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INTERNATIONAL DEVELOPMENT ASSOCIATION

INTERNATIONAL FINANCE CORPORATION

And

MULTILATERAL INVESTMENT GUARANTEE AGENCY

PERFORMANCE AND LEARNING REVIEW OF THE COUNTRY PARTNERSHIP FRAMEWORK

FOR

KINGDOM OF CAMBODIA

FOR THE PERIOD FY19-FY24

June 22, 2022

Cambodia Country Office
East Asia and Pacific Region

The International Finance Corporation

The Multilateral Investment Guarantee Agency

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The date of the last Country Partnership Framework: May 30, 2019

GOVERNMENT FISCAL YEAR

January 1 to December 31

CURRENCY EQUIVALENTS

Currency Unit = Cambodia Riel (KHR)
Exchange Rate Effective as of 31 May 2022
KHR 4063 = US$1

ABBREVIATIONS AND ACRONYMS

ABA	Advanced Bank of Asia	IFC	International Finance Corporation
ADB	Asian Development Bank	IPF	Investment Project Financing
AFD	Agence Française de Développement,	ISAF	Implementation of the Social Accountability Framework
AIIB	Asian Infrastructure Investment Bank	JCPPR	Joint Country Portfolio Performance Review
AML/CFT	Anti-Money Laundering and Combating the Financing of Terrorism	JICA	Japan International Cooperation Agency
ARDB	Agriculture Rural Development Bank	KEXIM	Export – Import Bank of Korea
ASA	Advisory Services and Analytics	MEF	Ministry of Economy and Finance
CASDP	Cambodia Agriculture Sector Diversification Project	MIGA	Multilateral Investment Guarantee Agency
CERC	Contingency Emergency Response Component	MSME	Micro, Small, and Medium Enterprise
CGCC	Credit Guarantee Corporation Cambodia	NBC	National Bank of Cambodia
CNRP	Cambodia National Rescue Party	NPAR	National Program for Public Administration Reform
CPF	Country Partnership Framework	PEF	Pandemic Emergency Facility
CPP	Cambodian People's Party	PLR	Performance and Learning Review
CSO	Civil Society Organization	PMU	Project Management Unit
CTL	Cambodian Transmission Limited	PPG	Public and Publicly Guaranteed
DPF	Development Policy Financing	PSW	Private Sector Window
EIB	European Investment Bank	RGC	Royal Government of Cambodia
ERP	Economic Recovery Plan	RS4	Rectangular Strategy Phase IV
ESF	Environmental and Social Framework	SAF	Social Accountability Framework
EU	European Union	SCD	Systematic Country Diagnostic
FDI	Foreign Direct Investment	SDR	Special Drawing Rights
FM	Financial Management	SDTF	Single-Donor Trust Fund
FMIS	Financial Management Information System	SME	Small Medium Enterprises
FY	Fiscal Year	SOP	Standard Operating Procedures
GBV	Gender Based Violence	SRP	Sustainable Rice Platform
GDP	Gross Domestic Product	STEM	Science, Technology, Engineering and Mathematics
GRID	Green, Resilient and Inclusive Development	STEP	Systematic Tracking of Exchanges in Procurement
H-EQIP	Health Equity and Quality Improvement Project	TA	Technical Assistance
HEF	Health Equity Fund	TF	Trust Fund
IDA	International Development Association	TVET	Technical and Vocational Education and Training
IEG	Independent Evaluation Group	WB	World Bank
IFAD	International Fund for Agricultural Development	WBG	World Bank Group

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CAMBODIA

PERFORMANCE AND LEARNING REVIEW

OF THE COUNTRY PARTNERSHIP FRAMEWORK FY19-24

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Cambodia: Performance and Learning Review of the Country Partnership Framework FY19-24

I. INTRODUCTION

1. **The Performance and Learning Review (PLR) summarizes progress in the implementation of the World Bank Group (WBG) Country Partnership Framework (CPF) for Cambodia for Fiscal Year (FY) 2019-2023 (Report No. 136500-KH).** The CPF, discussed by the Board of Executive Directors on May 30, 2019, proposed a joint WBG program of assistance covering three focus areas: (i) promoting state efficiency and boosting private sector development; (ii) fostering human development; and (iii) improving agriculture and strengthening sustainable use of natural resources. A cross-cutting theme of strengthening governance, institutions and citizen engagement underpins reforms in all three focus areas. These areas address the key development challenges identified in the 2017 Systematic Country Diagnostic (SCD) (Report No. 115189-KH) and are aligned with the Royal Government of Cambodia (RGC)'s Rectangular Strategy Phase IV and the National Strategic Development Plan 2019-2023 and remain relevant to support Cambodia's post COVID-19 recovery.

2. **At the time the CPF was discussed at the Board (May 30, 2019), Cambodia had been experiencing high levels of growth, though highly concentrated in a few industries such as tourism, garments, footwear, and construction.** The global COVID-19 pandemic in 2020 led to a collapse in external demand which hit these sectors hard resulting in sharply rising unemployment and increased poverty and inequality. Growth contracted by 3.1 percent in 2020, one of the largest annual declines in the region.

3. **The Government responded to the crisis in 2020 with emergency measures to contain the virus and support to households, workers, and enterprises.** The economy began to recover in 2021 and, in December 2021, the Government adopted a post-COVID-19 Economic Recovery Program focused on economic recovery, reforms to improve public governance and foster an enabling business environment, and a renewed focus on resilience of social protection, healthcare, skills development, and sustainable infrastructure.

4. **This PLR confirms the continued relevance of the CPF.** The WBG quickly adjusted its program to support the Government response to the pandemic and promote economic recovery. A one-year extension of the CPF will facilitate WBG support for and alignment with the RGC's Economic Recovery Program. The WBG has put in place a substantial program, both through new operations and the adaption of existing ones, in support of the Government's response to the COVID-19 crisis and recovery program. A number of the Objectives and Indicators in the current program have been revised to reflect this adaptation. The extension will allow the Bank to align the next CPF with the new or revised strategy that the Government will put in place after the completion of the ERP at the end of 2023. A one-year extension will also help consolidate results given implementation delays.

5. **Despite the challenges posed by the pandemic, progress on the implementation of the CPF objectives to-date has been moderately satisfactory.** The three focus areas comprise eight objectives. Of these, six are On Track (financial sector & private enterprises; public sector accountability and public finance; health; infrastructure services; education; and early childhood services); and two are Off Track (management of water and land use; and agricultural

productivity and diversification).[1] Disruptions linked to the COVID-19 crisis have contributed to delays in program implementation and aggravated capacity constraints. The overall risks to achieving CPF objectives remain Substantial, particularly with regard to political and governance risks, institutional capacity constraints, environment and social risks, and the potential for further disruptions from COVID-19. Fiduciary risks which were rated high at the time of the CPF are now rated substantial as a consequence of improvements in the arrangements for financial management of Bank-funded projects.

II. MAIN CHANGES IN COUNTRY CONTEXT

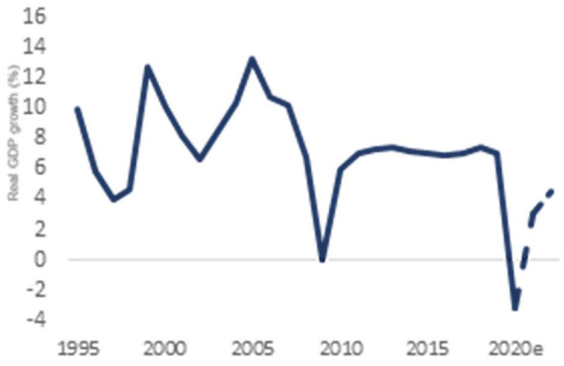
Economic Impact of the COVID-19 and oil price shocks

6. **The Government imposed tough entry restrictions at the outset of the pandemic and was able to avoid a significant number of cases during 2020.** However, in early 2021, Cambodia experienced a significant wave of COVID-19 cases and deaths. In response, the authorities intensified contact tracing, opened quarantine facilities, increased the number of hospitals to treat the rising number of coronavirus patients, and procured additional medical equipment and ambulances. During much of 2021 the Government used a range of measures such as selective lockdowns, curfews, and restrictions on travel between provinces to try to prevent the spread of infection.

7. **The economy contracted in 2020 for the first time in 25 years.** The global shock triggered by the COVID-19 pandemic significantly impacted Cambodia, affecting its main growth drivers. While real growth was strong at 7.1 percent in 2019, the global outbreak caused sharp decelerations in Cambodia's main engines of growth (the tourism, construction, and export sectors), resulting in a 3.1 percent contraction in Gross Domestic Product (GDP) in 2020 (Figure 1). The global contraction had an especially severe impact on Cambodia's manufacturing sector. Cambodia's key merchandise exports of garments, footwear, and travel goods contracted by 8.1 percent in 2020. According to the Garment Manufacturers Association of Cambodia, as of July 2020, 400 garment factories had suspended operations, laying off 150,000 workers (about 18 percent of the total industry).

[1] PLR status: (a) Achieved – 100 percent achieved, (b) On Track - Good progress toward the target, and (c) Off Track - Limited progress toward target.

Figure 1 : The economy contracted for the first time in 2020 in 25 years



Source: World Bank World Development Indicators and World Bank staff estimates.
Note: e = estimate, p = projection, f = forecast.

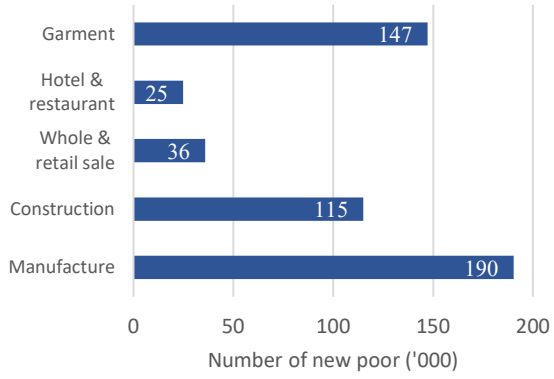
8. **The tourism sector, estimated to contribute about 18.7 percent of GDP, was also hit hard by the outbreak, as were the construction and real estate sectors (see Table 1).** In 2020, international arrival numbers contracted by 80.2 percent, to 1.3 million visitors. Siem Reap, Cambodia's most attractive tourism destination, experienced an 85.5 percent decline in international arrivals. A drop in steel and cement imports by 34.5 percent and 48.6 percent, respectively, in 2020, is indicative of spillovers to the construction and real estate sector, which relies heavily on foreign capital inflows. As a consequence of these shocks, about half a million Cambodians are estimated to have temporarily fallen back into poverty (Figure 2).

Table 1: Impacts of the COVID-19 outbreak on Cambodia's main growth drivers and employment

Drivers of growth	Tourism	Garment and footwear	Construction	Total
Contribution to GDP growth (2019, percent)	18.7	17.0	35.7	71.4
Direct employment ('000)	620	941	200	1,761
% of paid employment[1]	13.9	21.0	4.5	39.4
% of total employment	7.1	10.7	2.3	20.1

Source: May 2020 Cambodia Economic Update.
Note: 1. Wage employment.

Figure 2: The number of new poor was expected to increase sharply in 2020 due to COVID-19 crisis



Source: World Bank staff estimates.
Notes: Poverty rates simulated using the national poverty line (KHR10,951/day in 2019/20 Phnom Penh prices).

9. **In April 2020, the authorities responded quickly to the COVID-19 shock by reallocating spending to support for households and firms.** Spending on goods and services (non-wage recurrent spending) was cut to help finance measures to mitigate the COVID-19 shock. In addition, the 2021 budget, adopted in December 2020, effectively froze public sector wages, which had grown rapidly before the pandemic, to save budgetary funds.

10. **Emergency measures to contain the outbreak and provide fiscal assistance to affected households, workers, and enterprises were promptly introduced, effective from the second quarter of 2020** (see Box 1). These measures included a significant health response by increasing prevention and detection facilities, clinical management, and treatment, and a cash transfer program. The cash transfer has been the largest component of the government's support package. The program has disbursed US$623 million as of March 2022. The program has reached about 690,000 households (2.7 million individuals) or about 17 percent of the population - a dramatic increase compared to the pre-COVID-19 level of social assistance. The COVID-19 relief cash transfers helped prevent nearly 300,000 people from falling into poverty in 2020.

