in Annex 1 of the Roadmap that accompanies this report. These Scalability Frameworks provide the basic criteria and details for when and how the HEF and MCCT could respond to a hazard. In order to operationalise a response to a shock, the existing systems used to deliver the HEF and MCCT need to be adapted *before* a response is needed. In particular for the MCCT, this should include the identification and enrolment of any new beneficiaries that could receive support through the MCCT temporarily when a response is needed. Careful communications and management of community expectations is required as part of this process. As noted in the workshop, this approach should not include piloting as this tends to dilute and delay action. **It is recommended that any efforts to define trigger(s) are developed in consultation with these technical agencies as well as the main SP partners under RGC leadership.**

**Through their Climate Change Action Plan, MAFF is setting up the threshold for drought incidence in the country, facilitated by UNDP through EWS initiative. It is recommended that this process be supported and used to help define scalability frameworks.** UNDP is also working with SERVIR-Mekong in adopting their regional drought information system to be used in Cambodia. Leveraging remote sensing innovations such as this will be increasingly important to help in developing automatic triggers.

**Advocate for the use the same indicators that ‘trigger’ a social assistance-led response to also trigger early action in other development programmes (e.g. climate adaptation, labour market and livelihood programmes).** Other responses – particularly in terms of how livelihood strategies can respond before, during and after a shock to protect and restore households – are also appropriate to ensure livelihoods are protected from hazards and prevented from deteriorating. Just as the Scalability Framework identifies when it would be appropriate to provide HEF coverage or cash transfers to households to protect them before a shock, the same indicators in the Scalability Framework could also be adapted to indicate when livelihood activities need to be modified in order to absorb, respond to and recover from a shock. This requires a common set of triggers as well as corresponding development interventions being pre-agreed by the same stakeholders.

**Encourage the humanitarian response system to complement an early scale up of social protection programmes ex-post when additional resources are needed, using the same agreed RGC administrative systems, starting with cash transfers.** In addition to the payment system that will be eventually adopted by the MCCT, other emergency cash transfer programmes will be required during responses to shocks/emergencies given the limited coverage. To be most effective, the RGC may wish to advocate for the delivery of these ‘emergency’ transfers being closely aligned with RGC administrative systems. The experience of the various programmes will also be valuable for the further design of the RGC systems. This not only minimises duplication and the potential of exclusion errors but works to build the capacity of RGC systems and strengthens the social contract between households and the state. Using one plan for responding to emergencies with common delivery systems, not only extends the support to those in need but protects the development gains made by development programme and increases efficiencies.

**Develop EWS forecasting capabilities to better trigger early response.** The incorporation of climate forecasts into nationally available EWSs and tools should be supported to foster timely action. To this end, specialized training on the use of forecast models and tools should be provided, and capacity built to better downscale information to the subnational level.

<sup>50</sup> <http://www.ipcinfo.org>

**Leverage the recent developments in remote sensing to increase EWS capability to monitor and forecast shocks.** The advance of remote sensing technologies and satellite imagery has improved dramatically in recent years and can fill key gaps in current data sets. Furthermore, it allows countries to develop forecasting tools that take advantage of this information in a cost effective manner. For example, the regional programme SERVIR-Mekong is aiming to streamline access to data and imagery from satellites so information can be integrated into tools and models accessible to countries in the Mekong River area. For example, SERVIR is working in Myanmar to support flood preparedness and response with flood risk mapping tools. In Cambodia, SERVIR is partnered with UNDP and WFP to support RGC to further develop remote sensing capacity. This is particularly relevant to Cambodia in general, and SRSP specifically for the ability to trigger earlier responses.

In 2018, SERVIR-Mekong launched the integrated web-based information tool 'Regional Drought and Crop Yield Information System' for the Lower Mekong region. The tool is to help prepare for and respond to droughts in the region with support in drought monitoring, analysis, and forecasting. In addition to providing current and forecast drought indices, this tool can be used to help trigger an earlier response.

**Provide funding and technical support to implement the NSDP action plan with a focus on strengthening the EWS.** The most recent NSDP action plan (2013-2018) focuses on addressing risk factors that compound the impact of disasters through comprehensive preparedness, prevention, and mitigation. The action plan highlights areas for strengthening the EWS relevant to SRSP including:

- Conducting risk-assessments at the national, subnational, and local levels
- Developing a disaster database management system including a database for vulnerable groups likely to be most affected by future disasters through a comprehensive vulnerability and hazard mapping process
- Developing capacity in technological research for forecasting natural hazards and other hazards

- Strengthening capacity for recording, analysing, disseminating, and exchanging information for hazard assessment and monitoring.

However, the mid-term review in 2016 noted that much more progress and funding is required to meet the actions outlined.

**Advocate for more funding and capacity strengthening for the NCDM to effectively coordinate and prompt action in a timely manner.** The NCDM has a central role in the legislation to lead on preparedness planning and overall coordination through the decentralized NCDM structure down to the commune level. These elements are key to more effectively managing disasters and for promoting an earlier response through SRSP. This should include ensuring an operating budget in line with its responsibilities, the training of staff in facilitation, coordination, planning, and DRM-related technical skills, and equipping them with the means to adequately strengthen the NCDM committee structure down to the commune level.

### 5.1.3. Delivery system recommendations

#### Future proofing emerging social protection systems

**Consideration of the use of the MCCT and HEF as shock-responsive mechanisms must be well grounded in the reality of the current context.** The MCCT is at a very early stage of development and is just emerging from a piloting phase. There is a risk that adding too many elements too soon could overwhelm what limited capacity exists to implement such a programme. It may also direct attention away from the more basic need to build awareness of the importance of social protection in general as articulated in the new SP framework. Any decision to include a shock-responsive element requires an analysis of overall capacity, availability of committed resources (fiscal space), a cost-benefit analysis, and a strong commitment from Government.

**The early stage of development of the MCCT can also be seen as an opportunity to influence the design process.** It is important to discuss the issue at this early design phase to ensure it is considered from the beginning, while recognizing that it must be phased in according to the realities of the local



context. That is, it is important not to overload the programme beyond its capacity initially, while still ensuring that the concepts are embedded in the future development of the programme; i.e. create the space as a holding place and pilot that expansion as the programme rolls out. Consequently, the programme can be ‘future proofed’ to ensure that when ready, cash programmes have the ability to scale up.

**The advantage of building the future ability to scale up into the design process is that the development of systems can take this into account.** For example, when designing the cash delivery modalities, the ability to have a separate emergency cash wallet can be added. Likewise, the M&E system can include space for the ability to track an emergency response, and explicit linkages to DRM systems can be made from the outset.

**In the meantime, any future design work on cash transfer programmes should aim to eventually be responsive to both slow and sudden onset disasters.** In a sudden onset disaster (flooding or storms) the programme should have pre-determined operational guidelines in place before the disaster to immediately expand within an affected geographical area.

- **Develop a pre-registration element within IDPoor to pre-register households with high disaster vulnerability (especially to both floods and drought the nexus of which is most damaging in Cambodia).** Build on “IDPoor on Demand” although just a pilot now to develop a list of those above IDPoor 1 and 2 most likely to need assistance.
- **Ensure that these lists are harmonized with the humanitarian needs assessment system.** The vulnerable not currently in IDPoor 1 and 2 can be identified, registered, and given longer term access to the MCCT (e.g. 6 months or a reasonable period to allow for recovery and dependent on fiscal space).
- Therefore, develop clear ranges of vertical scale up (for existing MCCT beneficiaries) and for horizontal scale up (to add additional beneficiaries from the pre-registered list and/or from the needs assessment process).

- **Tweak or relax required conditions for beneficiaries.** For the time-bound period of expansion, suspend, tweak or relax the conditionality requirements for the cash transfer in general. The phasing back in of the conditionalities should be reviewed regularly from the third month post-shock.
- If necessary, also agree to adjust conditionalities attached to the MCCT during emergencies. For example, that the nutrition messaging that is delivered to pregnant and lactating women (if any) is adjusted to take account of the beneficiaries’ new condition, in dealing with the effects of a disaster – i.e. messages for nutrition behaviour change during emergencies, such as how to avoid those coping strategies that may negatively affect the nutritional status of children.
- For both sudden and slow onsets, rather than wave attendance to nutrition lessons for a long period of time, consider modifying the conditions to focus on the provision of targeted nutrition specific intervention such as the provision of foods with sufficient energy, protein and micronutrients for pregnant and lactating women and young children.

