



**Social assistance and cash transfers:  
an example from Cambodia**

# **Identifying and targeting the poor**

## Cambodia

Population	15.6 million
Human Development Index rank	120 out of 188
Life expectancy at birth	68.8
National poverty rate (% of the population living below national poverty line)	17.7%
Absolute poverty rate (% of the population living below USD 1.90/day Purchasing Power Parity)	2.2%
Total public social protection expenditure including health expenditure (% of Gross Domestic Product, latest data 2013) (ILO, 2014)	2.23%

Source: UNDP, 2016 unless otherwise specified

■ Cover photo: A Village Representative Group discusses how to classify the poor households in their village.

# Cambodia: Traces left by three decades of conflict

Between 1970 and 1999, Cambodia experienced devastating conflict, genocide, and civil war in which it is estimated that up to half of all Cambodians lost their lives. Although economic growth averaged 7.6% between 1994 and 2015, ranking sixth in the world (World Bank, 2017), Cambodia has not yet recovered from this period: one fifth of the Cambodian population still live below the national poverty line and most of these poor people live in rural areas.

To address this challenge, the Royal Government of Cambodia developed the Rectangular Strategy (now in its third iteration 2014-2018) as a poverty reduction framework named for its emphasis on four central priorities: 1) promotion of the agricultural sector; 2) development of physical infrastructure; 3) private sector development and employment; and 4) capacity building and human resource development. Until recently, the Cambodian government and development partners implemented programmes based on this plan. These included national initiatives such as pension funds for civil servants,



■ This family's living conditions are typical for poor rural households in Cambodia.

veterans and people with disabilities; and free health services on a national level as well as a variety of other programmes with regional coverage to support the poor and vulnerable. In July 2017, the Cambodian government released a new National Social Protection Policy Framework. The framework marks an important step in harmonising many different initiatives and focusing efforts to provide social protection for all Cambodians.

However, to make sure that these programmes reach the people most in need, it is essential to have an effective system for identifying them. This case study presents the system the Royal Government of Cambodia has developed to find and target the poor population.

### One national system for identifying the poor

#### Harmonising methodologies

In the first years following the official end of civil conflict in the late 1990s, many local and international organisations ran different programmes for Cambodia's poor. Each organisation developed its own system and methodology for identifying beneficiaries, resulting in overlap, lack of coherence, and potential synergies between programmes not being exploited.

In 2005, with support from the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and other development partners such as the Australian Department of Foreign Affairs and Trade (DFAT), the Cambodian government therefore started working on the Identification of Poor Households Programme (IDPoor), with the aim of distributing equity cards to poor families for better targeting and easier access to services. After several years of programme implementation and further refining, the 2011 National Social Protection Strategy stipulated that IDPoor should be the primary targeting methodology for all its social protection schemes. In the same year, the Cambodian government issued Sub-decree 291, which formalised the Ministry of Planning as the government agency responsible for IDPoor. It also declared that governmental as well as non-governmental poverty reduction programmes should use IDPoor data as their source for providing services or assistance to poor households.

Today, IDPoor covers 100% of all rural villages in Cambodia and identifies around 250,000 poor households in each of the yearly rounds. One round is implemented in a third of the country's provinces, thereby achieving a three-year update cycle of the data on poor households in all rural areas.

### Defining criteria for poor households

After studying different identification mechanisms, the Ministry of Planning together with relevant stakeholders decided to use a proxy means test with participatory elements as the basis for its identification questionnaire. The questionnaire consists of a set of easily observable and verifiable household characteristics, which are correlated with poverty and used as proxy indicators. Besides standard identifiers such as the household's assets (e.g., house conditions, access to sanitation, electricity, durable equipment) and income, special circumstances are also taken into account. Over the years, both the criteria and the identification process have been continuously amended and improved.

### Involving communities in the identification process

While IDPoor is managed and overseen by ministerial staff, the process relies on villagers who facilitate the assessment and identification of the poorest in their community. For each IDPoor round, an estimated 35,000 people are actively involved. In each village, the villagers elect a volunteer Village Representative Group, which is trained in conducting household interviews. The structured questionnaire responses yield a score for each household's poverty level, according to the agreed-upon criteria. After the Village Representative Group drafts a list of poor households and discusses it with the commune's Planning and Budgeting Committee Representative



■ An IDPoor household poses for their equity card photo.