11. **The COVID-19 outbreak also hit Cambodia's revenue accounts, which along with the response program resulted in a widening fiscal financing gap.** The fiscal balance deteriorated sharply to a negative 4.6 percent and 6.8 percent of GDP in 2020 and 2021, respectively. This resulted from a combination of lower revenue collection and higher expenditures. The increase in expenditures was due to temporary increases in health and social sector spending and economic support to vulnerable sectors. As shown in Box 1, Cambodia's fiscal intervention (support package) amounted to 3.0 percent of GDP and 4.9 percent of GDP in 2020 and 2021, respectively. Cambodia's fiscal intervention is budgeted to account for 2.8 percent of GDP in 2022. So far, external borrowing has financed about two thirds of the deficit, while the rest has been financed by a drawdown of government deposits (fiscal reserves) which stood at 17.4 percent of GDP in December 2021, down from 23.7 percent of GDP at the end of 2020.

Box 1: Government fiscal intervention (percent of GDP)

Interventions	Description	2020	2021	2022
		Disbursed	Estimate	Plan
Public Health and Social Intervention				
- Health Masterplan - Outbreak Prevention and Treatment	Scaling up health response by increasing prevention and detection facilities, clinical management, and treatment as well as coordination and supporting system	0.11	2.48	0.92
Wage subsidy and skill training	Providing partial wage subsidies of $40 per month and technical/soft skills training for furloughed workers in the tourism and garment industries	0.23	0.20	0.18
Cash for work	Providing jobs in rural areas through construction, upgrade, and maintenance of rural roads, drainage and small-scale irrigation	0.36	0.54	0.31
Cash Transfer	Providing monthly cash grants to poor and vulnerable individuals that are registered in the government's IDPoor database	1.12	1.12	0.61
Food support During Lockdown	Providing food support to local people during lockdown period	-	0.03	-

Economic Intervention				
Financing through ARDB	Providing low-interest loans for working capital and investment in agricultural sector through capital injections to Agricultural and Rural Development Bank	0.18	-	-
Co-Financing through SME Bank	Co-financing with commercial banks by providing low-interest loans for working capital and investment in 6 targeted SME sectors through newly established SME bank	0.18	-	-
Credit Guarantee Fund	Providing capital to establish the Credit Guarantee Corporation of Cambodia which helps bear risk-sharing with businesses	0.73	-	-
SME Financing Facility**	Reserving contingent funds to provide any necessary financing to SME sector	0.11	0.50	0.77
Total Intervention Package		**3.0**	**4.9**	**2.8**

Source: Cambodian authorities.

12. **A coordinated response was also introduced by the country's central bank, the National Bank of Cambodia (NBC).** The NBC eased monetary policy. In March 2020, the reserve requirement rate was reduced to 7 percent for both local currency and foreign currency, down from 8 percent for local currency and 12.5 percent for foreign currency. In addition, the central bank advised commercial banks and microfinance institutions to reschedule loan repayments for hard-hit borrowers such as restaurants, hotels, guesthouses, beverage shops, and others.

13. **The economy began to gradually recover in 2021.** Real GDP growth reached 3 percent in 2021. The recovery, however, has been uneven. Despite the recovery of manufacturing exports and an expansion of agricultural commodity exports, the trade deficit widened significantly in 2021. This was caused by rising imports of a few major items, especially gold imports. Gold imports reached US$5.94 billion in 2021, reflecting increased demand for safe savings assets to hedge against price volatility and inflation, which edged up. As a result, the current account deficit, which was also affected by the collapse of travel and tourism receipts deteriorated substantially to an estimated 37.5 percent of GDP in 2021 (see Annex 4). Faced with rising exchange rate pressures, the central bank intervened in the foreign exchange market by injecting US$591.2 million to maintain a broadly stable exchange rate at around 4,100 riels to the U.S. dollar.

The Economic Outlook

14. **Cambodia has eased COVID-19 restrictions to allow the economy to recover.** On November 1, 2021, the authorities relaxed travel restrictions, "reopening" the country for business, while continuing to strictly enforce protective health measures. As of mid-May 2022, about 84.9 percent of the population have received two doses of the COVID-19 vaccine and 51 percent have received a booster. Despite a general slowdown in global demand, growth is projected to hold up at 4.5 percent[2] (see Annex 4) in 2022 under the baseline scenario, thanks to the rollback of mobility restrictions made possible by Cambodia's high vaccination rate. The recovery is expected to remain underpinned by domestic economic activity, especially domestic consumption, which accounts for about three quarters of GDP. Under the downside scenario,

[2] In April 2022, the authorities marginally revised down the real growth projection for 2022 to 5.4 percent, from an earlier projection of 5.6 percent.

growth is projected to reach only 3.8 percent in 2022. The downside scenario assumes a deterioration in domestic economic conditions caused by rising inflation, while external conditions worsen caused by a marked slowdown in external demand, mainly due to the war in Ukraine.

15. **Despite the impact of COVID-19, Cambodia remains at low risk of external and overall debt distress.** [3] The total public and publicly guaranteed (PPG) debt-to-GDP ratio is projected to rise by around 5 percentage points to 40 percent of GDP during the next decade. Analysis shows that the overall risk of debt distress is low, but debt sustainability is vulnerable to further shocks to exports and growth. These findings reinforce the importance of implementing reforms to increase the economy's resilience to external shocks such as encouraging export and economic diversification and enhancing efforts to mobilize fiscal revenue and improve public financial management.

16. **The negative impacts of the pandemic on jobs and welfare are expected to continue as the services sector, especially the travel, tourism, and hospitality industries, remains subdued.** Implementation of key structural reforms, many of which are embedded in the RGC's economic recovery plan, will be critical to improving Cambodia's external competitiveness. Addressing supply side bottlenecks by reducing costs of doing business, logistics, and energy, while eliminating rigidities in major employment-related regulations that prevent a robust recovery of the job market, remains key to economic recovery and job creation. Targeted fiscal measures could also help accelerate the near-term recovery but should be accompanied by steps to enhance spending efficiency and the successful implementation of the revenue mobilization strategy. Finally, the authorities should take steps to enhance transparency, in particular for data on external private debt and the public-private partnership stock.

17. **Risks to the recovery forecast are tilted to the downside.** Despite stronger domestic economic activity, recovery has been held back by the deterioration of global demand conditions and the global commodity price shock triggered by the war in Ukraine. Cambodia's export-oriented manufacturing is expected to face headwinds in the coming months, with a less favorable external environment. The zero-COVID policy and structural slowdown in China is expected to constrain foreign investment. An unmanageable resurgence of Omicron or new variants could also disrupt economic recovery. While Cambodia still has some policy space that it could deploy should these risks materialize, its fiscal buffer has shrunk, after years of fiscal intervention. In addition, high credit growth and concentration of domestic credit in the construction and real estate sector remains a key risk to Cambodia's financial stability.

18. **Cambodia is now weathering an international oil price shock, just as the economy had started to recover.** The country imports 100 percent of its oil products, and its terms of trade have worsened quickly as oil prices surged. Unlike in 2021, when the current account deficit widened significantly caused largely by a surge in gold imports, the negative terms of trade shock, caused by oil price increases, is likely to dampen consumer confidence and corporate profitability, impacting aggregate demand.

19. **Negative impacts of the oil price shock are amplified by Cambodia's already large external imbalances.** The country's refined oil imports amounted to 6.2 percent of 2021 GDP,

[3] Cambodia: 2021 Article IV Consultation-Press Release; and Staff Report. See https://www.imf.org/en/Publications/CR/Issues/2021/12/08/Cambodia-2021-Article-IV-Consultation-Press-Release-and-Staff-Report-510848.

larger than in most other East Asia and Pacific economies and around 11 percent of total imports. The trade deficit initially narrowed, caused mainly by the decline in imports of gold, with the recent increases in oil prices partially offsetting the decline. Moreover, financing the deficit by capital inflows is being constrained by the zero-COVID-19 policy in China, which is the largest source of foreign direct investment (FDI) for Cambodia. Pressures on international reserves, which remain relatively high, covering about 8 months of imports, will likely continue.

20. **Rising food and energy prices have eroded household purchasing power.** International oil price increases pass directly through to domestic prices. Increases in fertilizer and food prices further stoke inflationary pressures. Headline inflation quickly accelerated to 7.5 percent year on year (y/y) in March 2022, hitting a 13-year high, up from 2.1 percent during the same period the previous year. Vulnerable and poor households in Cambodia are bearing the brunt of these increases.

21. **The high inflation rate weighs on Cambodia's fiscal accounts.** Higher commodity prices triggered by the war in Ukraine are expected to lead to sizeable fiscal impacts. First, additional budgetary spending may be needed to mitigate the impacts of commodity price movements, particularly on vulnerable households and firms. Second, reduced revenue collections are expected due to the negative growth impacts of high inflation and dampened aggregate demand. Third, while the annual budget for 2022 envisages countercyclical fiscal support with a projected fiscal deficit of 6.6 percent of GDP, achieving the objectives and targets under the budget are increasingly challenging as costs of goods and services increase. Public investment project cost overruns are likely as inflation has surged, resulting in rising costs of inputs such as building materials, labor, and machinery. The oil price shock is expected to result in an increased drawdown of government deposits (fiscal reserves) which stood at 17.0 percent of GDP in February 2022, down from 22.5 percent of GDP during the same period last year, despite the increase in external borrowing which is expected to finance about 60 percent of the deficit.

Developments in poverty reduction and shared prosperity

22. **The COVID-19 pandemic resulted in sharply rising unemployment and increased poverty and inequality.** Over the last decade, high economic growth in Cambodia has been accompanied by an impressive reduction in monetary poverty. By 2019/20 the poverty rate had declined to 17.8 percent from 33.8 percent in 2009 according to the latest government estimates.[4] However, simulation results show that in the absence of significant mitigation measures, the COVID-19 pandemic could have reversed three years of Cambodia's poverty reduction progress in 2020 alone and increased poverty substantially.

23. **The scale up of social assistance to poor and vulnerable households has moderated the poverty impact of the pandemic.** The Government leveraged the existing IDPoor database[5] to deliver relief through cash transfers to registered IDPoor households. The cash transfer program has been the largest component of the government's support package. Launched in June 2020, the program has disbursed US$623 million in cash transfers as of March 2022. The program has reached about 690,000 households (2.7 million individuals) or about 17 percent of the

[4] Ministry of Planning (2021), Poverty in Cambodia: Setting the New Poverty Line. Ministry of Planning, Phnom Penh.

[5] The IDPoor initiative (program) provides regularly updated information on poor households to a large number of Government and non-governmental agencies to help them target services and assistance to the poorest and most vulnerable households. See https://www.idpoor.gov.kh/about/process.

population - a dramatic increase compared to the pre-COVID-19 level of social assistance. The COVID-19 relief cash transfers prevented almost 300,000 people from falling into poverty in 2020. Around 460,000 individuals are estimated to have entered poverty in 2020, raising the poverty by 2.8 percentage points from the official rate in 2019/20.[6] In the absence of significant measures, the poverty rate in 2020 could have increased 4.7 percentage points. Even with the cash transfers, per capita consumption of the lowest quintile declined by 25 percent and the program had no effect on households outside the bottom 20 percent, who were largely ineligible for the program. This suggests that additional policy efforts will be required to reach all vulnerable households.

The Economic Recovery Program

24. **The government's post-COVID-19 Economic Recovery Plan covers three aspects: recovery, reform, and resilience:** (i) recovery will address selective growth-triggering incentives for businesses, finance facilities to support business especially Small and Medium Enterprises (SMEs) by the SME Bank, the Agriculture Rural Development Bank (ARDB), and the Credit Guarantee Corporation Cambodia (CGCC), and increased investment on infrastructure in transport, energy and digital to boost connectivity and competitiveness; (ii) reform will focus on improving public governance (strong, smart and clean government) and fostering an enabling business environment; and (iii) resilience will promote a shock-responsive social protection system, boosting spending on healthcare, upgrading workers' skills through skills development funds and Technical and Vocational Education and Training (TVET), and upgrading infrastructure towards a greener and more sustainable economy.

Political developments

25. **The political context remains broadly unchanged since the CPF.** The current CPF was approved shortly after the 2018 elections in which the Cambodian People's Party (CPP) won all seats in the National Assembly. In 2017 the supreme court had ordered the dissolution of the main opposition party, the Cambodia National Rescue Party (CNRP) which had been accused of plotting to topple the government. All sitting members of the CNRP were banned from standing for office for five years. The Commune Election took place on June 5, 2022. The next General Election will take place in July 2023. The elections are expected to be somewhat more contested since the political rights of most of the former CNRP members are being restored.

