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ABSTRACT

After two decades of warfare, in the nineties Cambodia has started a painstaking process of economic recovery. However, the country is still very poor; it is listed as both low-income, food-deficit (LIFDC) and least-developed (LDC). The situation remains volatile; flexibility in allocating resources to meet immediate requirements needs to be maintained. The purpose of WFP's assistance to Cambodia is to support the Government's long-term objectives of eradicating poverty and attaining food security for the whole population. The main emphasis of WFP's intervention is on rehabilitation of the badly damaged rural infrastructure. Credit schemes, training, institutional support and emergency relief are other components of the WFP programme. Longer-term economic activities, such as forestry, may be included at a later stage, provided adequate technical support is secured. A primary success factor for the WFP operation in Cambodia has been its capacity to identify the most vulnerable communes¹ on a nationwide basis. The WFP poverty mapping exercise resulted in a Target Commune List which serves as a geographical targeting guide for WFP interventions. These are described with a time horizon of five years. It is not impossible that during this period Cambodia will become fully self-sufficient in cereals, and that it will experience an economic growth which, at the end of the period, may allow the Government to assume responsibility for funding food security programmes. However, international assistance to this sector will continue to be required over the next five years.

¹Subdistrict unit representing a group of villages. There are 1,573 communes in Cambodia.

NOTE TO THE EXECUTIVE BOARD

This document is submitted to the Executive Board for review and comments.

Pursuant to the decisions taken on the methods of work by the Executive Board at its First Regular Session, the documentation prepared by the Secretariat for the Board has been kept brief and decision-oriented. The meetings of the Executive Board are to be conducted in a business-like manner, with increased dialogue and exchanges between delegations and the Secretariat. Efforts to promote these guiding principles will continue to be pursued by the Secretariat.

The Secretariat therefore invites members of the Board who may have questions of a technical nature with regard to this document, to contact the WFP staff member(s) listed below, preferably well in advance of the Board's meeting. This procedure is designed to facilitate the Board's consideration of the document in the plenary.

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FOOD INSECURITY AND POVERTY

Food insecurity at the national level

1. Situated in the midst of the world's fastest growing economic region, Cambodia is lagging far behind its neighbours in terms of quality of life and economic development. The country is still struggling to overcome the trauma of the Pol Pot regime of the seventies, when basic economic infrastructure, production systems, social services, and even family and community ties were severely disrupted. The political circumstances that followed in the eighties, prompting a prolonged international economic embargo, only delayed the country's outlook for recovery. The United Nations-supervised elections of 1993 resulted in a government headed, and managed at all levels, by an uneasy alliance of two political parties. This, coupled with the continued armed conflicts in several provinces between the Khmer Rouge guerrillas and government troops, resulted in considerable apprehension and tension among the population. However, massive reconstruction efforts are now taking place with the assistance of international donors and the country is quickly transforming itself, having adopted an aggressive market economy system.
2. It is important to recognize that the growth of Cambodia's economy in the early nineties started from a very low base. The country is still listed both as an LIFDC and an LDC. By all measures of well being, the majority of the population is poor. The current annual per capita income is about 200 dollars and it is estimated that 38 percent of the population live below the poverty line. The economy is rural and rice-based, the agriculture sector accounting for 50 percent of GDP and 82 percent of employment. The annual rate of population growth is about 2.8 percent, with an estimated population in July 1996 of 10.5 million. The highest incidence of poverty exists in the rural areas, where 85 percent of the population reside.
3. In 1996 Cambodia has started to move away from its image as a country in crisis. This is especially true with regard to rice production which is the mainstay of its economy. The 1995/96 rice harvest (3.318 million tons of paddy) is estimated to be 30 percent higher than the average for the preceding five years. This result slightly exceeds overall domestic requirements. One must, however, exercise caution in forecasting future trends, especially considering the fact that the country is highly susceptible to climatic factors.
4. Agriculture in Cambodia is largely rainfed, characterized by limited inputs and low yields, constantly subject to the vagaries of weather and the incidence of floods and droughts. Irrigation facilities remain in a state of disrepair with irrigated rice currently accounting for only about 10 percent of the total cultivated area of 1.9 million hectares. The transport infrastructure and marketing system are also underdeveloped, limiting small farmers to benefit from opportunities in an evolving market economy.
5. Cambodia is one of the most mine-contaminated countries. It is estimated that one third of the arable land has been mined, seriously hindering the expansion of agricultural areas in some of the most fertile lands. In the recent past, periodic military conflicts and incursions of Khmer Rouge guerrillas have caused the displacement of entire farming communities, disrupted production and destroyed crops.
6. As regards national food stocks, they have been supplied virtually in full by international donors through food aid, with 90 percent coming through WFP. With a severely constrained national budget, there is at present no government administrative and financial



capacity to allow the acquisition of supplies and the resolution of major food shortages. Hence, the continued involvement of WFP is seen as crucial.