**In a slow onset disaster such as drought, horizontal and vertical expansion will need to be developed as a graduated series of time-bound expansions based on a scalability framework.** It would require updating the current drought categories and aligning these with a range of triggers in a scalability framework. Any agreed expansion should also be calibrated based on the available Government fiscal space.

- **For slow onset disasters, the emphasis should be on using select social protection programmes as one of the earliest interventions** with the assumption that the earlier the intervention, the bigger the impact.
- **Agree ex-ante the level and duration of benefits across the risk cycle,** to accelerate the vertical and horizontal expansion of the programme.
- **Encourage a discussion about what percentage of funds can be transferred as a ‘no regrets’ transfer** at the earliest

indication of drought stress (e.g. 5 percent for the MCCT).

- **Ensure that there are different levels of administrative control over early no-regrets funds.** This means that it is clear what percentage of the funds can be used at each level.
- **Develop a pre-registration element within the IDPoor to pre-register households with high disaster vulnerability** that would make temporary horizontal expansion of the cash transfer.
- **Develop a robust communications strategy** to ensure that communications with households explicitly states that their entitlement to support through the mother child grant only takes effect in certain conditions and that the duration of this support is limited, and time bound.

#### 5.1.3.1. Leveraging the food reserve system

Although the Cambodia Food Reserve System (CFRS) was not chosen as an option for this study, its potential as an early scale up intervention should not be overlooked. Currently, it is the only instrument listed under Emergency Response in the Social Protection Framework and thus needs careful consideration in terms of how it can be scaled up quickly in response to agreed triggers.

**The Cambodia Food Reserve System (CFRS) is an emergency food supply reserve legislated by the Sub Decree on the Establishment of Cambodia Food Reserve System of 2012.** The CFRS was created to provide rice for up to 10 percent of the population in the event of a disaster. In addition, the CFRS stores enough vegetable and rice seeds for vulnerable farmers to replant up to 2.5 percent of cultivatable rice and vegetable land in Cambodia after a disaster has taken place. The committee meets once per year or immediately if there is an emergency and is led by the Prime Minister who issues the order for the food or cash to be released. The reserve is made up of both physical food and cash. It includes 10,000 metric tons of rice (physical stocks) and the cash equivalent of 6,000 tons which the MEF earmarks for the CFRS; for a total of 16,000 tons. Similarly, the CFRS stores 2,000 tons of rice seeds and 25 tons of vegetable and other crop seeds while MEF earmarks funds for the equivalent of 1,000 tons

of rice seeds and 25 tons of vegetable and other seeds for an emergency.<sup>51</sup> The NSPPF identifies the CFRS as a strategy to ensure that households are not pushed back or further into poverty as the result of an emergency.<sup>52</sup>

**In further strengthening the ability of the CFRS to scale up in response to shocks, the ex-ante ability of the CFRS needs to be clearly articulated.** As with the other options, a scalability framework should be developed that aligns levels of response with clear triggers and thresholds.<sup>53</sup> Because the CFRS is also a vehicle for price stabilization, the difference in this function should be noted so that decision making processes are clear, and that overall objectives do not conflict. The overall utility of the CFRS can also be improved by linking it clearly to the contingency planning process under the NCDM.

**The CFRS represents a key national resource for response and as such its capacity could be further strengthened.** One concept to explore further is to establish a permanent ‘non-food’ or cash reserve that builds on the current ‘budgetary reserve’ that exists nationally. A feasibility study could be undertaken to determine if this approach is appropriate for Cambodia, and what ratio of food to cash is best for such a national reserve. This could be prioritized for early response on the basis that this gives the best value for money and could be rolled over year on year to ensure there were no “spend it or lose it” incentives.

#### 5.1.4. Coordination and capacity recommendations

**There is a need for a harmonized and coordinated approach that strengthens the link between NCDM and the social protection system (with the full involvement of MEF).** The SP framework clearly recognizes this issue noting “Another challenge is the need for an effective coordination between humanitarian aid and social assistance system in order to identify most vulnerable people during a crisis”.<sup>54</sup> Moving forward, a number of actions could include:

<sup>51</sup> RGC, 2012

<sup>52</sup> MoSVY, 2017

<sup>53</sup> An initial scalability framework will be included in the Roadmap documentation.

<sup>54</sup> MoSVY, 2017

- **Build awareness of the concepts and operational implications of shock-responsive SP.** The NCDM has noted in interviews that awareness creation is a necessary first step at all levels from MEF and other ministries, down through the administrative levels to the communes. For the HEF, this would need to include MoSVY, MoH, MEF, NCDM and all of the operational entities involved.

- As part of this awareness building effort, ensure that early action is understood to save money. In terms of value for money, early response provides the best return on investment in terms of directly helping citizens.<sup>55</sup> A good way to help do this is to commission a cost-benefit exercise for Cambodia that makes the economic case based on the local context.

- **Ensure a structured dialogue is built between the humanitarian and social protection coordination architecture.**

- Use the contingency planning process to help build linkages between SP and DRM in general, and between the key HEF actors specifically.
- Link the NCDM and the HRF explicitly to the new social protection council as it is established.
- In many countries, the biggest opportunity for greater coordination begins at the front-line service delivery level. For example, this study observed communes who have proactively linked together a series of programmes, services and funding to respond to flooding. The necessity to respond is felt acutely at this level and the barriers to coordinate between programmatic silos are often lower. Initially focus on building integration at this level during any piloting of shock-responsive social protection and to use this experience to help guide further potential roll of the concept.
- Build agreement ex-ante about agreed common protocols around targeting (re-enforcing the IDPoor decree in

practice), contingency planning, common response plans, response protocols and how to sequence the expansion of various existing SP programmes in one harmonized response plan.

## Capacity strengthening

**The National Social Protection Framework notes the challenges regarding capacity:** “The existing mechanisms and programmes are not yet sufficient for dealing with potential crises. The main challenges are financial capacity development, institutional capacity and human resources in developing policies and programmes to serve as permanent mechanisms for dealing with crises.”<sup>56</sup> The process needed to implement a shock-responsive approach does not necessarily need to be capacity intensive. Once established, it should be part and parcel of the overall programme and just another element. For the HEF, this means building in the ability to scale up and down the response that is already a part of programming – it does not mean fundamentally changing the approach, but is rather additive.

**However, additional capacity *is* required to build awareness, design and codify the approach within the existing systems, bridge the gap between the social protection and humanitarian spheres, and help build towards an integrated approach** (many of which go beyond the issue of shock-responsive social protection). In a relatively nascent social protection system, careful consideration must be paid to ensure that the emerging system is not overloaded with too many demands, and that sufficient capacity is built to address any additional demands.

A number of issues are important to consider:

- **Strengthen the coordination capacity within the MoSVY, the Social Protection Council and the NCDM** to be able to properly facilitate and lead the process of resilience building for its caseload and other vulnerable people.
- **Within MoSVY, CARD, NCDM, and MoH, build awareness of the importance of (and potential for increased use of) existing social welfare and other social protection programmes in Disaster**

<sup>55</sup> See Section 2.1

<sup>56</sup> MoSVY, 2017

**Response.** Develop a joint approach to creatively work to incentivize ‘silo-busting’ between the DRM and social protection actors.

- **Within the NCDM and the contingency planning process, strengthen the role of the Social Protection Council and key implementing partners**, and specifically increase the recognition of social protection’s role in early response but also in disaster preparedness, disaster prevention & mitigation and in disaster rehabilitation & recovery.
- **Require humanitarian agencies to first maximize existing social protection schemes by channelling initial humanitarian funding through these existing programmes.** Work with them in advance to define collectively which of the five ways of using social protection programmes is most relevant to respond to disasters (tweaking, vertical or horizontal expansion, piggy-backing or aligning).
- **Advocate with other Ministries that existing social protection instruments should be one of the primary vehicles for delivering early assistance to disaster affected households during times of need.**
- **Expand and deepen capacity to monitor and evaluate the impacts of a risk-informed shock-responsive programme at a national level.** This should include comparators on cost-effectiveness with existing or other means of preparing and responding to disasters
- **Invest in strengthening the DRM system with a focus on NCDM.**
- **Invest in strengthening the EWS by diversifying the breadth of indicators and information sources, including the incorporation of risk and vulnerability information.** Work to better integrate existing data sets beyond meteorology, building on the work of PRISM. Incorporate the latest developments in remote sensing building on the work of the World Bank and others. For example, the FAO RIICE project in Cambodia uses remote sensing to predict crop areas, crop growth and yields.