III. SUMMARY OF PROGRAM IMPLEMENTATION

Portfolio performance

26. **The World Bank (WB)'s commitments to Cambodia have grown rapidly.** Since FY19, IDA net commitments have increased by 67 percent and the average age of projects is less than four years, making it a relatively young portfolio. This, along with the impact of COVID-19 restrictions in 2020 and 2021, has resulted in a relatively low disbursement rate of below 15 percent over the past three FYs (see Table 2). World Bank commitments by total financing are for transport (20 percent), disaster risk management (17 percent), agriculture and food (15 percent),

[6] World Bank (forthcoming), Cambodia Poverty Assessment: Towards a More Inclusive and Resilient Cambodia. World Bank, Washington DC.

macroeconomics, trade and investment (14 percent)[7], education (14 percent), and health, nutrition and population (11 percent), water (5 percent) and environment and natural resources management (4 percent). The SDR 424 million allocation under IDA 19 has been fully utilized, with the last three IDA-financed operations delivered in FY22. Under IDA20[8], Cambodia expects to receive a similar allocation as under IDA19.

27. **IFC delivered a relatively large program in the first half of the CPF.** The total investment portfolio exposure increased from US$458.7 million in FY19 to US$467.6 million in FY21, including mobilization of private capital. The annual commitment volume reached an average of $158 million in the period of FY19-FY21, which is significant given the country size. In terms of composition, 96 percent of IFC's investment portfolio was committed to long-term financing to Cambodia's financial institutions, and its own-account investments achieved record levels in FY21 in response to the efforts to support SMEs during the pandemic. IFC's advisory program represented an additional US$7 million in FY21, mainly in Manufacturing, Agribusiness, and Service (accounting for 27.1%), and Financial Institutions Group (accounting for 15.7%).

28. **MIGA's program supported two guarantee projects in Cambodia, the first in the real sector and the second in the financial sector.** The first guarantee supported the refinancing of a transmission project consisting of two substations and a 110 kilometers high voltage transmission line between the two substations that feed into the 230 kilovolt transmission network that connects the Phnom Penh region with power generators in the east and northeast of the country. The network also provides interconnection to the Cambodia-Vietnam and Cambodia-Thailand borders in the south and northwest of the country, respectively. The project is the first non-recourse project finance transaction by foreign commercial banks in Cambodia and is expected to contribute to attracting further foreign capital for project finance into the country. The second project is supporting the private sector's enhanced access to credit while deepening financial inclusion. The MIGA guarantee reduces the regulatory risk-weighting applied to National Bank of Canada's mandatory reserves at the consolidated level, thereby freeing up capital for private sector lending at its Cambodian subsidiary, Advanced Bank of Asia (ABA), the third largest bank in the country. Not only is the guarantee improving access to finance to MSMEs, 75 percent of the freed-up capital will be used to support Women-MSMEs. The project also enhances the stability and resilience of the MSME sector in Cambodia.

Table 2*: *Active IDA, IFC and MIGA portfolios during the CPF period

Fiscal year	**2019**	**2020**	**2021**	**2022 (End of May)**
IDA Portfolio				
Number of IDA Projects	12	15	17	17
Net Commitment Amount (US$ million)	662.6	790.6	1104.6	1148.9
Ave. Project Size (US$ million)	55.2	52.7	65.0	67.6
Ave. Project Age	1.8	2.3	2.9	3.1
Total Disbursement (US$ million)	83.1	161.4	230.8	270.2
Disbursement in FY (US$ million)	55.0	78.3	69.4	74.9

[7] The Cambodia Relief, Recovery and Resilience DPF (P176756), while covered under Macroeconomic, trade and investment, has significant coverage of social protection.

[8] Referenced IDA20 allocations are indicative. Actual performance-based allocations will be determined annually and will depend on: (i) total IDA resources available; (ii) the number of IDA-eligible countries; (iii) the country's performance rating, per-capita gross national income, and population; (iv) implementation of IDA's Sustainable Development Finance Policy; and (v) the performance and other allocation parameters for IDA borrowers.

Fiscal year	2019	2020	2021	2022 (End of May)
Disbursement Ratio (percent)	13.2	13.7	11.2	11.2
IFC Portfolio				
Investment Portfolio (US$ million)	458.7	368.7	467.6	497.8
Own account (US$ million)	*250.6*	*221.1*	*310.4*	*288.4*
Mobilization (US$ million)	*208.1*	*147.6*	*157.2*	*209.4*
Advisory Portfolio (US$ million)	7.9	4.0	7.0	7.4
MIGA Portfolio				
Guarantees (US$ million)	74	54.6	52.9	352.9

29. **The World Bank's support to the Government's COVID-19 response constitutes an important new part of the program.** The elements introduced into the program include the delivery of the COVID-19 Emergency Response Project (US$20 million) and a Pandemic Emergency Facility (PEF) grant (US$1.15 million) added as Additional Financing to the COVID-19 Response Project; the adjustment of FY21 pipeline operations, including Additional Financing to the Health Equity and Quality Improvement Project (US$14 million) to procure medical supplies and equipment for treatment of COVID-19 cases; the adjustment of ongoing operations, including a reallocation of US$5 million under the Higher Education Improvement Project to facilitate e-learning, and the activation of the US$10 million Contingency Emergency Response Component (CERC) under the Cambodia Agriculture Sector Diversification Project to address food security for vulnerable populations. In FY21, the Cambodia Relief, Recovery, and Resilience Development Policy Financing (DPF) (US$200 million), building on critical areas of reform for both competitiveness and social protection, supported the immediate provision of relief and paves the way for a more robust recovery. On the analytical side, several rounds of high frequency phone monitoring surveys have provided a window into the impacts of COVID-19 on poor households, helping to inform policy options for relief including the ongoing cash transfer program. The World Bank team has administered Business Pulse Surveys to more than 500 firms across Cambodia and key findings have been provided to inform government support to firms.

Implementation Issues

30. **Although IDA financed projects are achieving their projected development outcomes, some have faced significant implementation problems.** All IDA lending which exited the portfolio in FY18-20 received satisfactory outcome ratings from Independent Evaluation Group (IEG). The Water Supply and Sanitation Improvement Project is the only problem project in the portfolio, with corrective measures initiated. The portfolio has been facing problems with slow implementation start-up (especially for new implementing agencies), disbursement and procurement delays, and disruptions from the impact of COVID-19 restrictions following the authority's shifting attention to responding to crisis. Training activities and community interaction have been particularly difficult to carry out effectively during the past two years. The World Bank team has been working closely with RGC counterparts in monitoring implementation of the expanding portfolio and developing approaches to improve implementation readiness.

31. **The Bank participates in a Joint Country Portfolio Performance Review (JCPPR) to analyze overall portfolio quality.** Together with the Government, Asian Development Bank

(ADB) and Japan International Cooperation Agency (JICA)[9], the Bank has embarked on a review of cross-cutting portfolio issues and the formulating of joint actions to improve portfolio effectiveness and efficiency. The 2021 JCPPR provides four priority recommendations including: (a) strengthen the capacity of Project Management Units (PMUs) within the government, ensure readiness for implementation through improved utilization of advanced procurement, and leverage resources from the existing operation to help accelerate the preparation of new operations; (b) ensure the sustainability of completed projects; and (c) continue the current fiduciary capacity building program with a focus on contract management, standard operating procedures using case studies and learning exchanges between experienced and new PMUs; and (d) strengthen the Development Partner network for cross fertilization to evaluate and improve portfolio performance.

Trust Funds and Partnerships

32. **Collaboration among Development Partners continues to be strong and most responded swiftly and in a coordinated manner to finance the Government's COVID-19 Emergency Response Plan.** Two new development partner working groups were established - the COVID-19 Economic Response Group and Social Protection Policy Response Group to coordinate policy dialogue around COVID-19, in which the World Bank actively participates. The ADB, European Union (EU), and JICA joined the Bank in providing significant budget support to help address the COVID-19 crisis, extend financial support to the poorest, and mitigate the immediate economic impact. In addition, project financing has been provided by other development partners such as Asian Infrastructure Investment Bank (AIIB), European Investment Bank (EIB), and AFD to support the economic and social recovery program.

33. **Trust Funds in Cambodia have been mobilized to align development assistance from partners with the country's key development priorities.** Cambodia benefits from co-financing trust funds (TFs) of close to US$73 million of which US$67.6 million is for the Health Nutrition Population Program. Cambodia has multi-donor trust funds in Public Finance Management and Service Delivery, Social Accountability and Service Delivery, and Health and Nutrition. In addition, Australia and the World Bank recently set up an AUD50 million (US$36.9 million equivalent) Partnership for Promoting Inclusion, Sustainability and Equality (PROMISE) as a country-level Single-Donor Trust Fund (SDTF) to support social service delivery, social accountability inclusion and gender equality. These Trust Funds have played an important role in supporting the pandemic response and the recovery program.

34. **Progress on Trust Fund consolidation has been limited.** Most development partners channel their funding to specific sectoral areas, which complicates setting up a multi-sectoral country umbrella TF 2.0. For example, the EU and Australia have both expressed a strong preference to extend the current trust funds they support, rather than moving toward an umbrella TF. What seems to be driving this is concern about the shift in decision-making from their country offices to headquarters. Nonetheless, the Bank will carefully monitor all new fundraising activities to ensure consistency with the umbrella approach.

[9] 2021 JCPPR is joined by other new three DPs: Agence Francaise de Developpement - AFD, International Fund for Agricultural Development – IFAD, and the Export - Import Bank of Korea – KEXIM.

Summary of Progress toward CPF Objectives and Outcomes

35. **In spite of the delays in implementing a number of projects due to COVID-19 restrictions, the CPF program remains largely on track.** Six of the eight CPF objectives are on track and two are off track. Out of the 26 CPF indicators and 19 supplementary progress indicators, 12 (27 percent) have been achieved. Another 16 (36 percent) are on track and are likely to be fully achieved by the original CPF closing date of June 30, 2023. The remaining 17 (37 percent) appear unlikely to be met by FY23. With respect to climate commitments, Cambodia has demonstrated good progress in contributing to the IDA19 Special Theme on climate change[10]. In FY21, climate co-benefits reached 32 percent, exceeding the 28 percent of IDA 19. In most cases, the extension of the CPF to FY24 should allow for completion of lagging indicators and objectives, but there are also cases where projects have been restructured or the indicators are no longer relevant and require revision. The sections that follow take stock of progress in each focus area of the CPF to date, while Annex 3 presents progress in detail on each CPF indicator. Annex 5 provides the summary of CPF objectives and indicator ratings based on the original CPF formulation.

Focus Area 1: Promote State Efficiency and Boost Private Sector Development

36. **Objective 1: Enhance financial sector development and foster private enterprises.** The WBG has supported the RGC in further developing a sound, stable, and inclusive financial sector to support private sector economic activity and in reforms to improve the environment for doing business. A key area of support has been assisting with the increased needs of the SME sector during the pandemic. Both the Bank and IFC have devoted substantial efforts to ensuring that SMEs had the working capital to survive and to participate in the recovery. The Bank has provided technical inputs on both institutional and regulatory framework for SME financing through the Small and Medium Enterprises Bank of Cambodia and Credit Guarantee Corporation of Cambodia. IFC has helped financial sector clients by supporting actions in climate adaptation, and gender inclusion, diversifying key product offerings, adopting responsible financing practices, strengthening corporate governance and risk and capital management in line with Basel II standards, and implementing environmental, social frameworks, and responsible lending via upstream and advisory engagements. IFC's work includes an innovative project tapping the IDA-Private Sector Window (PSW)'s Local Currency Facility to support Cambodia's first-ever bond issuance, helping open the corporate bond market in Cambodia, and to provide a risk mitigation product for scaling up financial services to SMEs. Progress on this objective is on track with three indicators already achieved. A MIGA guarantee to the National Bank of Canada will support private sector lending by its subsidiary in Cambodia which is expected to strengthen financial inclusion and improve access to finance, especially, for women-MSMEs.

37. **Objective 2: Strengthen public sector accountability and public finance.** The Bank has been actively involved in providing technical and analytical support to strengthen public financial management and public sector accountability in three main areas: (1) strengthening budgeting, planning, and expenditure management; (2) developing performance systems for enhanced service delivery; and (3) supporting innovation, monitoring and coordination for change management in key public sector reform areas. A key program executed by the Bank with

[10] IDA 19 policy commitment on climate change includes "IDA's climate co-benefits share of total commitments will increase to 28 percent on average over FY21-FY23, and at a minimum, maintain parity between adaptation and mitigation finance."

funding from the donor community is the Implementation of the Social Accountability Framework (ISAF) jointly implemented with civil society organizations, that is designed to increase the government's capacity to implement social accountability approaches. Progress on this objective is on track with two indicators already achieved.