Supply and demand at the provincial and local levels

7. A detailed WFP/FAO crop and food supply assessment was undertaken in early 1996 covering the 15 most populous provinces which produce 96 percent of the country's rice crop. In examining the results of this study at the commune level, it was found that 291 communes (21 percent of all communes excluding urban areas) recorded deficits in 1996. Of this total, 232 are considered to be structurally deficient in rice production. Eighty percent of the country's population are subsistence farmers, the majority of them with small land holdings of one to two hectares having an average yield of only 1.75 tons of paddy per hectare (based on the 1995/96 harvest). Therefore, it should be emphasized that despite the national surplus in 1996, deficits at the commune level can imply serious household food insecurity. The assessment also found that, of the 291 deficient communes, 39 percent would experience a deficit of three to five months and for a further 32 percent the deficit would last six to nine months. There are no definite patterns of geographic concentration of deficit in terms of regions, provinces or even districts. Deficit communes are to be found in all provinces. (See the map in Annex I).

TARGET POPULATION

Identification and characteristics

8. In a country where 85 percent of the population are rural and 80 percent are subsistence farmers experiencing varying degrees of poverty, the main target group lies within the rural population. In the last four years, WFP Cambodia has conducted an annual poverty mapping exercise with the aim to record indicators associated with vulnerability to food insecurity and clearly identify the poorest of the poor within this larger group.
9. A particular feature of the Cambodian poverty situation is that it is closely linked to the country's recent history of conflicts. A vast number of families have been dislocated by force or for survival, and have endured the loss of parents and other family members, and suffered physical disability. Moreover, these people have to rebuild their lives in an atmosphere where family and community ties have been disrupted and traditional mutual support systems have often been severed.
10. It is reported that 20 percent of the rural households are headed by women. The large number of such households - which implies a lack of male labour - coupled with the low education level of females results in the poorest of the poor in rural areas being disproportionately women. The common disadvantage of households headed by women is that they need to hire male labour or draught animals to plough, necessitating additional expenditure. These women are also restricted in their ability to generate income because of the need to care for their children. The elder daughters in such families usually have to look after their younger siblings, so that they often drop out of school. The literacy rate of females records a mere 22 percent. The poor situation of women is mirrored by the high rate of maternal mortality. The current estimate is 600 to 900 per 100,000 births, the highest in Asia. These rates raise serious concerns about the quality of life for Cambodian women, when compared with regional averages of 160 and Western European countries averaging under 10 per 100,000 births.



11. The disabled and the sick are also prominent characteristics linked to poverty and vulnerability in Cambodia. The continued presence of land-mines in rural areas results in a mortality and casualty rate of 300 to 500 persons per month. The rural poor have little alternative to relocate and find other means of subsistence even if they knowingly have to farm, search for food or gather firewood in mine-infested areas. Amputees from land-mines number one out of every 236 persons and represent a major social concern as well as a serious reduction of income-earning capacity.
12. Among the health problems related to food insecurity are diarrhoea, acute respiratory infections and diseases preventable by vaccination; these problems are compounded by protein-energy malnutrition and micronutrient deficiencies. The most severe effects are on children. Infant and under-five mortality rates are 115 and 181 per 1,000 live births, respectively. Among infectious diseases, tuberculosis is the first cause of adult mortality in Cambodia. Most individuals affected with tuberculosis are among the poorest of the poor, since the environment in which they are forced to live propagates this illness. There are also areas with severe iodine deficiency.
13. Other special populations identifiable in Cambodia whose problems overlap to a considerable extent with those discussed above are internally displaced persons (IDPs) and returnees. As at mid-1996, over 75,000 IDPs remain at temporary sites and a further 6,500 are being resettled with special assistance. Of the 370,000 returnees, who were repatriated and resettled from the Thai border camps, at least 60,000 are considered to be extremely vulnerable. For both IDPs and returnees, severely limited access to agricultural land and other means of livelihood is a fundamental problem which is expected to continue in the coming years.