Group, the list is posted for a week in a public place. Here villagers can check the list and comment in writing or directly to their village representatives. After an open meeting to discuss complaints and comments, the list is amended and again posted in a public place for further comments. When a final draft version of the list has been agreed upon, it is passed to the Commune Council for endorsement. IDPoor's community-based identification mechanism benefits from the representatives' local knowledge, which makes it easier to verify the self-reported situations. The participatory and consultative process of IDPoor aims to promote transparency and accuracy.

### Equity cards

The Commune Council then distributes identification ('equity') cards to the households in their commune that were identified as poor. The cards include a photograph of the household's members, the household's poverty level, an identification code, the card's validity period, and general information on how to use the card. Equity card holders have access to various social assistance programmes run by different governmental and non-governmental organisations.



■ A Village Representative Group of volunteer conducts an interview to determine the household's poverty level.



### **IDPoor and cash transfer programmes**

So far, Cambodia does not have any national social cash transfer programme. However, the implementation of a cash transfer programme is identified as one potential future step to achieve the goals of the National Social Protection Strategy, and a number of smaller projects piloted at local level indicate that the approach is promising in the Cambodian context. A system like IDPoor is very useful for targeting such programmes and has already been used by several of them. In 2014, the Council for Agricultural and Rural Development (CARD) and UNICEF launched a pilot cash transfer project in the eight communes of Prasat Bakong district in Siem Reap province. The project, in operation until October 2017, distributed small monetary amounts to pregnant women and children under age five who live in poverty. The transfers were coupled with education sessions on issues like health care and nutrition. Nourish International and the US Agency for International Development (USAID) have also set up a conditional cash transfer programme targeting poor and food-insecure households with a pregnant woman or child under two. Both projects have used IDPoor to identify beneficiaries.

### **Improving access to social services for poor households**

A study commissioned by GIZ in 2015 found that 150 projects are using IDPoor data for targeted poverty alleviation interventions. Among others, this includes programmes funded by German development cooperation, such as the regional economic development programme in the northeast of the country, voucher programmes implemented by German financial cooperation (KfW Development Bank), and free health care services under the health equity funds. Further, a variety of other programmes benefit from IDPoor, such as school feeding and scholarship programmes and programmes for disaster relief, legal service support, low-interest loans, agricultural training, and social land concessions. IDPoor data are also used for research studies and for the management and allocation of aid interventions. Around 3 million poor people have benefitted from IDPoor by gaining access to a number of social services with their household's equity card. For example, free health care services equivalent to USD 46 million have been provided to equity card holders by health equity funds between 2010 and 2015.

### Using information technology

With the introduction of modern database technology, the foundations for improved access to and exchange of data have been laid. Since 2012, stakeholders such as government institutions, non-governmental organisations, and other development partners using IDPoor data for targeting purposes can register online via the IDPoor Information System (IIS) to retrieve targeting data. Poverty maps on the website show the poverty levels in different areas, which enables geographical targeting. Moreover, the system allows social service providers to verify the validity of equity cards online.

The IIS has recently been extended by functionality to register national identity card numbers of members of poor households in the database. This is the basis for future compatibility with other population registers. Moreover, as part of a newly piloted urban IDPoor implementation, adapted for conditions of urban life in Cambodia, a mobile application is being used to collect biometric data. This will be made available to improve beneficiary verification and authentication via fingerprint. The Ministry of Planning is also piloting electronic data collection with tablets to accelerate the data collection process and improve quality of data.



■ Members of a commune Planning and Budgeting Committee Representative Group are trained for their tasks during the identification process.



## How German development cooperation has supported IDPoor

### **Building programme management skills**

German development cooperation through GIZ has supported IDPoor since it was developed in 2005. Since then GIZ has worked hand-in-hand with the Cambodian Ministry of Planning to continuously improve the IDPoor process and roll out IDPoor across all of Cambodia's provinces.

Through a broad range of capacity development measures, GIZ has helped the Ministry of Planning over the years to develop the skills and systems needed to implement a complex programme like IDPoor. Financial and managerial responsibilities of running the rural IDPoor process have been gradually handed over to the ministry. Since 2015, the Ministry of Planning fully finances and coordinates IDPoor operations across all rural areas of the country. At present, the development and implementation of the IDPoor process for urban areas is still supported by Germany and Australia, as are activities to improve data dissemination and advocate for IDPoor's role in poverty reduction and social policy-making.