38. **Objective 3: Expand and improve sustainable infrastructure services.** This objective is supported by Bank, IFC investments, and a MIGA guarantee. Bank projects support the construction of resilient rural roads, the sustainable development of the national road network through performance-based road contracts and water connections in a number of smaller towns, and sanitation in Siem Reap. IFC is exploring a number of sustainable infrastructure needs, including the development of solar energy, and a logistics hub at primary port. IFC also supports climate smart projects through our lending to financial institutions in Cambodia to catalyze impact financing and address the climate finance gaps including nascent green capacity and lack of green taxonomy. A MIGA guarantee is supporting the refinancing of an existing power transmission infrastructure project in Phnom Penh and its surroundings. Progress on this objective is on track despite some delays caused by COVID-19 restrictions. The extension of the CPF period should allow for the targets to be met.

Focus Area 2: Foster Human Development

39. **Objective 4: Enhance quality and alignment of education with labor demands.** The Bank has contributed in the past to enhanced quality through effective institution building including putting in place School Based Management and enhancing community participation in school management. The Bank's primary focus in the current CPF period is on enhancing the quality of schools and universities in part through using a results-based approach. At the primary and secondary level this is mainly handled through better school-based management and teachers. At the tertiary level the focus has been on getting in place a credible accreditation process and providing incentives through results-based financing to public and private universities to meet the accreditation standards. The program is on track.

40. **Objective 5: Expand access to quality early childhood services.** The Bank has an integrated program of support for early childhood development, encompassing nutrition both for pregnant mothers and for infants, immunization, specific support for children in floating villages who are a major at-risk group, and water and sanitation improvement. There is a large group of donors working in this area and although all the indicators defined in the CPF in this area have been achieved, or are on track to be achieved, it is difficult to attribute this directly to the Bank's efforts. In view of this new indicators are being formulated for inclusion in the revised Results Matrix. Progress on this objective is on track.

41. **Objective 6: Expand access to quality health services.** The Bank is supporting supply side actions such as upgrading the quality of health centers, and through demand side by helping to reduce the costs of health care and especially major health problems that can lead to impoverishment, for poor families. The operations supporting this objective are: Health Equity and Quality Improvement Project (H-EQIP), Cambodia Nutrition Project, Strengthening Pre-Service Education System for Health Professionals Project, and Cambodia COVID-19 Emergency Response Project. Both the supply and demand side indicators are on track for achievement. Progress on this objective is on track.

Focus Area 3: Improve Agriculture and Strengthen Sustainable Use of Natural Resources

42. **Objective 7: Strengthen management of water and land use.** The Bank is supporting this in a number of ways. First, the Bank is supporting the government in strengthening the policy and institutional framework for the management of land and water resources. Second, the Bank is supporting the development of ecotourism to provide an economic alternative to rural populations that allows them profitable livelihoods without further degrading land and water resources. Third, the Bank is assisting Cambodia to collect the information and put in place the monitoring needed to meet the challenges of water security in the context of both climate change and upstream development and use of the Mekong water resources. This objective is supported by both Investment Project Financings (IPFs) and Advisory Services and Analytics (ASA). Progress on this objective is off track. One indicator has been achieved but implementation delays in other areas require an adjustment to the end target.

43. **Objective 8: Improve agriculture productivity and diversification.** IFC is supporting Cambodia's rice export sector through advisory support on key processes along the value chain, covering farming, milling and exporting practices, aligned with the Sustainable Rice Platform (SRP) standards, and working capital finance for a leading rice producer. Moreover, IFC helps strengthen climate-smart agriculture through financial institutions. In addition, the Bank is supporting the RGC to develop competitive and profitable agricultural value chains, diversifying away from rice and promoting relationships between farmers (producer organizations), and processors, traders and exporters. Project implementation is delayed, in part due to the time and efforts required to introduce the concept of value chains, and due to COVID-19-related movement restrictions, which have prevented efficient implementation of field work. Progress is behind schedule, with all three indicators off track or with insufficient data. It is expected that the addition of a year to the CPF will allow for the indicators under this objective to be achieved. Progress on this objective is off track.

Cross-cutting theme: Strengthening Governance, Institutions and Citizen Engagement

44. **During the first half of the CPF period, the WBG put great emphasis on strengthening governance, institutions, and citizen engagement.** The ASA on strengthening public sector performance supported the government to (1) adopt and implement the strategy and action plan for improved business processes in 2020, (2) prepare the draft of the National Program for Public Administration Reform (NPAR) focusing on promoting performance in service delivery, and (3) build the leadership skills of senior Cambodian officials to support a public sector change management process. Bank support is helping to strengthen institutional capacity and monitoring mechanisms. In the health sector, the focus has been on capacity building of frontline health workers and facilitating links between the communities and health centers. In the education sector, the WBG supported the government to build capacity and quality of the higher education institutions through putting in place a new quality assessment system supporting accreditation of qualified institutions. The WBG's support for Water Resources Management strengthened the institutional capacity to manage water related challenges. The WBG continued to engage on the Implementation of the Social Accountability Framework (ISAF). The aim of the ISAF is to empower citizens to hold government accountable for local service delivery and resource allocation. The ISAF covers all primary schools, health centers and commune councils in 120 communes across the country.

Cross-cutting theme: Gender

45. **Gender equality and women's empowerment have been promoted and enhanced across the portfolio.** Gender gap analyses were conducted in close collaboration with clients. The results of the gender gap analysis were used to inform project design and identify specific actions to be taken to address gender gaps and promote women's empowerment. There has been good progress, particularly in promoting access to health care, education, sanitation and hygiene and women's employment. In the water sector, the Ministry of Industry, Science, Technology & Innovation and provincial utilities have developed a gender action plan to promote female employment and strengthen female staff retention. The project has achieved an average of 18 percent female employment which is higher than the project annual target of 15 percent. Under the ongoing health project, the Ministry of Health has developed and provided competency training on Gender Based Violence (GBV) to all medical students to recognize, medically manage and refer GBV survivors to appropriate community-based services. The support under the Mekong Integrated Water Resources Management Project has established 70 community fisheries in Stung Treng and Kratie provinces, of which 30 percent have women leaders who have been elected to lead the community fishery committee. According to a Gender Case Study report, women were considered as role models for enhancing community cohesion, gender inclusion, and, as well as the engagement of indigenous people in the process of community development. IFC has also widely integrated gender analysis and interventions including in the recent solar investment, all advisory projects in agribusiness supply chains, and in transactions with financial institutions where performance-based incentives have boosted lending to women-owned businesses. In particular, IFC supports Banking on Women program, leveraging on Wifi and Women Entrepreneurs Opportunity Facility to address the large unmet demand for financial services by women. A MIGA guarantee will help Advanced Bank of Asia (ABA) support Women-MSMEs, thereby strengthening financial inclusion in the MSME sector. In addition, with support from the Government of Australia, a gender and social inclusion programmatic advisory services and analytic is under preparation that will provide a framework for additional support for gender activities across the WB portfolio.

IV. EMERGING LESSONS

46. **The Bank's flexibility in adjusting its program has made a significant contribution to the Government's capacity to respond to the pandemic and promote economic recovery.** Bank DPF has supported the continuation of the Government's social transfer program which is having a significant impact on mitigating the increase in poverty. Further, the reallocation of resources from ongoing IPFs, and the activation of the Contingency Emergency Response Component have been important in support of the health sector response, facilitating e-learning, and addressing food security for vulnerable populations.

47. **Effective coordination between the World Bank and IFC has had positive impact across multiple sectors.** The quick response to the working capital needs of SMEs, as a result of the pandemic, includes IFC's support for commercial banks to lend to SMEs, IDA Private Sector Window (PSW) support for providing rapid, sustainable liquidity support to SME's, responsible lending, and the Bank's work on the policy framework for SME lending. Enhancements to the logistics and transport sector for Cambodia's international trade has also benefited from close coordination. For instance, IFC has explored opportunities in logistics sector, taking advantage

of the Bank's investment in the main highway linking the port at Sihanoukville to Phnom Penh. Access to major highway and interconnection to other provincial highways, is key to making logistics hubs sustainable and enabling logistics services to be commercially viable. These synergies reflect both the Bank and IFC focusing on key priorities for private sector development and should help to promote interventions in the future from both Bank and IFC that are clearly designed to work in tandem.

48. **Despite the rapid progress of the past decade, risks in Cambodia remain high with regard to the political, environment, fiduciary and safeguards areas.** The Bank will work closely with the Government to pursue a systematic approach to risk mitigation. Fiduciary risk will be tackled in the context of e-Government initiatives which lead to the technological upgrading of public sector operations and greater availability of information. The Bank's continuing support for social accountability needs to be built into the framework for enhanced governance at the sub-national level to promote the expanded provision of public services to the poor. The Bank will address governance challenges as part of new and ongoing project design and through strengthening the capacity of project implementation units and ensuring strong ownership and sustainability.

49. **Analytical and knowledge services play an important role in shaping WBG interventions.** Advisory and technical services serve as a primary mechanism for strengthening institutions and building counterpart capacity, notably in the financial sector, social protection, and poverty measurement. The WB collaborated closely with the Ministry of Planning to improve the poverty measurement methodology and define the new poverty line for Cambodia. This serves as a solid baseline for monitoring the poverty impact of the National Strategic Development Plan 2019-2023 (NSDP) and RGC's ERP as well as help inform better targeting in future WB financed operations. This analysis has contributed to the response of the RGC's ERP on developing social protection policies, climate adaptation and mitigation policies as well as the revenue mobilization strategy, and inputs from this work have informed the WBG's current and potential policy lending operations. Work with counterparts on public financial management represents significant on-going knowledge transfer toward improved policy formulation and implementation (i.e., financial management information system (FMIS) operationalization). IFC's technical assistance and advisory services contributed to the establishment of Cambodia's first commercial-credit reporting bureau which improves transparency, strengthens risk mitigation frameworks and promotes more responsible lending practices across the financial sector.

50. **When projects introduce new approaches in Cambodia, it is essential to plan for realistic timelines and project design and greater upfront support, given capacity constraints.** In some cases, the Bank has made insufficient allowance for the gap between the institutional capacity of the relevant ministry or implementing agency and the challenge represented by a project with an ambitious and/or complex design. For example, the focus on public-private partnerships in agricultural value chains, under the Cambodia Agriculture Sector Diversification Project (CASDP), introduced new approaches to agricultural development. Experience has shown that such concepts require steep learning curves for traditional farming communities and even government officials. This was further exacerbated by the COVID-19 pandemic impact. The failure to put in the resources and time required to bridge this gap before project approval has resulted in the need for intensive support by task teams.

51. **Pressures in land use, including in protected areas and for infrastructure development, pose challenges to the sustainable management of natural resources and their important role in resilience to climate change.** Mitigating this will require strong engagement with the authorities to address the risks of potential impacts of inappropriate land use, along with building capacity on the Environmental and Social Framework (ESF) including on critical issues such as meaningful consultation with affected communities.

V. ADJUSTMENTS TO THE COUNTRY PARTNERSHIP FRAMEWORK

52. **This PLR extends the CPF by one year until June 30, 2024.** The extension of the current CPF provides additional time for implementation of projects that were delayed due to COVID-19 restrictions. It will also allow for the response phase of government policy to be fully implemented provided the major effects of the pandemic do not continue beyond mid-2024. The war in Ukraine has exacerbated uncertainty for the recovery, through rising energy and food prices. Therefore, the WBG will remain flexible and adjust the program to support the evolving needs and priorities of the Government.

53. **The Government and the Bank took the opportunity of the PLR to further refine and align the remaining CPF program.** A CPF PLR consultative workshop took place in Phnom Penh in December 2021 with more than 100 senior Government officials from Ministry of Economy and Finance (MEF), relevant line ministries, agencies and the Banks. This resulted in the endorsement of priority topics for the remainder of the CPF that are well aligned with the Government's ERP. Planned projects will support the recovery from and resilience to economic shocks and maintain socio-economic stability and livelihoods. The client survey which has strong representation from civil society and the private sector, confirmed the priority of the selected program (see Annex 6).

54. **The three CPF focus areas and eight objectives are still broadly relevant,** but the PLR makes some adjustments to the results framework to reflect more recent activities and the intervention logic has been revised to articulate the alignment of the WBG's program with the Government's ERP in the existing objectives. This change reflects the expanded focus on supporting economic, social and environmental resilience in the context of the recent unprecedented crises. This includes support to climate and disaster risks through strengthening Cambodia's resilience to ensure sustainable and inclusive socio-economic development, and building back better through a Green, Resilient and Inclusive Development (GRID) approach. This is aligned with the Government's ERP which highlights strengthening readiness and responsiveness to, and prevention of, future crises.