Problems and obstacles faced by the target population and coping mechanisms

14. The availability of food can be affected by seasonal factors linked to the crop cycle. Among the rural poor in Cambodia, it is common that families with land may not be able to produce adequate food to sustain them through the year. These families experience hunger and deprivation in the months preceding harvest, the "lean season". Those physically capable but without land often seek work on others' farms during planting, cultivation and harvest seasons. It is also common that poor families forage for wild game, berries and herbs to supplement their diets or for mere survival.
15. Families who suffer shortfalls in food supplies often resort to borrowing and in many areas the only option is through local money (or rice) lenders or traders. The high interest rate they are forced to pay, up to 200 percent, often worsens their situation. Debt can also become a serious problem for a subsistence-level family faced with an emergency such as illness or death. Forced to borrow to cover the unexpected expenditures, they can slip into a vicious cycle of debt, often resulting in the surrender of assets or land.
16. Seasonal urban migration for low-paid manual labour is a common coping mechanism. Although urban poverty itself is a concern, it is clear that this problem is directly related to the conditions of food security in rural areas. There is a strong need to increase the productive base of the rural areas and to improve basic living conditions.



GOVERNMENT PRIORITIES AND POLICIES ADDRESSING POVERTY AND FOOD SECURITY

Poverty alleviation policies

17. The First Socio-economic Development Plan 1996-2000 (FSDP) states that eradicating poverty is the single most important long-term objective of the Government; reducing it is the central thrust of the plan. Reducing poverty connotes an improvement in the nutritional, educational and physical condition of the human-resource base.
18. The Government has indicated that rural development lies at the heart of its development strategy. To achieve participation and decentralization, it has planned and begun to put into place a new rural development management structure which encompasses the national ministries all the way down to the villages. Rural development committees are established, or planned, at the village, commune, district and provincial levels. The Ministry of Rural Development (MRD) has primary responsibility for the formulation and establishment of the structure steered by the Council of Agriculture and Rural Development, whose co-presidents are the co-prime ministers.
19. Village Development Committees (VDCs) are viewed as the foundation of this rural development structure and an important mechanism to secure the direct involvement of villagers in identifying and meeting their most urgent needs. By the end of 1995, approximately 500 VDCs had been established. Members are elected. Women must represent at least 40 percent of the membership. There is now a Ministry for Women's Affairs, elevated from the former Secretariat. A National Policy on Women has been promulgated to guide ministries and agencies on how to meet women's needs. The FSDP incorporates explicit consideration of the role of women in the development process. The need for special measures directed towards other vulnerable groups is also recognized.
20. The FSDP identifies the following focal areas as the elements to be addressed in the rural development programme: rural roads; primary health care, sanitation and rural water-supply; education and training; community development; household farming systems, especially with regard to smallholder agriculture, livestock, water control, irrigation and aquaculture; rural credit, especially with regard to rice banks; seeds and fertilizers; small stock and micro-enterprises.
21. Until now the severely limited government budgets for implementation of development activities have resulted in reliance on multilateral, bilateral and NGO resources. It is expected that the Government's coordination role and structural efficiency at all levels will be enhanced greatly by various forms of institutional support provided by donors and through a gradual increase of the revenue base. However, dependency on donor resources for direct investment into projects is likely to continue in the coming years. In such a context, at least for the next five years, the work incentive, income transfer and budgetary support provided by food aid will continue to be an effective resource in supporting the Cambodian Government's rehabilitation and development objectives. This would be particularly true if food aid could be used at a decentralized level, directly addressing the immediate needs of the rural communities while supporting the decentralized management structure of the Government's rural development strategy.



Food security policies

22. The FSDP states that the prime objective of the agriculture sector is to achieve food security for the entire population. It emphasizes that the Government is committed to relying largely on market forces to stimulate growth. Rice marketing has now been liberalized with market-driven pricing and there are no longer quantitative restrictions on export/import of the commodity. The Government recognizes that improving income opportunities for farmers requires ready access to markets, both within and outside the country. The lack of purchasing power by poor households when their own rice crop fails, combined with poor internal communications, in the past has resulted in exports across borders to neighbouring countries while many localities remained acutely short of rice.
23. The Government therefore recognizes a need to have the capability to intervene in the rice market - jointly with international organizations and NGOs - to provide humanitarian food assistance in periods of crisis. The Ministry of Commerce intends to retain a limited reserve stock for emergency purposes; FAO has recommended an amount of 25,000 tons. However, to date, no physical stocks have been secured, nor has any donor support been obtained for this purpose.
24. With its extremely limited revenue, the Government currently has practically no safety net programmes to respond to immediate food insecurity situations, financed from its own resources. Limited means are available for feeding programmes in government-run institutions such as hospitals, orphanages and prisons, but even those, to a significant extent, receive either direct food aid or budgetary support from external donors. The Government is still at an early stage of institutional building for the implementation of social schemes. For this reason, it has welcomed enthusiastically programmes implemented directly by international organizations and NGOs dealing with income generation, employment through labour-intensive schemes, institutional assistance to vulnerable groups and emergency interventions.