- **Build the capacity of the NCDM to effectively coordinate and prompt action in a timely manner.** This should include ensuring an operating budget in line with its responsibilities, the training of staff in facilitation/coordination/planning and in DRM-related technical skills, equipping them with the means to adequately strengthen the NCDM committee structure down to the commune level.

### 5.1.5. Financing recommendations

**Secure and protected financing is the key to shock-responsive social protection.** Without dedicated financing, the potential economic gains of early response are not captured, and the impact of lives and livelihoods will be much reduced.

The DRM law states that the current DRM related contingency planning process “shall have the appropriate reserve budget and resources to be ensured for the disaster management” (section 7, article 39). In practice, it is appears that the challenge outlined in the SP Framework continues and that the NCDM has limited funds to carry out its many responsibilities. For the response itself, government line ministries are responsible for responding from their existing budgets for emergencies.

**Cambodia does have a general contingency budget held by the Office of the Council of Ministers, amounting to approximately USD115 m. However, this is a general contingency reserve that is not specifically allocated to disaster response and can be used for a range of government-wide needs.** An opportunity exists however to make the case for protecting a portion of this contingency reserve as a cash equivalent of the Food Reserve System (see section 5.1.3.1). This could be prioritized for early response on the basis that this gives the best value for money.

The HEF is non-contributory and is financed partly by the RGC and partly by donors. As noted above, the HEF directly reimburses the health facility for the costs associated with service uptake, including direct health care services and prescribed medication. They also cover costs associated with accessing these services (such as transportation and caregiver support).



**The current cash grant programmes being implemented in Cambodia are all off-budget and donor funded.** This is likely to change with the political will behind the Social Protection Framework and the shift of overall responsibility to MEF. With the potential of a dedicated budget within the government, it is an ideal time to not only discuss overall fiscal space, but to also make the case for protecting a component of the budget for early response. However, a balance must be struck between ensuring the shock-responsive potential is embedded in the design, and phasing in implementation at a pace that matches available capacity.

### **In-country financing options**

**Make the economic case for investing in DRM/ DRR and social protection by encouraging a comprehensive cost-benefit study to examine the human and economic costs and benefits of these investments.**<sup>57</sup> Based on this, the RGC should then consider how to best ensure regular protected financing for scaling up social protection.

**Within the available government ministerial funding allocation for the HEF and for the cash grants, further detail an explicit contingency component** that allows for an agreed percentage expansion per year with a clear mechanism to allow this to roll over year on year into the next budget cycle.

**Develop a separate and broader contingency budget to fund the expansion of a number of social protection programmes starting with the HEF and the MCCT.** Leverage the existing “budgetary reserve” and work to make this a permanent mechanism.

**Ensure that any contingency fund is calibrated by administrative level. Develop different allocations at each administrative level for the contingency fund.** One option is to allocate 5 percent for the commune level as an early ‘no-regrets’ response to slow on-set emergencies to expand horizontal coverage when the first agreed threshold is crossed. A further 20 percent could be allocated at the district or provincial level) with the

remaining 75 percent held at the national level. Alternatively, start with a 5 percent commune level early action allocation with the remainder at national level. This builds on regional experience in Viet Nam and the Philippines. It will require an informed debate that aligns with the current decentralization process (and matches the capacity to implement at the various levels).

### **External financing options**

**Explore the option of an ASEAN based risk pooling mechanism amongst those countries most affected by hazards.**

- Build on the World Bank’s SEADRIF process that is piloting the pooling of regional risk to respond to the risk of floods (in Cambodia, Myanmar, and Lao PDR).
- The principle is that regional risk financing instrument should involve countries facing similar hazards with each country committing core funding, in addition to whatever private sector resources can be raised. This could then be rapidly accessed on a loan basis with agreed protocols and would enable rapid and early response. The release of such funds should be clearly linked to the same contingency planning, triggering, and assessment processes that the NCDM is developing. In other words, they should strengthen, complement and support the emerging system rather than duplicate these efforts.
- In negotiating terms and conditions, an important stipulation would be to ensure that a percentage of the fund is set aside specifically for support to the poor and vulnerable and not just to infrastructure and reconstruction.

**Explore in the medium term other risk financing instruments such as catastrophic bonds and other insurance instruments provided through the private sector.** Of particular importance is the weather derivative option which has a good potential for an early pay out.

<sup>57</sup> World Bank, 2018

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## Global and regional context

**The increasing frequency and severity of natural disasters means that they can no longer be considered as irregular and unexpected events.** Instead, for many communities, disasters are now a regular and predictable feature of their lives. This context poses an additional challenge to the pledge to ‘leave no one behind’; it is precisely in situations of frequent and recurring disasters that the largest risk of leaving the poor and vulnerable behind is faced.

**Climate change is predicted to increase the frequency and severity of hazards.** Projecting forward, a sea-level rise of 30 cm, possible by 2040 if business as usual continues, would cause massive flooding in cities and inundate low-lying cropland with saltwater. By 2030 drought risk is also projected to increase “substantially” in the Asia-Pacific region. At the same time, storm intensity is likely to increase.<sup>58</sup> Overall, climate change threatens to push an additional 100 million people into extreme poverty worldwide by 2030 if action is not taken.<sup>59</sup> Cambodia is particularly susceptible and ranked 15<sup>th</sup> globally in terms of the countries most affected by climate change between 1997 and 2016.<sup>60</sup>

**The escalating frequency and severity of natural disasters has highlighted challenges with traditional humanitarian assistance in general.** These challenges include:

- Decision making, which can be too slow to respond and often compounded by confusion over roles and responsibilities
- Preparedness planning may be poorly done without enough broad-based commitment to make it a reality

- Current financing models recognised as being ill suited the growing frequency and severity and duration of crises. There is often limited availability of financial resources allocated to disaster risk management prior to emergency response operations
- National systems may be by-passed by humanitarian actors, undermining government ownership and sustainability of support to affected communities
- Duplication of systems through establishing multiple parallel interventions, each providing similar services to disaster affected populations.

**Collectively, these challenges contribute directly to slowing response times, limiting coverage of affected populations and undermining the adequacy and appropriateness of support provided.** Such challenges increase costs and reduce the impact of humanitarian responses, further exacerbating damaging coping actions and increasing the long term social and economic costs of disasters.

**In recognition of the many global challenges, the international community has in recent years agreed to a range of commitments around working with social protection systems in humanitarian contexts.** This provides an opportunity to address past weaknesses and better address the needs of the most vulnerable. The commitments include:

- The **Grand Bargain** commitments coming out of the 2016 World Humanitarian Summit:
  - *Core Responsibility 4: Changing people’s lives. From delivering aid to ending need.* Commitments made to reinforce, not replace, national and local systems. The importance of extending and improving social protection system is emphasized.

<sup>58</sup> UNESCAP, 2018

<sup>59</sup> World Bank, 2017

<sup>60</sup> Eckstein, D. et al., 2018

- *Core Responsibility 5: Invest in Humanity.* Commitments for scaling-up and more systematically considering the use of cash transfers in conjunction with national social protection schemes.
- The Action Plan on the **Sendai Framework for Disaster Risk Reduction 2015-2030**, Staff Working Document, recommends the development of a holistic disaster risk management approach to “*support long-term development... programmes in prevention, preparedness, early warning system activities...including through the support of appropriate social safety net mechanisms and social protection systems*”.
- **ASEAN Socio-Cultural Community Blueprint 2025: Key Result Areas and Strategic Measures**
  - Strengthened social protection to reduce vulnerabilities in times of climate change-related crises, disasters and other environmental changes: Strengthened social protection for... people living in at-risk areas including people living in remote and border areas and climate sensitive areas to reduce vulnerabilities in times of climate-change related crises, disasters and other environmental changes.
- **Regional Framework and Action Plan Implementing the ASEAN Declaration on Strengthening Social Protection:** Social protection shall be adaptive to the different risks such as lifestyle and individual risks, social risks, and emerging risks and vulnerabilities faced by the region such as, but not limited to...climate change, [and] disasters.
- **ASEAN Agreement on Disaster Management and Emergency Response Work Programme 2016-2020:**
  - Advance a disaster resilient and climate adaptive ASEAN community through...building partnerships...for implementing/testing DRR and CCA actions to address new risks and embedding this in social protection programmes.