55. **The formulation of objective 4 has been modified from the original "Enhance quality and alignment of education with labor demands" to "Enhance quality of targeted levels of education".** The Bank has a strong engagement in improving quality of school education through lower secondary teacher upgrading, strengthening school-based management, and improving school facilities. However, the labor demand element was dropped from the objective to better align with the Bank's program interventions because there has not been a follow up operation on this. Nonetheless, the Bank continues to work closely with relevant Government counterparts on a potential skills enhancement project for the remainder of the CPF. The lessons from the Bank's ongoing support for the Higher Education Improvement Project will help inform future engagement in the higher education sector.

56. **Objective 8 (Improve Agricultural Productivity and Diversification) is off-track and is dependent on progress of the ongoing CASDP.** Going forward, a detailed action plan has been agreed with Government that should improve project implementation including for example, in simplifying and accelerating the preparation and approval processes for diversification plans, and improved processes for hiring expertise to ensure high-quality technical solutions.

57. **To accommodate the Bank's DPF engagement, adjustments have been made to the first two Objectives of the CPF.** These are: Objective 1: Enhance financial sector development and foster private enterprises and Objective 2: Strengthen public sector accountability and public finance by highlighting the explicit results in the areas of social protection and SME development. The 2021 DPF supported the provision of relief to COVID-affected households and firms while the proposed DPF series, currently under preparation, will further deepen and institutionalize the Government's efforts to ensure that the social protection system is well-positioned to support the most vulnerable segments of the population in response to future shocks. The revised formulation of these objectives and the associated indicators incorporates the support provided in these areas through the DPFs.

58. **Ongoing analytical work on green, resilient, and inclusive infrastructure will inform future pipeline discussions.** The Bank's analytical work is supporting the city of Siem Reap, and the relevant Ministries to develop a strategy and investment plan to promote sustainable and green mobility through fostering private sector participation (PPP) in the road sector. This engagement could potentially inform an investment project to help transform the city into a low-carbon, modern, and more vibrant place both for residents and international travelers. The outcome of the technical assistance (TA) on strengthening regulation to accelerate services by domestic private water providers was substantial. The government is currently using a water supply monitoring system as a tool for sector monitoring and for supporting the implementation of the regulatory function. A PPP identified under the TA is now being pursued by the government under the current IDA operation. The recently launched analytical work in the energy sector will support the enabling environment for energy efficiency and renewables in Cambodia, and potentially provide opportunity for future engagement in the sector.

59. **Through the Bank's ongoing analytical work, the Bank is supporting the government to institutionalize social assistance policies and programs following the initial relief response.** The outcome of the analytical work will help inform engagement with government on a social protection delivery system and employment interventions. These priorities are aligned with the Government's ERP to support policies and institutional actions which bolster resilience to future shocks.

60. **The forthcoming core country diagnostic (late FY23/ early FY24), the Country Climate and Development Report** (CCDR), will help Cambodia identify risks and opportunities for climate action by the public and the private sectors, taking into consideration Cambodia's commitments as embedded in Nationally Determined Contributions (NDC) and Long-term Strategies. The CCDR will inform the SCD update and the next CPF.

61. **Table 3 presents the WB proposed lending pipeline for the remainder of the extended CPF period ending on June 30, 2024.** As noted earlier, the WBG will remain flexible and adjust as necessary to respond to impacts including from deteriorating global conditions:

Table 3: Potential Lending and Key ASA for FY23 and FY24

FY23	FY24
Focus Area 1: Promote State Efficiency and Boost Private Sector Development	
Lending: WB • Cambodia Recovery, Reform and Resilience DPF series (US$200 million) • Enterprise Digitalization and Technology Adoption Project (P175380) (US$ 40 million)* • Cambodia Solid Waste and Plastic Management Improvement Project (P170976) (US$ 60 million)* ASA: WB • Technical Assistance to Enhance the Enabling Environment in E-mobility and Energy Efficiency in Cambodia (P176906) • [Core analytics] Cambodia Public Expenditure Review - Budget Management Effectiveness Study (P178415)	Lending: WB • Cambodia Water Supply and Sanitation Acceleration Project (P178417) (US$100 million) • Cambodia Recovery, Reform and Resilience DPF series (US$100 million) ASA: WB • Macro Programmatic Advisory Services & Analytics (P177340) • Supporting Financial Stability and Inclusion in Cambodia (P177272) • Cambodia Regional Corridors and Connectivity ASA
Focus Area 2: Foster Human Development	
ASA: WB • The Future of Education in Cambodia: Recovering from COVID and Leveraging Technology (P177580)	ASA: WB • UHC and Pandemic Preparedness • Higher education for equity, excellence, and resilience • Skilling Up Cambodia: Skills for Recovery and Resilience
Focus Area 3: Improve Agriculture and Strengthen Sustainable Use of Natural Resources	
Lending: WB • Cambodia Water Security Improvement Project (P176615) (US$125 million) ASA: WB • Strengthening One Health Approaches in Cambodia (P177839) • Building a Stronger and Resilient Social Protection System in Cambodia PASA (P176541)	Lending: WB • Cambodia Coastal Resilience/Blue Economy Project (US$100 million)* • Boosting Fishery/Aquaculture Production (US$80 million)* ASA: WB • KH Enhancing Natural Resource and Pollution Management in Cambodia (P175520)

FY23	FY24
Cross-cutting theme: Strengthening Governance, Institutions and Citizen Engagement	
ASA: WB • Strengthening PFM & Public Sector Performance for Improved Public Service Delivery (P168407)	ASA: WB • Cambodia Gender Equality and Social Inclusion PASA (P178134)

** To be confirmed*

VI. RISKS TO CPF PROGRAM

62. **The overall risk to the program continues to be "Substantial".** The Fiduciary risk has been upgraded from High to Substantial, and a COVID-19 risk and the war in Ukraine, rated substantial, has been added. Other risk levels remain the same.

63. **Political and Governance.** Cambodia's governance quality has improved in terms of government effectiveness and rule of law. However, the lack of contestability raises concerns about political intervention in program implementation. Thus, the rating remains Substantial. To enhance the transparency and accountability of the Government, the WBG has been a strong advocate for increased citizen voice and engagement; the Bank makes an extra effort to seek out a diversity of viewpoints from within academia, civil society and the private sector to inform policy analysis and project design.

64. **Fiduciary**. The Fiduciary risk has been upgraded from "High" to "Substantial". **Cambodia has made significant improvements to the financial management (FM) arrangements of Bank funded projects since the approval of the CPF**. Key improvement areas include: (i) the Ministry of Economy and Finance (MEF) has appointed an audit firm with competency acceptable to the Bank to audit all the Bank funded projects with the Bank standard audit term of reference in accordance with International Standards on Auditing. This allows MEF to be actively engaged in the supervision of the financial performance of the projects. In 2020, the Bank received a clean audit opinion on all audited financial statements: (ii) financial management of Bank projects is now fully integrated within the line ministries' accounting and finance function for sustainability and ownership. This is an effort to deepen the use of country systems; (iii) the internal audit staff of line ministries now have jurisdiction over donor funds and perform periodic internal control reviews. No major internal control weaknesses have been found on Bank-financed projects in the last fiscal year; (iv) project budgeting and accounting are now fully integrated with the government system; and (v) to-date, there has been no delay in submission of audited financial statements or outstanding audit reports, overdue interim financial reports nor ineligible expenditure in the portfolio. This progress notwithstanding, the control environment remains weak, along with weak implementing capacities and perceived governance and accountability risks. Moreover, fiduciary capacity and the number of fiduciary staff at the Line Ministries remain limited. Therefore, **the FM risk remains significant, but reduces from High to Substantial given the mitigation measures and improvements outlined above**.

65. **Cambodia has witnessed significant improvement in procurement management for Bank funded projects since the approval of the CPF.** Based on the distribution of procurement risk and performance ratings across the portfolio, an overall procurement risk rating of Substantial is proposed, based on key contributing factors below: (i) procurement arrangements

within public institutions in Cambodia are well structured and organized within each agency/project owner. All procurement activities financed under Bank-funded projects are now implemented by the existing Government structures and managed by procurement units of the respective Implementing Agencies or Ministries; (ii) following the challenges in the initial phase of implementation, 100% of Bank funded projects now fully use the Bank's Systematic Tracking of Exchanges in Procurement (STEP). This has significantly improved the timeliness of processing procurement requests as well as monitoring and reporting; and (iii) MEF has revised Standard Operating Procedures (SOP) dated December 2, 2019, to align with the Bank's procurement processes and guide in the implementation of procurement conducted solely for approaching the national market for small-sized procurement. This helps reducing the possibility of mis-procurement and non-compliance by implementing agencies. The above progress notwithstanding, Bank funded projects continue to face some implementation challenges: (i) delays in creating the Procurement Review Committee and Procurement Evaluation committee; (ii) inability to minimize procurement lead times through advance procurement; and (iii) inadequate procurement capacity, understaffing relative to the high workload in the procurement units, and high turnover of procurement staff. Based on the above factors, the **procurement risk rating for the CPF/PLR period is Substantial**.

66. **Environmental and Social.** The environmental and social risks remain substantial across the portfolio. Risks are typically managed utilizing a framework approach, reflecting the fact that for most operations, the specific locations of project activities are not yet identified during project preparation. As a result, detailed environmental and social impact screening and assessment needs to be carried out during project implementation. While the framework approach is conceptually appropriate, the screening for environmental and social impacts has not always been conducted appropriately and the quality of instruments for environmental and social risk management is uneven. This is in part attributed to limited capacity of Government staff and limited availability of qualified national consultants. To mitigate the risk, the Bank team will continue to advocate for sufficient and high-quality environmental and social staffing, and provide capacity building, training, and hands-on support, to relevant ministries. Training in ESF has been provided, as a priority, to PMUs of the Health and Education Ministries, and will be provided to other PMUs as well.

67. **Institutional Capacity.** Capacity has improved across many ministries, especially those that have experience in implementing WB financed projects. However, given the rapidly expanding portfolio and complex designs utilizing new implementing agencies, particularly at the subnational level, the capacity risk continues to pose challenges for implementation and remains substantial. The WBG has proactively addressed these challenges including through a program of ASA, incorporating capacity building and monitoring and evaluation as important components of all its operations and assessing government and agency ownership and commitment as an important variable in determining whether to proceed with projects.

68. **Other risks.** COVID-19 has led to implementation delays caused by travel restrictions and social distancing policies. Delays of ongoing civil works due to COVID-19 lockdowns have resulted in prolonged construction periods and Bank teams have experienced challenges in carrying out on-site supervision. Although the lifting of restrictions should ease these constraints, given the unpredictability of the progress of the pandemic, the risk is rated Substantial. To mitigate the risk, the Bank team will continue to make appropriate investments in supporting infrastructure as virtual supervision continues and in providing intensive support to project counterparts. Risks

caused by the war in Ukraine include rising inflation and worsening external balances. Cambodia imports 100 percent of its fuel consumption. In the absence of policy measures to stabilize domestic prices, international oil price increases directly pass through to domestic retail prices. Rising inflation is likely to lead to a deterioration in domestic economic conditions. In addition, worsening external demand conditions caused by the war in Ukraine impact Cambodia's external balances.

