

CAMBODIA

SUPPORT FOR REGIONAL ECONOMIC DEVELOPMENT IN CAMBODIA Strengthening local governance structures and supporting rural poor, particularly women, to benefit from economic growth and poverty reduction at the local level.



Mr. Vat Vireak presents the result of district awareness workshop on LED.

Photo by Halabi

BACKGROUND

Cambodia has achieved significant economic development over the past 15 years. Economic growth has been mainly concentrated in the textile, tourism and construction sectors in urban areas, but has also gradually spread to rural areas. Despite these positive developments, the majority of poor people (90%) are still in rural areas. Many of the poor live just above the poverty line, remaining highly vulnerable to falling back into poverty.

Although promoting local development and delivery of public services is a key priority of the Royal Government of Cambodia, public investment in the development of rural areas in the poorest provinces has not been significant. Sub-National Democratic Development (SNDD) is a priority reform of the Cambodian Government and is supported by the Swiss Agency for Development and Cooperation (SDC). Strengthening sub-national

administration at district level is important in promoting inclusive development in rural areas and coordinating regional management.

The low productivity of the rural economy is a result of limited access to technical know-how and innovation, and limited access to markets. Pressure on land and water resources and the effects of climate change represent key challenges for further rural development. The private sector must be developed and coordination between the public and private sector, as well as civil society, needs to be improved for the development of existing economic potential in rural areas.

The Regional Economic Development Program (RED), implemented by GIZ in rural districts and communes of Siem Reap province since 2007, aims to generate employment and income opportunities for poor and vulnerable households. The new phase of RED (RED III) will consolidate successes and enhance the overall sustainability of the results achieved in Siem Reap province, while being scaled up in two additional provinces.

SDC, together with the German Government (BMZ) supports the RED III program through strengthening the local governance structure, particularly district and municipal administrations. It also contributes to national decentralisation. SDC's contribution has allowed the program to be extended to two additional provinces, Banteay Meanchey and Oddar Meanchey.

APPROACH

GIZ is responsible for the overall strategic planning, implementation, monitoring and evaluation of the program. At the national level, the Council for the Development of Cambodia (CDC) is responsible for coordination

with the Ministry of Interior and the National Committee for Sub-National Democratic Development. The RED program will also work with the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Commerce, with private sector institutions as important partners.

STRATEGIC FOCUS

Strategically, RED aims to promote pro-poor growth of the provincial economy and follow a market-driven approach. SDC's strategic focus is to strengthen local governance, particularly at district level, to actively promote local development, both through improved public service delivery and improved conditions for economic development. Gender equality is promoted in program activities and women are empowered to engage in economic activities and take on leadership roles. Conflict-sensitivity is mainstreamed throughout the program interventions.

OVERALL GOAL AND EXPECTATIONS

Building on the results of the previous phase, this phase is expected to achieve the following outputs:

- 1. Local government action for inclusive growth:** commune and district councils and administrative bodies implement measures for inclusive economic development.
- 2. Stakeholder cooperation for local economic development:** Public, private and civil society stakeholders, including poor and vulnerable households, develop and implement joint economic development initiatives.
- 3. Sustainable services and business links for increased competitiveness of local products:** Improved access for male and female smallholders and small-business owners to sustainable economic promotion services, and increased range of employment opportunities for job seekers.
- 4. Knowledge partnerships with national-level stakeholders:** Mechanisms to ensure exchange of knowledge and experience on policies and reforms, and up-scaling of RED lessons learned and best practices between national and sub-national levels are in place and functioning.



Exchange visits on the stakeholder dialogue within the Regional Management concept. Photo by Halabi

PROJECT AT A GLANCE:

Duration

Phase 1: 01 January 2015 – 31 December 2017

Budget

SDC contribution: CHF 4,800,000

Implementing agencies

German Agency for International Cooperation (GIZ)

Other partners:

BMZ, CDC, MoI, NCDD, MAFF, MoC

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