Food aid policies

Programme food aid

25. At the present time there is no government policy for the acquisition of food supplies from donors for incorporation into the local market. Therefore, issues relating to monetization mechanisms for such acquisitions and sales prices are not relevant to the situation in Cambodia.

Project food aid

26. In the past the Government has relied on WFP for approximately 90 percent of all project and emergency food aid. From 1979 to 1993, humanitarian food assistance directed to Cambodia amounted to approximately 670,000 tons; another one million tons were provided to the Thai-Cambodia Border Relief Operation during the same period. Starting in 1994, soon after the establishment of the new Royal Government, WFP launched the "Food Aid Programme for Rehabilitation in Cambodia". This new programme was designed to address rehabilitation and reconstruction efforts during the "relief to development continuum" phase of the country.
27. The revised approach to food aid, and especially the community-based food-for-work component, was new to Cambodia, with previous interventions mostly related to free handouts during emergencies. However, the programme has received considerable recognition and support from the new government. Food for work is now a well known



concept in rural Cambodia. While the programme started out under an implementation arrangement in partnership primarily with the NGO community, the Government has increasingly assumed responsibility for programme execution over the last two years.

28. It is recognized that activities outside the agricultural sector can contribute to the achievement of food security. For example, Cambodia's forest resources are rich and, if properly managed, will provide a sustainable source of wealth. The country's forests are still extensive by regional standards but face strong pressure from commercial logging, land conversion and fuelwood collection. While emphasis should be placed on managing existing forests, reforestation is needed in ecologically sensitive areas such as watersheds. Provided adequate technical support is available, this is likely to be an appropriate and cost-effective food-for-work activity. It is, however, essential that the root causes of deforestation also be addressed - for example through the establishment of alternative fuelwood sources and the increased control of commercial logging operations.

Emergency and relief food aid

29. Given the continuing displacement of populations caused by localized civil strife and natural calamities, maintenance of emergency response capacity is still essential in Cambodia. For reasons already explained, the Government acknowledges the fact that, for any sizeable emergency relief requirements, both commodities and logistical costs will need to be financed by external donors for the period covered by this CSO. As an operational arm to deal with emergency situations, there is an Emergency Response Group made up of representatives from United Nations agencies and NGOs with a relief mandate chaired by the Cambodian Red Cross (CRC). WFP has been one of the founding members of this group in the absence of a national emergency response structure. The Government is in the process of organizing an Office of Disaster Preparedness and is expected to play a more central role in these matters in the future.

ASSESSMENT OF WFP'S PERFORMANCE TO DATE

Previous WFP assistance and lessons learned

30. As the only international agency to have maintained an uninterrupted presence within Cambodia and along the Thai-Cambodia border since 1979, WFP has played a major role in addressing the highly complex humanitarian crises caused by prolonged civil conflict in Cambodia. Between late 1989 and 1993, WFP operated three programmes:
- a) ***Internally Displaced Persons (IDPs)*** : With the withdrawal of the Vietnamese army in 1989, increased fighting between the warring factions resulted in the internal displacement of some 190,000 persons. In the absence of a mandated agency, WFP assumed the role of lead agency to coordinate the humanitarian response with the CRC and a number of international NGOs. Between 1990 and 1992, 25 million dollars of assistance was directed towards the needs of the IDPs, with 17 million dollars in the form of food aid through WFP.
 - b) ***Repatriation - Food Resupply Operation***: Between April 1992 and March 1993, 370,000 returnees were repatriated from the Thai-Cambodia border. WFP's portion of the budget amounted to 35 million dollars to cover the 400-day ration provided to the returnees. While WFP's mandate was initially to deliver food to five designated delivery points inside Cambodia for UNHCR, as from 1 April 1993, WFP was



requested to take over the entire food distribution system, inheriting 105 cargo trucks and 70 light vehicles overnight. At the peak of the operation, in collaboration with CRC, WFP handled over 500 distributions a month at 150 different distribution points throughout the country.