Table 4*: *Summary of Risks to the Implementation of the CPF

Risk Category	CPF Rating	PLR Rating
Political and governance	Substantial	Substantial
Macroeconomic	Moderate	Moderate
Sector strategies and policies	Low	Low
Technical design of project or program	Moderate	Moderate
Institutional capacity for implementation and sustainability	Substantial	Substantial
Fiduciary	High	Substantial
Environmental and social	Substantial	Substantial
Stakeholders	Moderate	Moderate
Other (COVID-19 and the war in Ukraine)		Substantial
Overall	**Substantial**	**Substantial**

Annex 1. Updated Cambodia CPF Results Matrix
(Basis for Completion and Learning Review self-evaluation)

CPF Objective Indicators	WBG Program
Focus Area 1: Promote State Efficiency and Boost Private Sector Development	
Objective 1: Enhance financial sector development and foster private enterprises	
Intervention Logic: Cambodia's financial and business sectors are still emerging, and their further development will be critical for future growth. Continued development of Cambodia's financial sector and capital markets is needed to deepen financial markets, and to support the development of a more robust private sector. Access to finance remains one of the obstacles to business development, competitiveness, diversification, and job creation. It is especially critical to broaden the economic participation of MSMEs, especially those in rural areas, to enhance asset accumulation particularly for Cambodia's poorer population segments and for women, and to develop value chains to boost domestic sales and exports. Going forward, Cambodia will need to diversify its manufacturing sector beyond garments, attract higher quality FDI with links to domestic firms, exploit new markets, and support the development of domestic enterprises that have the capability to grow into medium- and large-sized enterprises and compete in regional and global markets. The Government's Rectangular Strategy Phase 4 (RS4) prioritizes promotion of private sector development and employment, and economic diversification. The WBG has provided significant support to the development of the financial and business sectors through analytic work, technical assistance and direct investment in the financial sector, including the provision of microfinance and the development of financial infrastructure. During the CPF period, coordinated WBG support will help deepen capital markets and strengthen financial sector resilience. Support will be provided to the financial sector to develop government and corporate debt markets (building on IFC's investment in the first corporate local currency bond with support from the IDA18 IFC-MIGA Private Sector Window). Assistance will also focus on developing financial infrastructure (such as payment systems, money market/foreign exchange markets), and providing SME finance (including green financing and credit targeted at women). IFC Advisory Services will support efforts to promote insolvency and debt resolution reform, and the promotion of a secured transactions and collateral registry. A MIGA guarantee to the National Bank of Canada is supporting private sector lending by its subsidiary in Cambodia which is expected to strengthen financial inclusion and improve access to finance, especially, for women-MSMEs. IDA investment financing will provide support for private business development in sectors with growth potential, such as agribusiness and tourism. Building on extensive analytic work, the WB will continue its advocacy and advisory work to improve the investment climate and create jobs. In addition, the CPF program will include ASA on economic diversification, support for the creation of SME-FDI linkages, trade facilitation, and development of agricultural exports and non-timber forest products. The WBG will advise the government on the preparation and implementation of the Digital Economy Strategic Framework. It will also build on the work related to entrepreneurship and innovation to support the development of Cambodia´s entrepreneurship ecosystem, assist existing enterprises to grow, innovate, and take advantage of global value chains. These are areas of potential financial support from the WBG in the outer years. The impact of the global slowdown caused by COVID-19 on Cambodia's financial sector and private enterprises led to an adaptation of the program, while maintaining the overall objectives and direction. The key was to provide working capital funds through the banking sector to cover the working capital needs of SMEs during a period	

<table>
<tr><th>CPF Objective Indicators</th><th>WBG Program</th></tr>
<tr><td colspan="2">of lower demand. IFC accelerated its support for Cambodia's financial sector with investments in a number of commercial banks to enable them to expand their support for the SME sector. The provision of World Bank development policy finance was an element in enabling the Government and Central Bank to pursue expansionary monetary and fiscal policies to provide for greater liquidity in the system.

The global COVID-19 pandemic caused substantial economic distress through much of the South-East Asia Region, including Cambodia. The pandemic moved many vulnerable people back down into poverty where incomes needed to be used for food and basic survival. The WBG has supported the pandemic response and recovery in numerous ways. Related to this Objective, IFC stepped up its investments in the commercial banking system to facilitate the provision of funding to meet the working capital needs of SMEs. The Bank also supported a US$200 million DPF to assist with financing the social safety net as well as the support to SMEs (through the SME Bank of Cambodia's risk sharing facility for SME credit. This will be followed up by two Programmatic DPFs during the remainder of the CPF period.</td></tr>
<tr><td>1. Number of individuals and businesses covered by credit reporting service providers
• Baseline: 5.7 million (2016)
• Target: 6.5 million (2022)
Source: IFC TA/Advisory - Credit reporting (599902)

2. Number of MSMEs that received loans secured with movables property:
• Baseline: 4,276 (2018)
• Target: 10,000 (2020)
Source: IFC TA/Advisory - Secured Transactions and Collateral Registry (583247)

3. Access to finance: Outstanding SME/MSME IFC Portfolio (Number)
• Baseline: 1,049,696 (2018)
• Target: 1,326,680 (2024)
Source: IFC Projects 45535, 44742, 44882, 44211, 44231, 42480

4. Number of outstanding loans to women-owned SME (Number)
• Baseline: 50,811 (2018)
• Target: 68,000 (2023)
Source: IFC Project 42480</td><td>World Bank Knowledge and Convening
Closed:
• Cambodia: Financial Sector Development Technical Assistance (P160713) - FY19
• KH-Logistics Master Plan Development (P164649) - FY19
• Cambodia Follow-up second DeMPA (P166908) - FY19
• Cambodia Medium-Term Debt Management Strategy (MTDS) (P167728) - FY19
• Cambodia Economic Diversification Study (P168198) - FY19
• KH: ICT Sector Rapid Assessment (P165399) - FY19
• CMC: Cambodia DMF Government Bond Market Development (P165458) – FY20
• Cambodia Digital Economy Framework ASA (P171971) – FY20
• Cambodia Financial Sector Development TA (P171621) – FY21
• Cambodia Jobs for Growth and Competitiveness ASA (P172080) – FY21
• Macro Programmatic Advisory Services and Analytics (P167392) – FY21
• Cambodia Country Economic Memorandum Part II (P171958) – FY21

Ongoing:
• Supporting Financial Stability and Inclusion in Cambodia (P177272) – FY23
• Strengthening PFM & Public Sector Performance for Improved Public Service Delivery (P168407) – FY23
• [Core analytics] Cambodia Public Expenditure Review - Budget Management Effectiveness Study (P178415) – FY23
• Cambodia Poverty and Distributional Analysis and Data Strengthening PASA (P177560) – FY23</td></tr>
</table>

CPF Objective Indicators	WBG Program
5. Percentage of adult individuals who made or received a digital payment (percentage) • Baseline: 15.6 (2018) • Target: 25 (2024) Source: Supporting Financial Stability and Inclusion in Cambodia (P177272) 6. Establishment of domestic corporate and government debt markets demonstrated by bond issuance by 2024 (Yes/No) Source: Domestic Debt Market Development (DDMD) TA (P174820) 7. Number of beneficiary businesses supported by the SME Bank of Cambodia (SMEBC) risk sharing facility for SME credit • Baseline: 0 (2019) • Target: 500 (2022) Source: Cambodia Relief, Recovery and Resilience Development Policy Financing (P176756)	• Technical Assistance to Enhance the Enabling Environment in E-mobility and Energy Efficiency in Cambodia (P176906) – FY23 • Cambodia: Macro Programmatic Advisory Services & Analytics (P177340) – FY24 • Domestic Debt Market Development (DDMD) TA (P174820) - FY24 **IFC TA/Advisory:** *Closed (Achieved):* • Microfinance: Hattha Kaksekar Ltd (623836), Sumitomo Corporation (506525); BRED Bank (1015349) • Credit reporting (599902) • Secured Transactions and Collateral Registry (583247) • Doing Business Reform Advisory (600402) *Ongoing:* • Insolvency and debt resolution reform (601954) • SME financing project with financial institutions in Cambodia to increase lending to underserved SMEs (604143) **World Bank Financing** *Ongoing:* • Cambodia Relief, Recovery and Resilience Development Policy Financing (P176756) *Pipeline:* • Cambodia: Enterprise Digitalization and Technology Adoption Project (P175380) – FY23 • Cambodia Recovery, Reform and Resilience DPF series (mid FY23 & late FY24) **IFC Investments:** *Ongoing:* • Banking and Mico-finance: Advanced Bank of Asia Ltd (805280), ACELDA Bank PLC (52359), Amret Co, Ltd (645905); BRED Bank (Cambodia) Plc (1015349)

CPF Objective Indicators	WBG Program
	• Bond issuance by financial institutions to support establishment of the local debt capital market, including themed bonds such as social/gender bond (41223, 46267) • Risk Sharing facility projects with financial institutions to increase access to finance to SMEs (40973) • Long-term financing to increase access to finance to MSMEs and promote green finance (42480, 44882, 44742, 45535, 44211, 44231) • SMEV Advisory Project - CLMDF II (601704) • ACLEDA-Internal Capital Adequacy Assessment Process (ICAAP) Advisory Project (605059) • Forte Equity Investment (44741) **MIGA Guarantee:** • National Bank of Canada Mandatory Reserves Coverage (14836)

Objective 2: Strengthen public sector accountability and public finance

Intervention Logic: Cambodia has embarked on an extensive program to reform public sector management, but continued efforts will be needed to deepen reforms, including better sequencing and coordination of this ambitious agenda. Drawing on existing reform efforts, focus will need to be placed on enhancing public financial management processes and advancing civil service reform. Public service delivery is improving but continued work is needed to enhance the transparency of key public services, raise awareness of citizen rights and service standards, strengthen citizen voice, build trust between citizens and public officials and service providers, and strengthen capacity for local level social accountability. Using modern information technology, Cambodia could leapfrog over earlier phases and modernize payment and service delivery, as well as enhancing monitoring and beneficiary feedback. Deepening and sustaining improvements in overall governance and efficient use of public resources is a core element of the RS4. Strengthening the efficiency and transparency of public financial resource management in areas such as public investment management, financial management systems, public administration, and service delivery, will be key to achieving this. Improved macroeconomic management will also be needed to safeguard economic stability and sustained growth.

Over the past years, the WB has provided substantial analytic and advocacy support in a broad array of public sector reform areas (financial management, public administration, decentralization and deconcentration) and through enhancing citizen engagement. Going forward, the WB will focus on continued support for improved public financial management (revenue mobilization, budget/planning/expenditure management, and systems for enhanced service delivery) and public administration reform. It will also incorporate capacity building into projects to strengthen planning, such as for disaster management financing and urban planning at multiple levels of government. The WB will continue its support for citizen engagement; it has recently supported Government and civil society representatives to prepare a country-wide second phase of the Social Accountability Framework (SAF) and has begun laying the groundwork for a multi-donor trust fund to support this second five-year phase. Social accountability concepts will also be incorporated into other projects, such as the community platform component of the upcoming Nutrition project as well as the Water Supply and Sanitation Improvement Project to develop the capacity of municipal officials and the mechanisms they use to engage citizens and respond

CPF Objective Indicators	WBG Program
to their feedback. Going forward, the WB will explore the potential for outer year financing to strengthen public sector performance, investment management at the local level, as well as possible support for ICT development, including building a more effective and coordinated digital government. While the global pandemic has not directly impacted the definition or implementation of this objective, it is expected that the proposed programmatic DPF series will include agreements on strengthening the Public Investment Management system. The COVID-19 pandemic moved many vulnerable people back down into poverty where incomes needed to be used for food and basic survival. In addition, Cambodia came into the pandemic with almost no social safety net in place. The Government was able to ramp up the social safety net using the IDpoor system for targeting and the program has reached about 17 percent of the population. The WBG has supported the pandemic response and recovery in numerous ways. Related to this Objective, the Bank supported a US$200 million DPF to assist with financing the social safety net. This will be followed up by two Programmatic DPFs during the remainder of the CPF period. The intention is not only to help with the immediate transfer, but to support the Government in developing a more comprehensive social safety net which can play a role in protecting the poor both during economic shocks and after natural disasters.	
8. Number of line ministry-FMIS connected to MEF to improve efficiency of budget execution system • Baseline: 10 (2018) • Target: 15 (2024) Source: Strengthening PFM & Public Sector Performance for Improved Public Service Delivery (P168407) 9. Number of schools that publicly display development plan • Baseline: 0 (2017) • Target: 100 (2023) Source: Secondary Education Improvement Project (P157858) 10. Percentage of target communes/sangkats that have completed three full annual ISAF cycles (percentage) • Baseline: 15 (2020) • Target: 90 (2024) Source: Engaging Citizens to Improve Service Delivery Through Social Accountability (P172630)	**World Bank Knowledge and Convening** *Closed:* • Cambodia Social Accountability and Service Delivery - (P171049) - FY19 • Cambodia Social Accountability Impact Evaluation (P156491) – FY20 *Ongoing:* • Strengthening PFM & Public Sector Performance for Improved Public Service Delivery (P168407) - FY25 • Cambodia Poverty Assessment (P173594) – FY22 **World Bank Financing** *Ongoing:* • Cambodia Southeast Asia Disaster Risk Management Project (P160929) – closes March 2023 • Community-based Childcare for Garment Factory Workers Project (P171063) – closes March 2024 • Engaging Citizens to Improve Service Delivery Through Social Accountability (P172630) – closes June 2024 • Integration of Social Accountability into National and Subnational Systems (P173527) – closes June 2024

CPF Objective Indicators	WBG Program
11. Number of IDPoor beneficiary households having received COVID-19 cash transfers • Baseline: 0 (2019) • Target: 690,000 (2022) 12. Number of eligible beneficiaries (poor pregnant women and children) having received maternal and child health cash transfers • Baseline: 58,324 (2019) • Target: 360,000 (2022) Source: Cambodia Relief, Recovery and Resilience Development Policy Financing (P176756)	• Cambodia Relief, Recovery and Resilience Development Policy Financing (P176756) *Pipeline:* Cambodia Recovery, Reform and Resilience DPF series (FY23&24)

Objective 3: Expand and improve sustainable infrastructure services

Intervention Logic: Improving infrastructure services is key to Cambodia's growth, connectivity and citizen well-being. Cambodia ranks well below neighboring countries such as Thailand and Vietnam on the Global Competitiveness Index's infrastructure measure, and Cambodia's vulnerability to disaster underscores the need to ensure that its physical infrastructure incorporates resiliency features. Lack of climate resilient roads (especially rural roads) is a major challenge given Cambodia's vulnerability to flooding and limited access to water supply and sanitation is linked to poor health outcomes. Upgrading infrastructure services will support business development, create jobs and improve the connectivity. While infrastructure services in rural areas are lagging and represent a priority, accelerating urbanization is also highlighting the urgent need for infrastructure services in rapidly growing areas experiencing increasing discrepancies in service provision across population groups. Cambodia also needs to continue to build the foundations for the digital economy, including a combination of infrastructure, enabling technologies and supportive policies, to improve the competitiveness of the private sector as well as public sector service delivery.