- Protect economic and social gains of ASEAN community integration through risk transfer and social protection.
- ASEAN Resilient Recovery...[develop] guidelines on social protection in recovery.

## Detailed principles for shock-responsive social protection

**Do No Harm:** This includes ensuring that initiatives do not damage the underlying social protection system, for example by overloading and diluting the core policy objectives or placing excessive pressure on front-line delivery staff. Beneficiaries should also not be worse off from receiving emergency support through a regular social protection system than they would have been through a stand-alone emergency intervention.

**Leave no one behind.** The design and delivery of disaster responsive social protection should be viewed through the lens of the SDGs and the commitment to leave no one behind. This means ensuring that all analysis and decisions consider how disaster responsive social protection can be directed towards the most vulnerable and contribute to reducing social and economic inequalities. This approach recognises that explicit and concrete efforts are needed to ensure that poor and group of vulnerable are effectively reached by programmes and services and that actions address the many dimensions and manifestations of exclusion and marginalisation beyond economic. This also implies considering age and gender specific vulnerabilities over the life cycle.

**Flexibility and Simplicity:** Disaster situations are challenging; the context on the ground is complex, it can quickly change, and, for sudden onset disasters, it is rare for all information to be available at the outset. This requires that assistance is designed to be as simple, realistic and flexible as possible. This also underscores the need for effective preparedness planning. As a general guide, it is best practice to work with and adapt the operational systems and processes that already exist rather than developing parallel approaches outside the regular social protection programme.

**Prepare and Respond Early:** Preparedness planning is essential for effective early response to

disasters. Preparedness planning is a key element of Disaster Risk Management (DRM). DRM is a systematic approach to identifying, assessing and reducing the risks of disaster and includes a focus on preparedness planning.<sup>61</sup> Ensuring that social protection ministries and programmes are included in preparedness processes is important.<sup>62</sup>

**No regrets Early response.** Because the poorest are targeted in most social assistance programmes, an earlier response is important even if the predicted shock does not occur. A response strengthens the poor's ability to cope with the shock, and they are able to bounce back better from the shock. But even if a shock does not materialize, the poor's resilience to the next drought will still be strengthened.

**Align with Humanitarian Principles:** In times of emergencies, it is important to align all responses with International Humanitarian Law and the principles of humanity, neutrality, impartiality and independence which are central to all emergency relief operations. These include:

1. Will implementing the option improve **timeliness** of a response: Will households receive support at least as quickly as they would have done through existing or alternative approaches, including stand-alone humanitarian response? Will the scale up speed overall response?
2. Will implementing the option enhance **coverage**? Will the proposed option lead to at least as many of those in need receiving assistance as with existing or alternative approaches, including stand-alone humanitarian response?
3. Will implementing the option lead to improved **predictability**: Will the funding options be predictable? Will the funding options result in more predictable assistance for households?
4. Will implementing the option reduce or remove **duplication** of delivery systems and processes: Will the proposed response options enable a reduction in the duplication of efforts (e.g. multiple agencies

conducting targeting exercises or distribution of resources in the same communities), or a harmonization of aspects of programme delivery?

5. Will implementing the option improve **sustainability**: Will the option lead to strengthened organizational capacity? Will the response option be embedded in government-led systems?
6. Will implementing the option improve the **quality/content**: Will the option lead to better provision of services/response to the vulnerable and poor households in terms of quality, quantum, amount, actual contents if not cash?

## Detailed components of shock-responsive social protection

**Social protection programmes seek to help support and build the resilience of poor households; the same households that are most vulnerable to shocks.** By introducing risk-informed and shock-responsive components to those programmes, they can help to protect the lives and livelihoods of the poorest and the most vulnerable by quickly expanding existing social assistance programmes when shocks occur, thus ensuring that these households are protected. These components are built into the programme design so that when there is a shock, programmes are able to flex to meet the initial needs of the affected population in a timely manner to avoid further devastation.

**Four core components should be built into the social protection systems.** This means that when there is a shock, select social protection programmes are able to rapidly expand to meet the initial needs of the affected households in a timely manner to avoid further devastation. To do this, adjustments should be made to information systems, delivery systems, coordination and capacity, and financing.

## Component 1: Information systems

**Socio-economic and disaster risk and vulnerability information systems play an important role in helping to identify which**

<sup>61</sup> Preparedness planning (often referred to as contingency planning) is a process, in anticipation of potential crises, of developing strategies, arrangements and procedures to address the humanitarian needs of those adversely affected by crises (Choularton, R., 2007).

<sup>62</sup> ASEAN, 2018



**households should be identified after a shock and where.** When combined with early warning systems, they can also be used to model the impact of shocks on households of different wealth groups/ quintiles – and therefore be used to predict and plan appropriate programmatic responses to future events. The breadth of the data collected may vary but these datasets can help to speed up response times prior to a shock by identifying households that may be likely to need assistance, thus providing a potentially valuable resource to help target vulnerable households in both social protection and humanitarian terms. The information systems can also be used to develop ‘triggers’ for when funds can be released, so that responses can be phased for different magnitude responses.

**The information systems can also be used to develop ‘triggers’ for when funds can be released, so that responses can be phased for different magnitude of disasters.** When developing triggers, it is often necessary to differentiate between sudden onset (e.g. flooding) and slow onset disasters (e.g. drought) as each can require a different approach to triggering action.<sup>63</sup> There are broadly two ways to use forecasting information to trigger early action:

- **Automatic triggers:** refers to the use of one (or more) triggers for action that does not need additional interpretation or discussion to lead to action. The trigger is aligned to pre-defined thresholds of risk thresholds ranging from normal to emergency. Once the trigger indicates that the threshold of the set level of danger is crossed (for example, more than ‘x’ mm of rainfall has fallen within 24 hours, or river levels have risen ‘x’ feet within 24 hours), then the agreed action is automatically implemented. This type of action is usually defined in a contingency planning process ex-ante. The advantage of an automatic trigger is that it reduces the time required to interpret and discuss the implications of the data which can often lead to delays (and removes the temptation for a political negotiation for when a disaster can be declared). These triggers are usually agreed at a technical level through scientific or empirical instruments before an event, strengthening the likelihood that the

threshold for a trigger is ‘objective’. Automatic triggers are more common in sudden onset disasters but their use in slow onset disasters is growing, especially with the greater use of remote sensing.<sup>64</sup>

- **Expert-led triggers:** refers to combining available data with expert judgement. The set level of risk danger is again defined as thresholds (e.g. levels 1-3) and a range of trigger indicators are aligned with each threshold level. However, instead of triggering automatic action, the data is discussed by a group of experts who interpret the data and decide if action is required. This is more common in slow onset disasters where earlier warning is often associated with coarser data earlier on. In the case of weather modelling, this can also be combined with predictive forecasting which presents scenarios with a percentage of probability that it will occur (e.g. stating that the coming El Niño event has a 30 percent probability of leading to drought conditions, or that there is a 30 percent probability of exceeding the threshold of 20 mm of rainfall for flood conditions). These triggers may be agreed at a technical level through a combination of participatory assessment methodologies and scientific instruments.

**In order to effectively tie triggers and thresholds to action, it is important to bring these elements together in a framework to clearly guide decisions for scaling up social protection programmes.** Such a framework should answer a number of key questions:<sup>65</sup>

- **What and When?** What information will be used to trigger the scale up of a social protection program and at what point in time? Will the triggers be automatic or expert-led? When is meant to inform, at what level does the government take on the liability of providing assistance to affected populations? Is the government “insuring” against the frequent but low magnitude 1-in-2 year events or on the other end of the spectrum the 1-in-10 year

<sup>63</sup> Wilkinson, E. et al., 2018

<sup>64</sup> The HSNP in Kenya uses automatic triggers aligned with NDVI (satellite imagery for the Vegetation Condition Index). A consortium of NGOs in Cambodia is also working to develop slow onset triggers.

<sup>65</sup> PILU, 2016

but high magnitude events (big earthquakes, tsunamis), etc.?

- **How?** What information will be used to trigger the scale up of a social protection programme and at what point in time? Will the triggers be automatic or expert-led?
- **Where?** Which geographic areas will the scale up take place in?
- **Who?** Will existing households receive a top-up? Will additional households be targeted?
- **What?** What benefits and at what level will households receive?
- **How Often?** What is the frequency of delivering the benefit/payment?
- **For How Long?** What is the duration of the benefit and when should it be scaled back down to the normal transfer levels?