- c) ***Vulnerable Group Programme (VGP)*** : In 1993, WFP began to address also the food security requirements of the most disadvantaged groups within the rural population in the rice-deficit areas. Through a series of village-level surveys, limited (three months' supply) food assistance was targeted to households headed by widows and handicapped, elderly or sick people without any means of support. The aim of the programme was to alleviate immediate food shortages during the pre-harvest lean season to break the vicious cycle of debt commonly incurred by these vulnerable families. Some 130,000 families were assisted at a cost of approximately 10 million dollars.
31. It may be noted that before 1995 WFP activities in Cambodia were entirely funded bilaterally with allocations made in response to specific appeals. For 1995 and 1996, bilateral funding was supplemented for the first time by PRO/PDPO resources.
 32. Experiences from the above major operations provided WFP and its main partner, the CRC, with a nationwide operational structure for logistics, a rapid response capacity for localized emergencies and an effective monitoring capacity. Equally important was the first-hand knowledge gained regarding geographical pockets of poverty and their common problems, household food security issues, and coping mechanisms.
 33. By 1993, about 120,000 IDPs had either returned to their original villages or were resettled. Some 70,000 remained at temporary sites, while new displacements occurred by the thousands, requiring rapid emergency responses. It was recognized that the remaining longer-term displaced populations needed continued assistance, but free food was starting to create dependencies. Those returning home or being resettled also required help to re-establish their economic base in once-abandoned villages or on new land.
 34. For the returnees, it was decided at an early stage that the 400-day entitlement would not be extended in order to avoid dependency. However, a survey conducted by WFP at the end of the operation indicated that 31 percent of the returnees were vulnerable and lived in extreme poverty: over 50 percent of them were families headed by women.
 35. For the Vulnerable Group Programme, an internal evaluation revealed that in many cases the food assistance had prevented beneficiaries from falling deeper into the debt cycles or from selling off essential assets such as land and draught animals. However, the long-term impact of this assistance was seen as questionable as it did not directly address the causes of poverty such as lack of land, ineffective agricultural practices and inadequate infrastructure. Furthermore, it was found that tension was created within communities, essentially stemming from the strict selection of certain types of households, while poverty was conceived as a larger problem of the community itself.
 36. WFP drew a number of conclusions from the above experiences. It was no longer considered advisable to provide prolonged assistance by population categories such as returnees or IDPs, except in newly evolved emergency situations. Such exclusive assistance modalities could alienate individuals and groups. Targeting by individual households - as done in the Vulnerable Groups Programme - should also be avoided in an environment of general scarcity and food insecurity. It was found that this form of assistance tended to provoke resentment between families and break down local community support structures. In consideration of the changing circumstances in the country, it was clear that food



assistance should aim at removing obstacles to the achievement of self-reliance in these communities and that WFP should devise a totally new targeting concept for its assistance.

Current programme and the targeting mechanism

37. The main policy of WFP Cambodia since 1994 is to assist the poorest rural communities through a variety of self-help rehabilitation activities. Village-based food-for-work projects on a national scale are supported with the aim of alleviating food shortages in the poorest communities and rehabilitating basic rural infrastructure such as access roads, irrigation canals and water reservoirs and preparing resettlement sites and new agricultural land through land clearance. Community-based rural credit schemes have been supported since 1993. Rice or rice seed banks have in general worked well. However, with the viability of such schemes wholly dependent upon repayments, in turn affected by the size of the harvests, only a fraction (less than four percent) of the rice handled by WFP has been used for this purpose. In addition, grass-roots training activities and vulnerable group assistance programmes implemented by NGOs are supported. The Programme has also to maintain an emergency response capacity, as regional conflicts continue to displace rural populations.
38. WFP undertakes series of intensive surveys to gather a comprehensive picture of locations vulnerable to food insecurity. Rice cultivation and harvest data from the Ministry of Agriculture at the commune level in 15 provinces are collected and entered into a database file as a detailed profile of estimated rice harvest for that year. An independent field survey is then conducted, using sample crop cuts for comparison with the official agricultural data to check their reliability. The 1995 survey was carried out (in full partnership with FAO and the Ministry of Agriculture). This process is followed by a rapid field appraisal of some 1,500 sample villages representing the communes. This assessment includes direct observation and interviews in villages on selected poverty indicators.
39. The results of the harvest and the community assessment surveys are then triangulated and poverty rankings of the communes are processed. Through these rather extensive steps, a Target Commune List is prepared, to serve as a geographical targeting guide for WFP activities. The database is linked to the Geographic Information System (GIS), which is capable of graphically pinpointing the vulnerable communes and to provide population data and other layers of key information. Furthermore, details of the assistance provided, including food quantities, beneficiary numbers, outputs, etc. are recorded in a linked database, allowing WFP to verify and quantify the targets reached at the end of each year. A map of 1996 WFP target communes is shown in Annex II.