The WB has supported roads improvement and maintenance in recent years and will extend support in this area to improve the quality of national roads (under the Road Asset Management Project), as well as extending all-weather roads to rural areas to improve connectivity of small towns and villages. In addition, knowledge work continues to strengthen Government capacity to manage road assets and to improve the enabling environment for the provision of water supply. Going forward, support for the roads sector will continue and will focus on improving the quality of national roads as well as extending climate resilient roads to provinces and rural areas to foster private sector investments and improve access to markets and services. The WB will also ramp up its support for improved water and sanitation through the Water Supply and Sanitation Improvement Project. These investments will promote the proper use of clean water to improve sanitary food intake and hygiene to improve health and nutrition outcomes as well as well as help mobilize sustainable private sector financing. As urbanization progresses and demand for urban infrastructure increases, support will also be provided for urban planning and urban infrastructure improvement—such as urban water supply, sanitation and solid waste management--through the proposed urban development project. IFC will support effort to mobilize additional financial resources and expertise from the private sector, where Public Private Partnerships (PPPs) could play an important role, particularly to address the country's infrastructure needs, given the current increased investor interest in Cambodia and the growing capacity of domestic institutions. The opportunities to create jobs that arise from improving infrastructure will be explored. A

CPF Objective Indicators	WBG Program
MIGA guarantee is supporting the refinancing of an existing power transmission infrastructure project in Phnom Penh and its surrounding area. The Bank also continues to support resilience to natural disasters through supporting the building of a more resilient road network, and the preparation of Disaster Relief and Recovery Management mechanisms, including contingency funding arrangements.	
13. Length of national roads maintained under performance-based maintenance contracts • Baseline: 0 (2015) • Target: 218 kms. (2024) Source: Road Asset Management Project II (P150572/ P165249) 14. Length of rural roads receiving climate resilient upgrades • Baseline: 0 km (2017) • Target: 290 km (2023) Source: Cambodia Southeast Asia Disaster Risk Management Project (P160929) 15. People provided with access to improved water sources through piped household water connections in target areas • Baseline: 0 (2017) • Target: 37,000 (2024) Source: Water Supply and Sanitation Improvement Project (P163876) 16. People provided with access to improved sanitation services through connection to sewer network • Baseline: 0 (2018) • Target: 16,000 (2024) Source: Water Supply and Sanitation Improvement Project (P163876) 17. The PPP agreement for the Sihanoukville Logistics Hub Project is signed • Baseline: No (2019) • Target: Yes (2024)	**World Bank Knowledge and Convening** *Closed:* • Cambodia Improving Rural Water and Sanitation Services (P161075) - FY20 *Ongoing:* • Cambodia and Lao PDR: Fostering Green Mobility and Walkable Cities Strategy for Luang Prabang and Siem Reap – closes FY22 **IFC TA/Advisory:** *Ongoing:* • Sihanoukville Logistics Hub Project – PPP transaction advisory support to the Government (603265) **IFC Investment:** *Ongoing:* • Kampong Solar (42750) **World Bank Financing** *Ongoing:* • Road Asset Management Project II (P150572/ P165249) – closes December 2026 • Road Connectivity Improvement project (P169930) – closes July 2027 • Cambodia Southeast Asia Disaster Risk Management Project (P160929) – closes March 2023 • Cambodia Southeast Asia Disaster Risk Management Project 2 (P177185) – closes August 2027 • Water Supply and Sanitation Improvement Project (P163876) – closes June 2024

CPF Objective Indicators	WBG Program
Source: IFC TA/Advisory - Sihanoukville Logistics Hub Project – PPP transaction advisory support to the Government (603265) 18. National disaster risk finance strategy developed • Baseline: No (2019) • Target: Yes (2023)	*Pipeline:* • Cambodia: Solid Waste and Plastic Management Improvement Project (P170976) (FY23) • Cambodia Water Supply and Sanitation Acceleration Project (P178417) (FY24) **MIGA Guarantee:** • Cambodian Transmission Limited (14291)
Focus Area 2: Foster Human Development	
Objective 4: Enhance quality of targeted levels of education	
Intervention Logic: A focus on skills development will be key to move from a low-technology/low-skills economy to one built on knowledge and innovation. Cambodia's recent economic success has been built largely on the expansion of relatively low-technology, low wage/skill production, but its comparative advantage in these industries is being eroded as wages rise. To sustain Cambodia's economic development and enhance its competitiveness, a skilled and productive workforce with better qualifications is essential. While significant support has been provided to improve school education, Cambodia has an acute need to: enhance the pipeline of students who are prepared to enter higher education (through improved quality in primary education, and both access and quality in secondary education); increase higher education enrollment and quality; and focus particularly on the critical shortages of graduates in Science, Technology, Engineering and Mathematics (STEM). Gaps in higher education achievements are particularly acute; the share of the adult population aged 25 years or more who have completed at least a short cycle tertiary education in Cambodia is a mere 3 percent (2014) while the corresponding figures for Vietnam and Korea are 7 percent (2009) and 35 percent (2010) respectively. The longer-term challenge is to improve education access, quality and learning outcomes at all levels of schooling to build the pipeline for tertiary education and the skilled labor market. Going forward, the WBG will maintain its engagement in school education. The WB will build on the long-standing engagements and investment support in the education sector, as well as on ASA such as public expenditure review, public expenditure tracking system and jobs diagnostic. The CPF program to build skills relevant to labor market demand will be two-pronged. The first prong will be higher education, particularly in the areas of STEM, agriculture, and health by improving the curriculum (through partnership agreements with international and domestic higher education institutions), upgrading faculty (through mentoring programs), and enhancing research. This will be complemented by sectoral governance reform, including accreditation standards, financial and human resource management, and monitoring of graduates' participation in the labor market. The second prong will be building the pipeline for higher education, by expanding access to secondary education through newly built schools (especially in rural areas) and improving quality through lower secondary teacher upgrading, strengthening school-based management, and improving school facilities. Short, agile learning programs for the adult working population, including a specific focus on assisting poor, vulnerable households, also will be developed to adjust their skills over their work-lives. Specific programs targeted to women, such as training programs and childcare programs, will support female employment. The WB will also seek opportunities to support programs in building skills for the digital economy. Building on successful experience in financing a private vocational training center, IFC will seek future opportunities to engage with the private sector to create skills for the modern economy.	

CPF Objective Indicators	WBG Program
While the basic intervention logic, objectives and indicators are unchanged, part of the funding under Bank-supported projects was used to support on-line learning and the provision of on-line teaching materials as a consequence of the needs in this area arising from the restrictions imposed during the pandemic.	
19. Number of higher education partnership programs evaluated as acceptable or higher quality by expert panels • Baseline: 0 (2018) • Target: 30 (2024) Source: Higher Education Improvement Project (P162971) 20. Number of HEIs that complete accreditation process (to measure governance and quality) • Baseline: 0 (2017) • Target: 25 (2024) Source: Higher Education Improvement Project (P162971) 21. Number of enrolled students in newly built lower secondary schools (gender disaggregated target of 2,625): • Baseline: 0 (2018) • Target 5250 (2023) Source: Secondary Education Improvement Project (P157858) 22. Number of secondary school teachers who graduate from teacher upgrading program • Baseline: 0 (2018) • Target: 2000 (2023) Source: Secondary Education Improvement Project (P157858) 23. Number of research projects in collaboration with industry completed (to measure relevance) • Baseline: 0 (2018) • Target: 35 (2024) Source: Higher Education Improvement Project (P162971)	**World Bank Knowledge and Convening** *Closed:* • ECE Impact Evaluation in Cambodia (P157069) - FY19 • Promoting Development and Home Reading of Supplementary Texts for Young Readers in Cambodia (P171294) - FY20 • Strengthening Social Protection Systems (P168585) – FY20 • Cambodia Social Protection and Future Jobs Programmatic ASA - (P165080) - FY21 *Ongoing:* • The Future of Education in Cambodia: Recovering from COVID and Leveraging Technology (P177580) - FY23 **World Bank Financing** *Ongoing:* • Secondary Education Improvement Project (P157858) - closes July 2022 • Higher Education Improvement Project (P162971) - closes June 2024 • Strengthening Pre-Service Education System for Health Professionals Project (P169629) - closes June 2026 • Cambodia General Education Improvement Project (P174335) – closes November 2026. **IFC TA/Advisory** *Ongoing:* • ACLEDA Institute of Business Education Project (35242)

CPF Objective Indicators	WBG Program
Objective 5: Expand access to quality early childhood services	
Intervention Logic: Healthy children are Cambodia's future, but insufficient childhood nutrition and early life deprivation remain major obstacles. The effects of this are present in the majority of Cambodia's current cohort of young workers. The problem persists with today's young children, given the high incidence of stunting and late schooling and limited access to early childhood care, particularly for disadvantaged and remote households. Quality childcare services are key to improving children's health and are also important to increase women's participation in the labor force. However, childcare services are often limited to more affluent urban areas, and only 43.1 percent of three-to-five-year-old were enrolled in early childhood education during the 2016-17 academic year. In addition, informal caregivers both in urban and rural areas lack important knowledge on nutrition, among other things. Lack of access to improved water and sanitation, in addition to the sub-optimal infant feeding practices and low dietary diversity, contributes to poor linear growth and child stunting. The low availability and coverage of nutrition services hampers efforts to reduce child malnutrition. Less than half of pregnant women in remote areas received the recommended dose of iron-folic acid supplementation during pregnancy in 2014, and only an estimated 9 percent of children with acute malnutrition received treatment in 2015. The WB has been supporting programs for early childhood care and will expand this support to investments in a "nutrition convergence" approach. Building on previous support for early childhood education, trust fund resources have been provided for the Early Childhood Care and Development (ECCD) for Floating villages project to improve access to quality services through community and home-based programs for 0 to 5-year-olds, particularly for those from disadvantaged backgrounds. The new Cambodia Nutrition Project will aim to improve the availability and quality of nutrition services as well as utilization of a package of evidence-based maternal, infant, and young child nutrition (MIYCN) and health interventions targeted at the first 1,000 days of life. Additional contributions to nutrition will come from the ongoing Water Supply and Sanitation Improvement Project, which will prioritize connections to households with children under the age of two, as well as the Agricultural Sector Diversification Project which will provide support to strengthen nutrition-sensitive value chains and the Livelihood Enhancement and Association of the Poor (LEAP) Project which will provide training to farmers on nutrition with behavioral change campaigns. These projects will contribute to a multi-sectoral nutrition convergence approach and will be complemented by ASA and trust-funded activities aimed at further expansion of early childhood services, including nutrition. Ongoing ASA will assess ways to improve social protection systems, including a conditional cash transfer program to target the first 1,000 days, and supporting the government to conduct an impact evaluation of different modalities to provide early childhood development and care. The planned trust-funded Community-based Child Care for Garment Workers Project will ensure that children under care receive nutritious meals and that parents are well educated about nutrition practice. The Bank's COVID-19 DPF and the follow-up programmatic DPFs will support the provision of social transfers to the bottom 20 percent of the population. This is likely to have a disproportionate impact in providing for better nutrition among mothers and children in the poorest group.	