**This information can be brought together in an overall framework to guide scalability.** This example from the Hunger Safety Net Programme in Kenya outlines how triggers can be aligned to a scale up of a social protection mechanism (in this case, a cash transfer programme using an automatic remote sensing trigger). The scale-up is up to a pre-defined set of households on the basis of the poorest first.

## Component 2: Delivery systems

**Delivery systems are the tools, processes and administrative means that a programme has of identifying, enrolling, targeting, reaching and continually interacting with beneficiaries.** These delivery systems are the way that the programme is implemented on the ground. For the purposes of this report, delivery systems are the tools and processes that the programme uses to quickly and easily provide *ex-ante* and *ex-post* support to beneficiaries in risk-prone areas. For example, this may include the tools and processes used to identify, enroll, register and verify households into a programme or the ways of making payments to households. Ensuring that these delivery systems, tools and processes are robust and can flexibly adapt to changes means that they can continue to deliver support during disasters (and where necessary *expand* support). Having the processes

and tools in place to continue – and expand – delivery of support is essential to risk-informed, shock-responsive social protection systems.

## Component 3: Coordination and capacity

**A robust risk-informed, shock-responsive social protection system requires that DRM and social protection structures, processes and institutions to work together to maximize their impact and avoid duplication of interventions.** At a minimum this refers to Government and national structures, processes and institutions – but best practice examples have also integrated and harmonised humanitarian partners' structures, processes and institutions with Governments', as well. There are likely to be other non-social protection emergency response efforts alongside risk-informed, shock-responsive social protection programmes which all require coordination to work effectively. Ideally DRM and social protection partners are able to agree on an integrated response effort, whereby social protection is part of the national response plan and disaster response is integrated into a contingency plan of social protection programmes operating in risk prone areas. Even when DRM and social protection partners are able to agree on a coordinated response effort during the design phase of their programmes, it strengthens their ability to combine their resources and support each other's interventions. A key tool to this coordinated response is a strong and robust contingency planning process that has political backing, and dedicated financing. To enable all of these structures, processes and institutions to work together, stakeholders' mandates, roles and responsibilities need to be clear, there needs to be political will with clear decision-making authority and the human and financial resources to implement – investments in these areas is a cornerstone of this component.

**Capacity should be strengthened across 3 dimensions: mandate, political will to drive the process, and human and financial resources.** The mandate for shock-responsive social protection should be clearly defined as traditionally social protection ministries don't have a clear mandate to intervene during disasters. This requires strong messaging from the highest levels of government backed by the provision of adequate resources to implement (human and financial).

**The capacity required to adopt a shock-responsive social protection approach should be clearly defined and including in budgets and workplans.** Additional human capacity needs should strengthen the existing human resource base first, then appropriately train new staff and deploy experienced staff including at the regional level. This should be preceded by a strategic review of needs with a clear plan to fill specific technical and operational gaps.

## Component 4: Financing

**In order to fund the expansion of social protection programmes before and after a disaster, predictable and protected funding sources must be identified and secured before a crisis.** Mobilizing funds after a disaster strikes can slow down the response time, leaving vulnerable people without sufficient support at a time when they need it the most. Layering risks (separating risks into tiers) through different financing instruments means introducing instruments that finance responses for differing magnitudes of risk operated at different administrative levels. Risk-informed shock-responsive social protection requires that adequate financing be established and committed in advance, whether through disaster insurance, emergency credit and/or contingency funds. When a crisis occurs – and preferably as a crisis is emerging – contingency finances can then be released based on pre-agreed upon rules and response plans, facilitating a rapid financial support to the scale up of, or response through, social protection programmes. The financing of the scale up of social

protection programmes, needs to be *in addition to* ‘regular’ social protection financing arrangements.

**There are a range of approaches to what is often referred to as Disaster Risk Finance.** Within a country, this includes earmarking rapid response contingency funding within the national budgeting process and protecting it accordingly; budget safeguarding is key. Disaster Risk Finance can also involve arranging financing in advance through a range of instruments, which require careful analysis to balance the benefit and the cost (bearing in mind that different instruments bear different associated costs – for example, insurance is the most costly and is generally contracted for low frequency, high magnitude event). What is often missing from multinational or national Disaster Risk Finance agreements and instruments is the commitment to then channel the resources to poor households affected by the disaster; there have been examples of regional risk pools or sovereign insurance instruments that did not have an agreement in place about how any payouts were to be spent, resulting in Governments electing to spend the money on infrastructure recovery costs, or debt repayments. Ensuring an agreement is in place to channel payouts to disaster affected households reinforces the need to have robust delivery mechanisms to execute payments. Within the risk-informed shock-responsive social protection agenda, this component needs to focus on accessing the finance (i.e. having the right instrument in place) and ensuring there is a commitment to use any liquidity for transfers to poor people.



## Option A: Health equity fund

**The Health Equity Fund is Cambodia's largest social protection programme.** The initiative offers health services free of charge to at least two million poor Cambodians, with one study indicating that it has reduced out of pocket spending on health by 35 percent.<sup>66</sup>

Started in 2000, the HEF is a non-contributory scheme funded by the RGC and development partners which uses the IDPoor database to determine who qualifies as beneficiaries. IDPoor households are entitled to an IDPoor Equity Access Card which enables them to receive free healthcare under the scheme. Health care professionals are also able to enrol non IDPoor patients who they deem to be very poor or poor and therefore should be eligible for free treatment. These individuals are given a Priority Access Card, which allows them free health services for one year.

After any patient eligible for HEF seeks treatment, the health facilities are reimbursed for the services and any associated prescriptions. The HEF also reimburses any payments arising from accessing treatment such as transportation and caregiver costs.<sup>67</sup>

## Why use the HEF as a shock-responsive instrument?

The rationale for including the HEF includes:

- **Amplified health risks:** Following disasters health risks are amplified, leaving the population vulnerable to falling into poverty due to high medical costs. Many Cambodians live just above the poverty line and are therefore not entitled to the benefits of the IDPoor and do not have

access to health insurance. These individuals are vulnerable to any sudden shocks which cause them to spend more than they earn. Therefore, an injury or illness as a result of a disaster can push households into poverty as they are unexpectedly forced to pay for health care.

- **Debt:** The threat of falling below the poverty line is further compounded by the vulnerable not only using their own resources to pay for medical treatment, but also taking out loans to pay for health services. Households, particularly in rural areas, are likely to already have outstanding debt for agricultural inputs so any additional loans for unproductive means such as health costs, can deepen their indebtedness.<sup>68</sup>
- **Established system:** The HEF scheme is a well-functioning, long running, nationwide programme which makes it easier than a newer programme to adapt.

**In addition to the wide coverage and relative maturity of the HEF, it is appropriate to adapt the HEF to respond to shocks given the impact of flooding as the most significant hazard shocks, on health outcomes.** Flooding and the related increase in water borne diseases, malaria, and other health issues related to water, sanitation and hygiene (WASH) impacts the poor and vulnerable the most. This group also has the highest household debt levels in Cambodia. Of this household debt, an estimated 20-30 percent is for health-related illness, injury and accidents.

**Disasters can further increase the prevalence of debt as an estimated 48 percent of households surveyed were shown to have taken loans as a direct consequence of floods in 2011.** More than 10 percent of respondents reported that these loans were for health/education. An additional 8.3 percent of those surveyed stated that they

<sup>66</sup> Flores, G. et al. (2013)

<sup>67</sup> OECD, 2017

<sup>68</sup> Bullen, 2012

already had an outstanding loan and had taken a second loan for health/education purposes. Post flood, 9 percent of all respondents surveyed claimed that they would default on their first loan, 14 percent would be unable to pay their second and 70 percent their third.<sup>69</sup>

**Given the significant numbers of households that are clustered above and below the poverty line, health related expenses can potentially derail poverty reduction efforts and lead to the near-poor to slide back into IDPoor 1 and 2 categories.** The OECD report notes that even with broad coverage, there are still significant exclusion errors and “As a result, a large proportion of Cambodians are at risk of falling into poverty when they suffer a health shock because they are forced to rely on out-of-pocket payments to finance their treatment.”<sup>70</sup>

**Consideration of the use of the HEF as a covariate shock-responsive mechanism must also consider a range of potentially negative issues.** This includes the potential for diluting the impact of the HEF as a result of programme capacity being diverted into disaster responses. Capacity constraints are already an issue in the delivery of the current programme which could be magnified by adding a shock-responsive function. A related question is whether the re-payment to clinics for the added caseload could be transferred quickly enough, and if local health centres would have the capacity to deal with the increased demand. It is important to recognize these constraints to the current programme design and delivery mechanisms – not to unduly criticize but to be aware of the constraints of the existing programme and attempt to account for them during a process of adaptation. Any decision to include a shock-responsive element requires an analysis of overall capacity, physical access to health centres, availability of committed resources (fiscal space), a cost-benefit analysis to understand the likely costs of such an approach in budgetary terms, and a strong commitment from Government.