Effectiveness

40. The Cambodia Programme stresses the participatory approach and encourages village leaders as well as villagers to identify their own rehabilitation priorities. Once the project is appraised at the site, an agreement is signed between the village, WFP and the participating government department, NGO or international organization, specifying the outputs and food payments.
41. As explained earlier, the Programme does not exclusively target vulnerable categories such as families headed by women, the handicapped, elderly or sick *per se*. Work opportunities are provided to the community as a whole. However, with activities undertaken at the village level, vulnerable families who may not be able to participate (due to disability or for reasons of childcare) are easily identifiable. For such families, other opportunities, normally physically less demanding work such as looking after other workers' children, fencing around the house, and compost production, are provided. In



several cases, villagers themselves have offered free labour to supply food rations to those who cannot participate. As a last resort, free rations are provided by WFP to those families with the agreement of the community.

42. Issues of special concern to women and direct assistance to vulnerable groups are addressed under a separate component of the programme, normally in collaboration with partner agencies and NGOs. For example, WFP supports the national programme for village-level literacy and childminder training for women in conjunction with UNICEF by providing incentive rations. Also included are vocational training, birth-spacing programme and support to a number of day-care centres in the rural areas. The programme has adopted a set of strategies to improve WFP's commitment to women which relate to all programme activities.
43. In the health sector, WFP supports the tuberculosis programme, with food rations provided to both in- and out-patients, encouraging early and periodic visits to hospitals for a cure. The World Bank recently evaluated WFP's feeding programme for tuberculosis patients and strongly supported its continuation. Other assistance to vulnerable groups includes support to training of the handicapped (mainly mine victims), the elderly and street children, in collaboration with various NGOs.
44. In emergency situations, time-limited free food assistance is provided to the affected population within days following assessment and registration. Nevertheless, the Programme's policy has been to shift to food-for-work assistance as quickly as possible. A major obstacle for the IDPs is the numerous mines that have been placed in their home villages. Over the years WFP has successfully negotiated partnerships with demining operation teams in order to assist the population to return home. Immediately following the demining, communities get engaged in the rehabilitation of infrastructure in their once-abandoned village. The Programme has always tried to adhere to the "continuum" concept at the level of the individual community.

Strengths and weaknesses in implementation capacity

45. In order to implement the geographically extensive and diverse assistance schemes effectively, WFP adopted a flexible approach with resources allocated to priority activities by type or location in a constantly changing environment. In addition, previous staff responsibilities divided by sectors were dropped and a geographical division of responsibilities was adopted. WFP currently has six regional sub-offices that cover two to three provinces each. In other provinces, WFP staff shares an office with the Cambodian Red Cross and altogether maintains a presence in 15 provinces. The staff of the sub-offices are responsible for identifying, approving, monitoring and reporting on all village-level projects as well as for executing emergency assistance in coordination with the government authorities and NGOs.
46. Such a setup greatly enhances capacity for crisis management, coordination and joint programming with local authorities and NGOs, obtaining in-depth knowledge of the security situation and poverty factors in their respective regions; it also makes WFP directly accessible to beneficiaries. It has allowed WFP to penetrate into remote and sometimes insecure areas where no other assistance reaches. Delegation of authority to the sub-offices is an important aspect of implementing the Cambodia programme as projects or emergency interventions can only be prioritized effectively by the field staff, who know and directly work with the target groups on a daily basis. The extensive vulnerability mapping conducted by WFP, combined with the physical presence of staff in the target



areas, is perhaps the main strength of the programme, ensuring that the assistance reaches the poorest of the poor.

47. The Government's implementation capacity, although improving, is still very limited. While government departments are adequately staffed, they are severely restricted in their operational budget. Most United Nations agencies and NGOs are normally required to provide per diem for government staff to assist in implementation and in monitoring projects. WFP has provided over 90 motorcycles, fuel costs and equipment such as computers to the Ministry of Rural Development (MRD); the latter was officially designated WFP counterpart from 1996. Intensive training of MRD staff has also been provided. Without such support, it would have been unrealistic for the Government to assume project implementation responsibilities.
48. Enhanced technical assistance to ensure the quality of food-for-work outputs is still required. Engineering support, equipment and construction materials are essential to ensure sustainability of rural infrastructure rehabilitation works. WFP Cambodia has been reasonably successful in securing donor funding for technical assistance. Since 1995, over 8.3 million dollars have been committed by donors such as the European Union (EU), the German Kreditanstalt für Wiederaufbau (KfW) and UNDP/ILO for technical assistance packages for food-for-work activities including roads and irrigation engineering and demining services. WFP Cambodia is continuing to negotiate with various donors for further technical assistance support.