### **Promoting the use of IDPoor**

As mentioned above, Sub-decree 291 specifies that all programmes for the poor should make use of IDPoor to target their beneficiaries. GIZ has therefore supported IDPoor staff in promoting their system to ensure that national and international partners in Cambodia know the programme and its uses. Ministry of Planning staff are trained to better analyse and respond to IDPoor user requests and organise user forums to collect feedback. GIZ is currently supporting the ministry in developing software to allow for downloads of disaggregated data extracts according to user-specified database queries. This will significantly reduce the workload for the Ministry of Planning and will ensure that data tailored to users' needs are more easily available.

### **Extending IDPoor to the urban poor**

IDPoor had been envisioned as a mechanism to identify the rural poor, as 90% of Cambodia's population lives in rural areas. However, increased migration to cities made it necessary to develop a mechanism to identify poor households in the currently underserved urban areas. In 2014, the Ministry of Planning with support from GIZ started to develop an adapted mechanism. GIZ commissioned a review of targeting methods used in different contexts around the world. Based on this review, the Ministry of Planning collaborated with relevant Cambodian stakeholders to adapt the rural IDPoor criteria and identifica-

tion process so that it suits the lives of the urban poor. Considerations include urban people's dependence on cash income for food; the impact of pollution; and the fact that in comparison to rural villages, urban communities are much more transient and therefore require different processes when it comes to verifying and building consensus on the results of the identification interviews. The urban IDPoor procedures include new targeting criteria for indicators addressing major vulnerabilities such as disability, chronic illness, debt, and education, and there are plans to subsequently extend the relevant modifications to rural IDPoor.

The roll-out of the first urban round was launched in November 2016 in eight provinces, plus the municipality of Phnom Penh. Nationwide coverage is expected to be reached in 2019.

### Challenges for the future

Over the past few years, IDPoor has proven to be a useful and effective mechanism. It helped all programmes targeting the poor to be more efficient by saving time in identifying beneficiaries. Despite the success, a number of challenges remain and need to be addressed.

### Coverage and accuracy

An independent assessment of IDPoor showed that the acceptance of IDPoor among villagers is good. Inclusion leakages to the rich are considered low and coverage levels of the true poor are relatively high. The study concludes that the accuracy of the IDPoor mechanism is satisfactory, but further efforts should be made to ensure the inclusion of all poor households. Checks and balances such as a user-friendly grievance procedure need to be established to minimise exclusion and inclusion risks. The Ministry of Planning with support from GIZ is planning to carry out an optimisation study to assess the accuracy of the IDPoor mechanism and develop recommendations for its improvement starting in late 2017.

### Inclusion of vulnerable groups

People living with disabilities, orphans, femaleheaded households, people living with HIV, and ethnic minorities are usually considered vulnerable populations in Cambodia, and by government direction, special effort should be made to including them in the IDPoor process. According to the abovementioned study, poor households from ethnic minorities seem to face a higher likelihood of being excluded from the IDPoor process. The new urban IDPoor procedures therefore include new targeting criteria for indicators addressing major vulnerabilities such as disability, chronic illness, debt, and education, which will also be added to the rural IDPoor questionnaire.

### Ensuring availability of up-to-date targeting data

The identification of poor households requires substantial human, financial, and time resources in its implementation. Due to the limited resources, to date each province could only be covered once every three years. There have been concerns about potential beneficiaries, who might have fallen into poverty in between two rounds or have been absent during the time of IDPoor interviews, going unidentified. In order to deal with this challenge, the Ministry of Planning plans to introduce an on-demand identification mechanism. The objective of this 'OD-IDPoor' is to provide an additional identification mechanism to be triggered upon request at the local level, which allows IDPoor to be more dynamic and flexible. The Ministry of Planning is piloting several options over a 12-month period starting in late 2017, including a costing study and careful analysis of local capacity for using mobile technologies. Financing and technical support for the pilot reflect the great interest among development partners in this potential adaptation: in addition to the German and Australian governments, UNICEF and USAID through Save the Children and World Food Programme are contributing.

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