## Policy implications

The HEF is specifically mentioned in Prakas 809, issued by the Ministry of Economy and Finance and the Ministry of Health, in October 2006 giving

approval for government funds to be allocated towards reimbursing health facilities for the user fees of poor patients.<sup>71</sup> The HEF is referenced in the National Social Protection Framework.

As noted above in the general policy section, it is key to ensure that the ability of social protection programmes to be shock-responsive and risk-informed are clearly articulated in the appropriate policy framework. This ensures that time will not be lost debating the overall role, and will enable the necessary planning and other ex-ante work to be completed before a disaster.

**If the HEF is adapted for early response, this role should be clearly articulated within Prakas 809, and cross-referenced in the appropriate policy frameworks. In addition, the HEF should then be specifically referenced in the national Contingency Plan and within the contingency plans of the responsible line ministry.** The NCDM structure is ideally placed to build awareness with the respective sectoral bodies from national down to subnational and commune levels.

## Information system implications

**Further work is required to define the way in which the EWS will ‘talk with’ the health MIS.** This includes how an impending hazard event is going to adversely impact the health particularly of vulnerable households. A good example of how this can be done in practice is the Regional Integrated Multi-Hazard Early Warning Systems for Africa and Asia (RIMES) initiative with Government of Tamil Nadu in India.<sup>72</sup> RIMES provides early warning on weather related events and decision support systems for contingency planning. They have created health advisories based on the correlation between hazards and disease outbreaks.

### Triggers for the HEF

**Initially, the HEF is better suited to scale up to a sudden onset disaster than a slow onset.** Slow onset disasters are more complex to monitor and trigger action. It is not as easy to develop automatic triggers and most often, expert-led triggers are used

<sup>69</sup> Bullen, D. and Corita, S., 2012

<sup>70</sup> OECD, 2017 p. 80

<sup>71</sup> Men, C. et al., 2011

<sup>72</sup> UNESCAP, n.d.

for slow onset situations using expert opinion to make the final triggering decision. The disadvantage of expert-led triggers is that they are more prone to more delays as there is more process; thus they are slower than automatic triggers. However, work on developing slow onset disaster triggers is still important in order to scale up a range of programmes for early response (be it social protection or development).

As mentioned, efforts to continue to develop automatic triggers for drought such as monitoring water table levels should be actively explored, but in conjunction with the possibility of using expert-led triggers (or a combination of the two depending on the phase). A short list of indicators should be debated and tested, and a process for expert opinion agreed.

## Delivery modality implications

The HEF is not a direct transfer to the household, but the impact is arguably similar in that it displaces the cost of accessing health services; a cost which can often be debilitating in an environment of already high levels of indebtedness. Because it delivers free access to health services, there are no options for vertical expansion (e.g. adding more to the benefit itself). **Consequently, the option is to horizontally expand coverage to more of the poor and vulnerable in a set geographical area for an agreed period of time (horizontal time-bound expansion).**

### Sudden onset disasters

**In a sudden onset disaster (flooding or storms) the HEF should have pre-determined operational guidelines in place before the disaster to immediately expand within an affected geographical area as soon as the early warning threshold has been triggered.**<sup>73</sup> Initially, and to keep it simple, affected communes could be blanketed for a one to two month period (time frame to be determined). Re-imbursement would be to the health clinics through the existing system based on usage. In this way, registration would not

be an initial barrier that blocks response. As the needs assessment system gears up, the vulnerable not currently in IDPoor 1 and 2 can be identified, registered, and given longer term access to the HEF (e.g. 6 months or a reasonable period to allow for recovery, dependent on fiscal space).

### Slow onset disasters

**In a slow onset disaster such as drought, horizontal expansion of the HEF (that is, adding more needy people) is still appropriate as water shortages, and the subsequent diminished access to food and income, will impact health and health related costs for vulnerable households.** The HEF will need to develop a graduated series of HEF time-bound expansion in line with the enhancement of the current triggers outlined in the HRF Contingency Plan.

For example, upon reaching the flooding Category 3, communes are fully covered for 3 months, at Category 2 for 4 months, and at Category 1 for 6 months). This should be detailed in a clear HEF Contingency Plan as a component of the overall DRM contingency planning process. It should also be calibrated based on what the Government fiscal space is, and to what degree they are convinced that this investment saves money in the medium term.

The HEF should be scaled up on a geographical basis; that is, areas of the country that have been affected by slow or sudden onset disasters and have passed the pre-agreed thresholds will be eligible for scaled up HEF assistance. In the medium term, more localized areas of stress can be scaled up once the scaling up modalities have been tested and operationalized.

## Option B: Cash transfers for poor pregnant women & children under 5

Cash transfer social protection programmes are at an early stage of development in Cambodia marked by a number of encouraging schemes in various stages of development. Each of these has different implementors and different sources of finance. There is currently no single, nationwide cash transfer for any group. However, the policy environment is very conducive and the use of cash transfers is prominent

<sup>73</sup> Based on ECHO funded experimentation with 72 hour EWS for flooding with river sensors on the Mekong River, one would have 72 hours' notice to trigger a cash payment. In essence, however, this is an initial quick emergency response mechanism using an existing SP mechanism to ensure the most vulnerable are addressed as quickly as possible.

in the Social Protection Framework. The aim is to expand these programmes nationally and to work to bundle them together into common mechanisms such as family packages. UNICEF is currently working closely with the RGC on the design of a national cash transfer programme.

### **Why use the cash transfer programme for pregnant women and children under 5 as a shock-responsive instrument?**

The MCCT modality was chosen for further consideration for option development based on an analysis of the criteria listed in the introduction of this section with participants at the consultation workshop. The reasons why were as follows:

- **Healthy development of children:** Disasters can place additional strain on the monetary resources of needy households, leaving them unable to provide adequate nutrition for children under 5. This age group is particularly susceptible to illnesses which can have harmful long term effects. An investment in a child's life in the first 1,000 days can help to alleviate the strain on the economy in their later years as it increases their chances of becoming healthy, productive members of society. Quick action prior to, during, and after an emergency is key to help protect the development investments in the most vulnerable.
- **Government commitment:** Participants felt that given the commitment of the RGC to the SDGs, maternal health should be a priority. Cash transfers that encourage mothers to prioritize their own health—particularly after a disaster when financial resources may be limited due to spending on reconstruction—could help to ensure that progress towards these goals is not interrupted.
- **Scaling up all transfers:** Participants suggested that taking the household as the focus- mothers and children included- all cash transfers could be scaled up or out using the same mechanism. As disasters often place strain on household finances, the mother and child cash transfer is likely to be stretched to provide for other family members as well. Expanding all cash transfer programmes would therefore help to ensure the continued support of mothers

and children as it could strengthen the capacity of cash transfer to provide for its intended target group.

## **Information system implications**

### **Triggers for scaling up the MCCT programme**

The triggering mechanism issues described above largely apply to scaling up the MCCT. However, there are differences to note:

- The types of triggers used will differ because of the different nature of the shock.
- Because early detection of drought can involve a wider range of indicators, the use of expert-led indicators that rely on expert opinion is more relevant. Automatic triggers are still preferable in terms of speed of response, but expert-led triggers should still be explored.

#### **Automatic Triggers**

- Action Aid is experimenting with monitoring ground water table levels through the use of well monitors. A response could be triggered once water levels fall below a certain level
- A second trigger could be a compilation of when cumulative rainfall falls below x percentage of seasonal norms combined with NDVI index below x percentage of the seasonal norm.

#### **Expert-led Triggers**

- This involves using expert opinion to examine a wider range of agreed indicators against trend data to trigger the response. An agreed number of thresholds and a committee structure would need to be agreed using international standards such as the Integrated Phase Classification (IPC).