Impact on local markets

49. Communes are targeted on the basis of severe food insecurity with few alternative means of income generation. Most of the targeted population are unable to cover their food requirements through purchases from markets due to lack of income. Their impact on the rice market as a client group is negligible.
50. In a year of national deficit, such as in 1995, WFP imported some 70,000 tons of rice for its programme. Considering the total national consumption requirement of 1.56 million tons of milled rice a year, the quantity of rice provided by WFP is too small to affect market prices in any province. Throughout 1995, monthly rice prices were monitored in each province by WFP. No abnormal fluctuations were noted. In a year of national surplus, such as in 1996, WFP purchases rice locally. This is considered to have positive effects including redistribution of surplus within the country (avoiding informal cross-border exports), provision of incentives to rice farmers by minimizing depression of rice prices, and revitalization of the market economy.

Conclusions

51. It is not a coincidence that the current WFP programme is already well suited to support the Government's objectives and strategies outlined in the section on government priorities and policies. Recognizing the weak administrative links between the central government and the provinces and the budgetary constraints limiting the flow of development resources into the rural areas, WFP, with other partners, "jump-started" the rural development effort by working directly with rural communities. The FSDP officially endorses the continuation of this approach with a more prominent role of the Government at all levels for guidance and coordination.
52. The impact of the village-level improvements achieved through food for work should be studied further in planning for the future. There is ample proof that the food-for-work



opportunities provided to remote rural communities have helped meet the urgent food security needs of the poor. It is also clear that created infrastructure, such as improved roads, irrigation canals, dams and wells, has enhanced local food production and improved living conditions. However, much attention is still needed for ensuring technical soundness and sustainability of these village structures. Striking a balance between the humanitarian food needs of the poor and sustainable rural development will remain an important policy issue.

FUTURE ORIENTATION OF WFP ASSISTANCE

Target groups and key areas of assistance

53. Given the clear rural development priority of the Government in the five-year plan, WFP does not foresee any major deviation from its current programme orientation in the corresponding period. WFP Cambodia has developed one of the most thorough geographical targeting methods in the country, which is being used as a reference by other agencies. The poverty mapping exercise will continue to be improved and full government participation in the process is anticipated.
54. A flexible approach will be maintained, allowing prioritization of activities in close consultation with the Government, partner agencies and the target communities themselves. The core activity components are planned as follows:
- a) Rural infrastructure rehabilitation: Village-level infrastructure improvements through food for work will remain the major component of the programme. Works related to rural access roads, community water-supply, irrigation and flood control structures, and land clearance for agriculture will be supported. MRD will be responsible for community development, mobilization and overall coordination.
 - b) Rural credit schemes: Also under the coordination of MRD, community-managed rice banks or rice seed banks will be established with WFP providing the initial stock. WFP's geographical targeting criteria will be strictly applied for both the infrastructure rehabilitation and credit schemes components. In recognition of the risk of failure of such schemes, the banks will, as previously, be kept small.
 - c) Development of Human Resources: It is planned that support to the Government, other United Nations agencies or NGO initiatives in grass-roots training, especially those targeting women, will be enhanced. Training programmes to be supported will include literacy, primary health care, childcare and income generation addressing basic needs of women at the village level. It is foreseen that these programmes will be implemented under the guidance of the Ministry of Women's Affairs, relevant sectoral ministries and in collaborative arrangements with agencies such as UNICEF, UNESCO, UNFPA and a number of NGOs.
 - d) Institutional support: Assistance granted to social welfare institutions such as orphanages and centres for street children will be phased out gradually in active consultation with the Ministry of Social Affairs and partner NGOs involved in the sector. Similarly, current assistance provided to hospitals (especially the tuberculosis programme) will be reviewed with the Ministry of Health, WHO and the World Bank with the aim of systematically transferring the feeding responsibility to the Government within the time frame of this CSO.



