

# SOCIAL HEALTH PROTECTION

## REFORMING CAMBODIA'S SOCIAL PROTECTION FRAMEWORK

### Challenges

Over the past decade Cambodia has experienced strong economic growth and dramatic reductions in poverty. Between 2003 and 2012, the proportion of Cambodians living below the poverty line dropped by more than half, from 50 percent to 18 percent. In 2016, Cambodia joined the ranks of low middle-income countries. Despite these impressive achievements, many Cambodians who have escaped poverty have only barely done so. Cambodia's large population of 'near poor' remain extremely vulnerable to impoverishment as the result of even the slightest economic shock. Natural disasters, ill health, disability, unemployment or other losses of income can easily lead to re-impoverishment.

Extended families have traditionally been an important source of social support, including for the elderly, people living with chronic illnesses or with disabilities, and those affected by accidents, disasters or emergencies. However, as a result of demographic and labour force changes, a formal social protection system is increasingly required in Cambodia to help citizens deal with economic risks and vulnerabilities which arise over the lifecycle. The Cambodian population is ageing – by 2050 it is expected that 18 percent of the population will be 60 years or older, compared to only 7 percent in 2015 – and changes will be required to prevent the growing population of older persons from falling into poverty. In addition, many younger people have moved from rural to urban areas to take on jobs in the manufacturing and service industries, putting additional strain on traditional social security structures.

To address these changing needs the Royal Government of Cambodia has invested in the development of various social assistance and social insurance schemes. However the coverage of these schemes is limited and they are not integrated with one another, resulting in administrative inefficiencies, high costs, and gaps and overlaps in the provision of benefits. As part of a

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comprehensive reform of the social protection system, the Royal Government of Cambodia has now developed a National Social Protection Policy Framework (2016-2025), encompassing both social assistance and social insurance measures, which will serve as the basis for reducing and preventing poverty, vulnerability and inequality, as well as strengthening human resource development in the country.

### Our Approach

The Social Health Protection project, implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ), is providing technical assistance to Cambodia's Ministry of Economy and Finance (MEF) as it reforms the country's social protection framework.

With co-financing from the United States Agency for International Development (USAID), GIZ is supporting the MEF's Pension and Insurance Department to review existing programmes and citizen entitlements, as well as the legal framework and governance structure of the present system. On the basis of this analysis, it identifies changes which will be required to implement the National Social Protection Policy Framework and to build a coherent, integrated and sustainable social protection system. It



*Sustained economic growth has lifted many Cambodians out of poverty, but those living just above the poverty line remain vulnerable to economic shocks*



Mr. Kelvin Hui  
kelvin.hui@giz.de  
Tel.: +855 12 71 13 51

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GIZ Cambodia please visit:  
[facebook.com/gizcambodia](https://facebook.com/gizcambodia)

*The National Social Protection Policy aims to extend social safety nets to Cambodia's most vulnerable citizens, including children and older persons*

also works directly with stakeholders to strengthen their capacity to implement the envisioned social protection system. Areas of support include:

- Analysing the existing legal framework and assisting in the development of an umbrella law for social protection which will enable the implementation of the new social protection system;
- Providing technical advice to support the implementation of the Social Protection Policy Framework. This includes supporting the detailed systems design process through expert advice, and learning from best practices throughout the region;
- Facilitating debate and consultations between the ministries involved in the reform process and other stakeholders;
- Commissioning analysis and research on the feasibility and impacts of different policy options; and
- Supporting capacity development through the placement of an integrated technical expert at the MEF's Pension and Insurance Department.

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Registered offices Bonn and Eschborn, Germany

Social Health Protection Project (SHPP)  
GIZ Project Office at NIPH  
P.O. Box 1238, #2, Street 289, Phnom Penh, Cambodia  
T +855 23 88 44 76  
F +855 23 88 49 76  
[www.giz-cambodia.com](http://www.giz-cambodia.com)

## Author(s)

Kelvin Hui

## Layout

Jenny Nickisch

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## Division

Embassy of the Federal Republic of Germany

Addresses of the  
BMZ offices

<b>BMZ Bonn</b> Dahlmannstraße 4 53113 Bonn, Germany T +49 228 99 535 - 0 F +49 228 99 535 - 3500	<b>BMZ Berlin</b> Stresemannstraße 94 10963 Berlin, Germany T +49 30 18 535 - 0 F +49 30 18 535 - 2501
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[poststelle@bmz.bund.de](mailto:poststelle@bmz.bund.de)  
[www.bmz.de](http://www.bmz.de)