## **Delivery modality implications**

Initial discussions are underway within the RGC about how the MCCT could be the basis of a bundled set of cash transfers in future. It is envisioned that administrative and efficiency savings



would be considerable if a number of transfers to vulnerable households could be bundled together into one ‘family package’ using the same transfer mechanism (for example, including transfers for the disabled, the elderly, scholarships, etc.).

In the same way, adding a shock-responsive element to the design of future social protection cash transfer programmes can make better use of the instruments leading to better value for money. It becomes part of the overall design, or as an add-on to existing programmes and delivery.

### Sudden onset disasters

**Any future design work on cash transfer programmes should aim to eventually be responsive to both slow and sudden onset disasters.** In a sudden onset disaster (flooding or storms) the programme should have pre-determined operational guidelines in place before the disaster to immediately expand within an affected geographical area.

- **Develop a set of thresholds** linked to early warning triggers for additional cash transfers to existing Mother and Child grant clients for vertical expansion.
- **Develop a pre-registration element within IDPoor to pre-register households with high disaster vulnerability (especially to both floods and drought the nexus of which is most damaging in Cambodia).** Build on “IDPoor on Demand” although just a pilot now to develop a list of those above IDPoor 1 and 2 most likely to need assistance.
- **Ensure that these lists are harmonized with the humanitarian needs assessment system.** The vulnerable not currently in IDPoor 1 and 2 can be identified, registered, and given longer term access to the MCCT (e.g. 6 months or a reasonable period to allow for recovery and dependent on fiscal space).
- Therefore, develop clear ranges of vertical scale up (for existing MCCT beneficiaries) and for horizontal scale up (to add additional beneficiaries from the pre-registered list and/or from the needs assessment process).

- **Tweak or relax required conditions for beneficiaries.** For the time-bound period of expansion, suspend, tweak or relax the conditionality requirements for the cash transfer in general. The phasing back in of the conditionalities should be reviewed regularly from the third month post-shock.

### Slow onset disasters

**In a slow onset disaster such as drought, the horizontal and vertical expansion of the MCCT will need to be developed as a graduated series of time-bound expansions based on a scalability framework.** It would require updating the current drought categories and aligning these with a range of triggers in a scalability framework. Any agreed expansion should also be calibrated based on the available Government fiscal space.

- **For slow onset disasters, the emphasis should be on using select social protection programmes as one of the earliest interventions** with the assumption that the earlier the intervention, the bigger the impact.
- **Agree ex-ante the level and duration of benefits across the risk cycle,** to accelerate the vertical and horizontal expansion of the programme.
- **Encourage a discussion about what percentage of funds can be transferred as a ‘no regrets’ transfer** at the earliest indication of drought stress (e.g. 5 percent).
- **Ensure that there are different levels of administrative control over early no-regrets funds.** This means that it is clear what percentage of the funds can be used at each level.
- **Develop a pre-registration element within the IDPoor to pre-register households with high disaster vulnerability** that would make temporary horizontal expansion of the cash transfer.
- **Develop a robust communications strategy** to ensure that communications with households explicitly states that their entitlement to support through the mother child grant only takes effect in certain conditions and that the duration of this support is limited, and time bound (at which time it will be re-evaluated, depending on need).

**Adaptive capacity:** The ability of people to adjust to climate change (including climate variability and extremes) to moderate potential damages, to take advantage of opportunities, or to cope with the consequences (adapted from IPCC 2012<sup>74</sup>).

**Adaptive Social Protection (ASP)** is concerned with building the resilience of vulnerable households before disasters occur *and* investing in making social protection more responsive to disasters after they have occurred. Originally, focused on climate risks, the term is now used in relation to a broad range of natural, economic or man-made disasters and stresses.<sup>75</sup>

**Climate change:** A change in the state of the climate that can be identified (e.g., by using statistical tests) by changes in the mean and/or the variability of its properties and that persists for an extended period, typically decades or longer. Climate change may be due to natural internal processes or external forces, or to persistent anthropogenic changes in the composition of the atmosphere or in land use.<sup>76</sup>

**Climate change adaptation:** In human systems, the process of adjustment to actual or expected climate and its effects to moderate harm or exploit beneficial opportunities. In natural systems, the process of adjustment to actual climate and its effects; human intervention may facilitate adjustment to expected climate.<sup>77</sup>

**Disasters:** A serious disruption of the functioning of a community or a society involving widespread human, material, economic, or environmental losses and impacts, which exceeds the ability of the affected community of society to cope using its own resources.<sup>78</sup>

**Disaster risk:** The potential loss of life, injury, or destroyed or damaged assets which could occur to a system, a society, or a community in a specific period of time, determined probabilistically as a function of hazard, exposure, vulnerability, and capacity.<sup>79</sup>

**Disaster risk management:** The application of disaster risk reduction policies and strategies to prevent new disaster risk, reduce existing disaster risk, and manage residual risk, contributing to the strengthening of resilience and reduction of disaster losses.<sup>80</sup>

**Early warning system:** An integrated system of hazard monitoring, forecasting and prediction, disaster risk assessment, communication and preparedness activities systems and processes that enables individuals, communities, governments, businesses and others to take timely action to reduce disaster risks in advance of hazardous events.<sup>81</sup>

**Humanitarian Principles:** are rooted in international humanitarian law and devised to guide and govern the way humanitarian response is carried out. The four guiding principles are Humanity, Neutrality, Impartiality and Independence.

- **Humanity** – Human suffering must be addressed wherever it is found. The purpose of humanitarian action is to protect life and health and ensure respect for human beings. Neutrality – Humanitarian actors must not take sides in hostilities or engage in controversies of a political, racial, religious or ideological nature
- **Neutrality** – Humanitarian actors must not take sides in hostilities or engage in controversies of a political, racial, religious or ideological nature.

<sup>74</sup> IPCC, 2012

<sup>75</sup> World Bank, 2018, p. 86

<sup>76</sup> *ibid*

<sup>77</sup> *ibid*

<sup>78</sup> UNISDR, n.d.

<sup>79</sup> *ibid*

<sup>80</sup> *ibid*

<sup>81</sup> UNISDR, n.d.



- Impartiality – Humanitarian action must be carried out on the basis of need alone, giving priority to the most urgent cases of distress and making no distinctions on the basis of nationality, race, gender, religious belief, class or political opinions.
- Independence – Humanitarian action must be autonomous from the political, economic, military or other objectives that any actor may hold with regard to areas where humanitarian action is being implemented.<sup>82</sup>

**Resilience:** The ability of countries, communities, businesses, and individual households to resist, absorb, recover from, and reorganize in response to natural hazard events, without jeopardizing their sustained socio-economic advancement and development.<sup>83</sup>

**Shock-Responsive Social Protection** – focuses on making social protection systems more responsive to covariate disasters. This includes a clear emphasis on preparedness planning to ensure early response.<sup>84</sup>

**Social Protection** – Interventions that consist of policies and programmes designed to reduce poverty, inequalities, and vulnerability by assisting the poor, at risk, vulnerable groups such as but not limited to persons with disabilities, older people, youth, women, children, undernourished, victims of disasters, migrant workers, and as well as families and communities to enhance their capacities to better manage risks and enhance equal access to essential services and opportunities on a rights based/needs based approach. Definitions of migrant workers and applicability of social protection schemes shall be in accordance to the prevailing national laws, policies and regulations of ASEAN Member States.<sup>85</sup>

**Vulnerability:** The conditions determined by physical, social, economic, and environmental factors or processes that increase the susceptibility of an individual, a community, assets, or systems to the impacts of hazards.<sup>86</sup>

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<sup>82</sup> OCHA, n.d.