- e) Emergency relief: While the emergency response capacity of WFP/CRC will need to be maintained and food reserves kept for this purpose, it is anticipated that emergency requirements will decrease, at least those related to military activities.
55. In addition to the above core components, WFP may consider limited assistance to new activities over the next five years. They are:
- a) Forestry: As already mentioned, the forestry sector, if properly managed, can contribute significantly to Cambodia's economy. The Ministry of Agriculture, Forestry and Fisheries (MAFF) has approached FAO and WFP for possible future cooperation. WFP assistance for, in particular, reforestation and other community forestry projects could create employment and generate income.
- b) Demobilized soldiers and landless communities: The Government has a plan to demobilize 43,000 soldiers between November 1996 and December 1998. The programme anticipates a large number to be resettled at new sites to be provided by the Government. There are population groups such as returnees, who are unable to achieve basic self-sufficiency and who may also be considered for organized resettlement. The actual activities to be supported by WFP, mainly land clearance, are already included in the ongoing programme; only new categories of participants will have to be added.

Scope for joint programming with other agencies

56. WFP is active in the "United Nations poverty alleviation group" together with UNDP, UNICEF, WHO, UNESCO and UNFPA. These agencies have shown keen interest in the poverty mapping developed by WFP and further collaboration is foreseen.
57. FAO and WFP plan to continue the close collaboration on the crop assessment survey. The final goal will be to institutionalize the annual survey practice within the MAFF. As mentioned above, forestry is another potential area for cooperation between FAO and WFP.
58. For technical (engineering) assistance and funding of construction-related items, WFP is pursuing to continue the current partnership with the European Union, Kreditanstalt für Wiederaufbau and the ILO. New negotiations are under way with USAID for a similar technical assistance package and with the World Bank for irrigation assistance in two provinces. Adequate technical support is particularly important, should WFP get involved in new activities such as forestry. Any involvement would have to be preceded by assessments, training, etc. and the availability of required expertise and material should be ensured at the onset. In Cambodia, NGOs have extensive activities in areas complementary to WFP's work. In 1995 alone, WFP has collaborated with over 120 international and national NGOs in implementing village-level projects. Such collaboration will continue, especially with NGOs having the required technical capacity.
59. With the expectation that localized armed conflicts will diminish over the next five years, WFP will be able to reach remote and previously inaccessible communities. For this reason, increased joint planning with demining organizations is also envisaged.

Future modalities of WFP assistance

60. The key to more cost-effective delivery of WFP assistance in the next few years is the transfer of project implementation responsibilities to the Government and consolidation of its institutional capacity to deal effectively with rural development. For WFP assistance to be truly sustainable, the Government must develop effective extension services to address



and follow up on various issues at the community level. The WFP-supported village-level food-for-work, credit or training schemes are effective training grounds for local government extension services. WFP resources can provide valuable opportunities for the Government to implement community service projects. In return, government efforts are recognized by the communities, possibly reducing local political tension. While the main purpose of WFP assistance will remain to address the needs of the poorest, its secondary role of enhancing government extension and community self-help structures should not be underestimated.

61. It is envisaged that CRC will remain WFP's main counterpart on food movement and in-country logistics. However, WFP and CRC will study the possibility of making use of private transport as this sector develops. This is also necessary in view of the aging fleet of trucks held by CRC resulting in increasing maintenance costs. While the Government is strongly encouraged to enhance its programming and implementation capacity, it will not be realistic for it to assume logistics responsibilities or financing within the timeframe discussed in this CSO. Accordingly, the LTSH subsidy used for food movement should be maintained at 100 percent.

Resource requirements

62. The current WFP programme, 1994-96 has delivered approximately 170,000 tons (including also bilateral contributions) for the three years. With the assumption that rice production in Cambodia will not drastically fall below the level of the 1995/96 season, the current plan calls for a total of 67,000 tons of food commodities for the period January 1997 - June 1998. The plan implies a reduction of overall food aid needs of some 20 percent. This signifies an anticipated decrease of emergency food requirements and a further concentration on more sustainable rural development activities.
63. Cambodia will need external assistance for a considerable time to come. To which extent this support should be in the form of food aid will depend on a number of factors, the most important one being the country's production of rice and other staples. Crop assessments will establish whether the previous year's rice harvest was exceptional or indicates a trend towards sustained surplus production. The concentration of the planned WFP programme on rehabilitation of rural infrastructure is directed at reducing future dependency on food aid by addressing factors causing poverty. The intention is to phase out food aid, but at this stage it is not possible to give a time frame for this process.



ANNEX I



ANNEX II