<sup>83</sup> ADB, 2013

<sup>84</sup> O'Brien, C., et. al., 2018

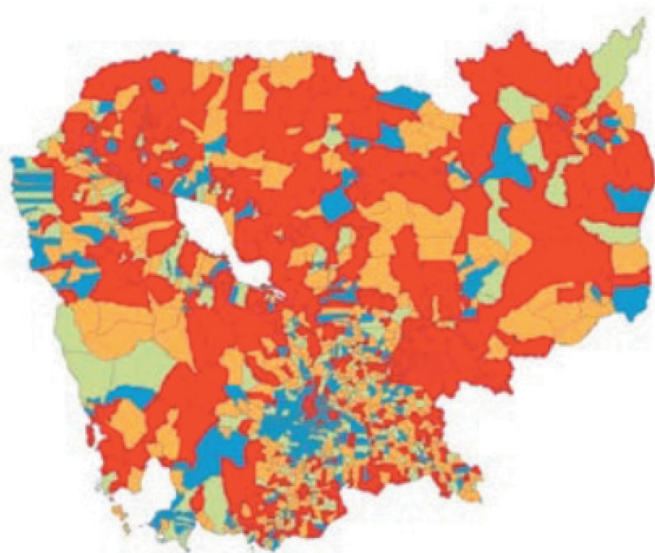
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<sup>85</sup> ASEAN, 2015

<sup>86</sup> UNISDR, n.d.

A Vulnerability index (VI) is intended to inform planning for hazards and shocks in an effort to minimise the damage caused to lives, livelihoods and infrastructure. It assesses the readiness of a population to anticipate, deal with and recover from shocks. Vulnerability indicators are derived from existing data on the socio-economic attributes and environmental conditions which are likely to affect the extent to which people or systems are susceptible to hazards. A VI examines the correlation between these 'predictive' vulnerability indicators and 'impact' indicators which measure damages and losses for climate-related hazards. The index is further disaggregated by geographical zone and type of hazard.

In 2014, Cambodia conducted a vulnerability assessment using data from the Commune Database. The assessment included vulnerability indicators with a significant correlation (95 percent) to damages and losses from different types of hazards. Proxies of poverty, agriculture, environment, health, education and business were used to predict vulnerability to floods, storms and droughts. Communes were classified according to four thresholds highly vulnerable, quite vulnerable, less vulnerable and least vulnerable. Results revealed that 279 or 17.2 percent of communes were highly vulnerable to storms, floods and drought. Otdar Meanchey, Ratanakiri, Stung Treng and Svay Rieng were the provinces identified as being highly vulnerable to all hazards. The outcome was a Cambodian Vulnerability Index developed as part of the national M&E framework for climate change response. At present there is no link to the IDPoor data set. (Rai 2015).



**Drought vulnerability index 2014**  
 High [ $>(-)0.678$ ]  
 Quite [ $(- )1.200-(-)0.678$ ]  
 Less [ $(- )1.722-(-)1.200$ ]  
 Least [ $<(-)1.722$ ]

# ANNEX

## 6

# TYPICAL FINANCIAL INSTRUMENTS FOR DISASTER RESPONSE (EX-POST & EX-ANTE)

INSTRUMENT	TYPICAL RANGE OF POTENTIAL FINANCIAL INSTRUMENTS AVAILABLE FOR DISASTER RESPONSE					Preconditions for usage
	Objectives	When can it be used?	Strength	Weaknesses		
EX-POST FINANCING						
Donor support (typically humanitarian relief)	To meet vulnerable citizens' transitory needs through international grant resources	To prepare or respond to a disaster, typically when a national disaster is formally declared	No financial cost to government, can be channelled through non-Government organizations and (subject to exceptions) Government structures	It is ad hoc (dependent on availability of international resources), unpredictable, often late, limited duration	Declaration of Emergency	
National budget reallocations	To release monies for emergency response, identified through a reprioritization of government spending	Any time during the year, typically with approval of MEF	Discretionary	Liable to political interference Fixed amount Original priorities compromised Approval may not be timely	Request to MEF	
Ministerial budget reallocations	To release monies for emergency response, identified through a reprioritization of ministerial spending	Any time during the year, with approval of relevant Minister	Discretionary and rapid	Political interference Fixed amount Original priorities compromised	Request approval to MEF	
Domestic credit (bond issue)	To secure additional liquidity and resource an emergency response	Any time during the year	Flexible (time and amount)	Debt sustainability	Requires debt stability and credibility from credit markets	
External credit (for example, emergency loans, bond issue)	To secure additional liquidity and resource an emergency response	Any time during the year	Flexible (time and amount) Amounts can be larger internationally	Debt sustainability Exchange rate risk	Credibility Exchange rate stability Getting credit rating for the country	

INSTRUMENT	TYPICAL RANGE OF POTENTIAL FINANCIAL INSTRUMENTS AVAILABLE FOR DISASTER RESPONSE					Preconditions for usage
	Objectives	When can it be used?	Strength	Weaknesses		
EX-ANTE FINANCING						
Donor support (development)	To eliminate poverty and share prosperity	Any time during the year	Lower cost than credit markets Long-term financing Predictable	Can come with conditions Can be tied to geopolitical incentives Needs to be repaid	Conditions are complied with or agreement in place to monitoring future compliance Satisfactory public financial management systems in place	
National budget contingencies	Predictable access to financing for national disasters	Any time during the year once thresholds are reached	Predictable Timely access depends on pre-agreed thresholds and rules-based execution	Liable to political interference Fixed amount Original priorities compromised Needs to be used within a year	Size of fund has to be established Triggers for accessing Fund need to be agreed on Resources added	
Ministerial budget contingencies	Predictable access to financing for disasters that affect the sector	Any time during the year, once pre-agreed thresholds are reached	Easy to access Predictable Rules based execution	Needs to be used within a year Fixed amount Original priorities compromised	Ministries' inclusion of a Sector Contingency Fund was discouraged by MoF in circa 2013	
Regional (subnational) budget contingencies	Predictable access to financing for disasters that affects individual regions	Any time during the year or when pre-agreed thresholds are reached	Easy to access Predictable Rules based execution	High decentralization required Balancing equitable expenditures across regions	Decentralized public financial management system Capacity at regional level	
Programme budget contingencies	Predictable access to financing for disasters that affect programme outcomes	Any time in programme life when pre-agreed thresholds are reached	Easy to access Predictable Rules based execution	Needs to be used within the life of the programme	Legally established and mandated Standing up operational budget	
National reserves	Additional resources to finance any unforeseen events at discretion of Government	Any time	Easy and quick access to resources Predictable	Committing resources for unknown future Can be used for unexpected events (not only disasters)	Legally established and resourced	
Contingent debt facility (for example CAT DDO)	Pre-agreed loan that provides liquidity in case of disasters in a timely manner	As soon as state of emergency is officially declared by Government	Does not require savings Quick access to resources	Cost to government is higher due to repayment Rigorous process for it to be established	Having a low or moderate risk of debt distress	

INSTRUMENT	TYPICAL RANGE OF POTENTIAL FINANCIAL INSTRUMENTS AVAILABLE FOR DISASTER RESPONSE				
	Objectives	When can it be used?	Strength	Weaknesses	Preconditions for usage
<b>National parametric insurance</b>	Transfer government risk to international insurance markets	Pays when a pre-agreed threshold of a parameter is reached (the parameter is model-based, not field-based)	The parameter trigger is objective Reduces costs through monitoring and reduces premiums	Premiums can be expensive Parametric insurance has basis risk (payments made to claimants might not reflect actual losses) It only covers certain risks (e.g. drought but not plagues)	Establish legal contract and pay premiums
<b>Subnational parametric insurance</b>	Transfer households' (typically farmers') risk to insurers	Parametric insurance pays claims when a pre-agreed threshold of a parameter is reached (the parameter is model-based, not field-based)	The parameter trigger is objective Reduces costs through monitoring and reduces premiums	Premiums can be expensive Parametric insurance has basis risk (payments made to claimants might not reflect actual losses) It only covers certain risks (e.g. drought but not plagues) From international experience, subsidies to premiums are generally needed	Willing insurance companies that offer parametric insurance products to farmers
<b>Alternative Risk Transfer (for example CAT bonds, weather derivatives)</b>	Transfer disaster risk to national or international credit markets	Depending on the instrument, any time or when pre-agreed threshold is reached	Provides quick access to funds	Set up costs are expensive for government	Establish legal contract for derivatives and legal process for CAT bonds
<b>Traditional (indemnity-based) insurance</b>	Transfer farmers' risk to insurers	After the assessment of individual losses following an insurable event	Provides resources when losses occur Covers a variety of threats	Takes time to conduct loss assessment and claim resources to be disbursed Premiums are expensive for small farmers	Willing insurance companies that offer indemnity insurance products to farmers

Source: Hobson, M. 2018

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Funded by  
European Union  
Civil Protection and  
Humanitarian Aid

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ISBN 978-92-5-133648-9



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CB2195EN/1/12.20