CPF Objective Indicators	WBG Program
24. Proportion of pregnant women in target provinces receiving appropriate micronutrient supplementation • Baseline: 80.2 (2017) • Target: 90 (2024) Source: Cambodia Nutrition Project/ Cambodia Nutrition Project II (P162675/ P177370) 25. Number of children under 12 months of age in target areas receiving DPT-HepB-Hib 3 (annual) • Baseline: 38,500 (2019) • Target: 75,000 (2024) Source: Cambodia Nutrition Project (P162675) 26. Number of commune/sangkats in target areas receiving Commune/Sangkat Service Delivery Grants (C/S-SDGs) for women and children (annual) • Baseline: 0 (2019) • Target: 250 (2024) Source: Cambodia Nutrition Project (P162675) 27. Number of community-based childcare centers (CBCCs) that are operational before the conclusion of project • Baseline: 0 (2018) • Target: 14 (2024) Source: Community-based Childcare for Garment Factory Workers Project (P171063)	**World Bank Knowledge and Convening** *Closed:* • Health Programmatic Support • ECE Impact Evaluation • Strengthening Social Protection Systems *Ongoing:* • Health Programmatic Support • ECE Impact Evaluation • Strengthening Social Protection Systems **World Bank Financing** *Closed:* • Early Childhood Care and Development for Floating Villages Project (P146085) – FY20 *Ongoing:* • Cambodia Relief, Recovery and Resilience Development Policy Financing (P176756) – closes May 2022 • Cambodia Nutrition Project (P162675) - closes June 2026 • Community-based Childcare for Garment Factory Workers Project (P171063) – closes March 2024 *Pipeline*: • Cambodia Recovery, Reform and Resilience DPF series (FY23&24)
Objective 6: Expand access to quality health services	
Intervention Logic: Cambodia's public health expenditures are low and improving access to and quality of services is a key priority. Public health expenditure was at 1.3 percent of GDP in 2016 in Cambodia compared to an average of 2.4 percent for Low and Middle Income Countries (LMICs). Out-of-pocket health expenditures as a percent of total health expenditures are significantly higher at 58.6 percent in Cambodia relative to an average 40.8 percent in LMICs in 2016. Access to and quality of health services in Cambodia are sub-optimal; challenges in developing the skills and competences of the health workforce, as well as gaps in infrastructure and availability of essential supplies, have undermined the quality of care in many public facilities. The growing burden of non-communicable diseases (NCDs) will require reorienting health systems to increasingly focus on preventive measures. Furthermore, inequities persist in health outcomes by socioeconomic status, geographic areas, and	

CPF Objective Indicators	WBG Program
between urban and rural populations. Despite improvements over the last two decades, child mortality in 2014 was 76 deaths per 1,000 live births for the poorest quintile compared to 19 in the wealthiest, which underscores problems in access to and quality of health care. The WB will continue supporting the health sector through investments in health workers and health programs. The WB has been supporting programs to increase the quality and equity of Cambodia's health services through the Health Equity and Quality Improvement Project (H-EQIP), which has helped accelerate reforms in the health sector, improve health protection for the poor, expand access to quality and affordable health care services, and create sustainable government institutions for health care management. A proposed project will support pre-service training for health workers, improve the competencies and skills of health workers and improve the regulation of health professionals. In addition, the Cambodia Nutrition Project will provide support to pregnant women and child Health Equity Fund (HEF) beneficiaries. It will also incentivize improvements in the quality of essential maternal and child health and nutrition services in some of the most disadvantaged regions of Cambodia. The WB is also undertaking a multi-year ASA supported by a multi-donor trust fund. The work will continue during the CPF period and will include systematic impact evaluation of performance-based financing to build capacity of domestic institutions for managing HEF and quality enhancement initiatives, and coordination platforms for improved health security and pandemic preparedness. In addition, the World Bank adapted its program to help the health sector adapt to the demands imposed by the pandemic. A new operation was funded to support a rapid expansion of testing for COVID-19 infections and funds were re-purposed from ongoing projects to provide additional support to the health sector in meeting the demands placed on it by the increased hospitalizations. In addition, the social transfers supported through the DPL series will make it easier for the poor to seek out health services for treatment during the pandemic.	
28. Increase in the number of health centers exceeding 60% score on the quality assessment of health facilities • Baseline: 49 (2016) • Target: 700 (2023) Source: Cambodia Health Equity and Quality Improvement Project (P157291/ P173769) 29. Increase in the number of outpatient services (episodes) covered by HEF during the year • Baseline: 2.6 million (2015). • Target: 3.1 million (2023) Source: Cambodia Health Equity and Quality Improvement Project (P157291/ P173769) 30. Decrease in the share of households that experience impoverishing health spending during the year (percentage)	**World Bank Knowledge and Convening** *Ongoing:* • Cambodia Health Sector Programmatic Advisory Services and Analytics (P160714) - FY22 • Strengthening Progress towards Universal Health Coverage and Pandemic Preparedness (P165875)- FY22 **World Bank Financing** *Ongoing:* • Cambodia Health Equity and Quality Improvement Project (P157291/ P173769) – closes June 2022 • Cambodia Nutrition Project (P162675) - closes June 2024 • Strengthening Pre-Service Education System for Health Professionals Project (P169629) - closes June 2026 • Cambodia COVID-19 Emergency Project (P173815) • Cambodia COVID-19 DPL.

CPF Objective Indicators	WBG Program
• Baseline: 1.29 (2014) • Target: 0.7 (2023) Source: Cambodia Health Equity and Quality Improvement Project (P157291/ P173769) 31. Number of designated laboratories with COVID-19 diagnostic equipment, test kits, and reagents • Baseline: 1 (2020) • Target: 16 (2024) Source: Cambodia COVID-19 Emergency Project (P173815)	• *Engaging Citizens to Improve Service Delivery Through Social Accountability (P172630) - closes June 2024* • *Integration of Social Accountability into National and Subnational Systems (P173527) - closes June 2024 We either move these to objective 2 or we need to add some wording to the text to justify their inclusion here.* *Pipeline:* • Cambodia Health Equity and Quality Improvement Project Phase 2 (P173368) – FY22 • Cambodia Nutrition Project II (P177370) – FY22 *RETF closed in FY16 prior to the CPF period (this has been included in the original CPF so will need to note in Annex 2. Matrix of Changes to Original CPF Results Matrix that this is to be dropped at PLR): Voice and Action: Social Accountability for Improved Service Delivery - (P146160)*
Focus Area 3: Improve Agriculture and Strengthen Sustainable Use of Natural Resources	
Objective 7: Strengthen Management of Water and Land Use	
Intervention Logic: Better planning for conservation and investment in water, land and natural resource management are key to Cambodia's future. Cambodia is home to two great ecosystems--the Tonle Sap Lake and the Mekong River - and has considerable land and forestry resources. Yet, pressure on Cambodia's natural resources is growing and threatening the long-term sustainability of these natural assets. The country's water resources, land, and forest have been degraded significantly due to poorly-managed hydropower development, poor practices, uninformed decision-making, and limited investments in sustainable management. Climate change – coupled with natural resource degradation, deficient natural resource management, and unplanned urbanization – could have a significant impact on growth. Addressing Cambodia's environmental challenges requires a spatially integrated approach, which considers managing and restoring degraded land and water-based assets, addressing emerging challenges in urban areas such as drainage and sewage systems, wastewater treatment, and solid waste management, and investing in supporting infrastructure to maximize the sustainable economic contribution of natural wealth assets. The WBG's current and future engagements aim to identify and promote improved natural resource management, particularly water and landscapes. Support has been provided for the development of a Forest Investment Plan, and the Mekong Integrated Water Resources Management Project focuses on establishing the foundation for effective water resource and fisheries management in Cambodia's northeast territory. The Sustainable Landscape and Ecotourism Project uses landscape management and support community livelihoods in critical value chains and eco-tourism to help transform natural resources management, reverse land and forest degradation and increase the economic returns from the natural capital in the Cardamom Mountain and Tonle Sap areas. Considerable resources will also be devoted to an environmental programmatic ASA with pillars on climate resiliency, landscape management, pollution management and marine (blue) economy, including coastal zone protection. A Plastic Action Plan will be developed to identify priority activities for improving plastic management and enforcement capacity. In addition, the proposed Urban Development Project will focus on improving urban planning and investing in infrastructure and systems to improve service delivery and mitigate	

CPF Objective Indicators	WBG Program
environmental degradation in Cambodia's growing urban areas. Building on Cambodia's Nationally Determined Contribution, Climate Change Strategic Plan (2014-23) and the National Adaptation Plan, WB support includes efforts encompassing both adaptation and mitigation, including exploring areas related to green climate funds. During the CPF period, IFC will seek to expand successful regional green buildings and manufacturing resource efficiency efforts to Cambodia.	
32. Protected areas management plans adopted (Number) • Baseline: 0 (2019) • Target: 4 (2024) Source: Cambodia Sustainable Landscape and Ecotourism Project (P165344) 33. Hydro-meteorological monitoring stations newly established or improved and functioning in the Mekong River Sub-Basins (stations) • Baseline: 0 stations (2016) • Target: 25 stations (2022) Source: Mekong Integrated Water Resources Management - Phase III (P148647) 34. 3S/ 4P sub-basin with functional water resources management models has been developed • Baseline: 0 (2016) • Target: 4 (2022) Source: Mekong Integrated Water Resources Management - Phase III (P148647) 35. Fully functioning Community Fisheries (CFis) • Baseline: 0 (2016) • Target: 50 (2022) Source: Mekong Integrated Water Resources Management - Phase III (P148647)	**World Bank Knowledge and Convening** *Closed:* • Cambodia's Mekong Delta: Building Climate Resilience and Sustainability (P169923) - FY20 • Cambodia: Ecosystem Valuation (P169924)- FY20 • Cambodia: Sustainable Solid Waste and Plastic Management (P169925)- FY20 • Ecotourism Development in Cambodia (P174084)- FY20 • Enhancing Environmental Sustainability and Resilience (P168687) - FY21 • Coastal Blue Economy Development Path and Updated NDC (P172461) - FY21 *Ongoing:* • Enhancing Natural Resource and Pollution Management in Cambodia PASA - FY24 *Planned ASA:* • [Core analytics] Country Climate Development Report **World Bank Financing** *Ongoing* • Mekong Integrated Water Resources Management - Phase III (P148647) – closes May 2022 • Cambodia Sustainable Landscape and Ecotourism Project (P165344) – closes December 2025 • Livelihood Enhancement and Association of the Poor Project (P153591) – closes November 2022 (will be extended) • Land Allocation for Social and Economic Development project II (P150631) – closes December 2021 • Land Allocation for Social and Economic Development project III (P171331) – closes December 2026 *Pipeline* • Cambodia Water Security Improvement Project (P176615) – FY23 • Cambodia Recovery, Reform and Resilience DPF series (FY23&24) • Cambodia Coastal Resilience / Blue Economy Project (FY24)

CPF Objective Indicators	WBG Program
	• Boosting Fishery/Aquaculture Production (FY24)
Objective 8: Improve agricultural productivity and diversification	
Intervention Logic: Cambodia needs to modernize its agricultural sector and reverse lackluster growth in agricultural production. Cambodia's population remains predominantly rural, with heavy reliance on agriculture for income and employment. Concerns have intensified about the sector's underlying strength and competitiveness, its poorly performing irrigation systems, and particularly its over-reliance on rice production which hampers competitiveness of small farms and firms. With greater crop diversification and improved value-chain linkages, Cambodia can extend agri-business beyond rice, for example in higher value crops such as cashew nut or fruits and vegetables. Developing processing capacities will also help link Cambodia to broader export markets. Together these efforts can help reposition Cambodian agriculture and enable agriculture businesses and farms to be competitive in the future. Many Cambodian producers lack the knowledge and skills to successfully diversify and commercialize their agricultural output, and financial services and public infrastructure remain inadequate. While the diversity of actors along the supply chain (farmers, small and medium sized agribusinesses, producer organizations) has increased over the years, support has been provided in a top-down fashion, and government needs to shift into a more facilitating and regulating role while unleashing private sector. The WBG has supported the agricultural sector over many years and will continue support aimed at greater diversification and increased productivity. Ongoing engagement through Land Allocation for Social and Economic Development and Livelihood Enhancement and Association of the Poor Project provides support for rural livelihood enhancement, focusing on productivity of small-scale household farming, and has supported efforts to improve land allocation for social and economic development, development of an agricultural strategy, as well as rice and agribusiness investments. WB support will be extended to facilitate development of diversified agriculture value chains in selected geographical areas in Cambodia, supporting rural poor by enhancing access to finance, technical advice, market information and infrastructure to ease access to markets and enhance productivity. The Agriculture Sector Diversification Project facilitates diversification into higher value agriculture products and enhance productivity, resilience and market access of farmers and agribusinesses. It finances direct credit lines to farmers as well as priority rural infrastructure investments directly related to agriculture production and sales. Cambodia's agriculture is defined as one of the sectors most affected by and vulnerable to climate change, and the project provides a framework to achieve some of the NDC commitments. The project will also promote investments, both private and public, that will decrease vulnerability to climate variability and mitigate emissions through high yield crop varieties, carbon sequestration species and cropping patterns, and sustainable water management practices. An ASA on Agriculture Sector Strategy helped Government in developing a medium-term sector development strategy. This will be complemented by IFC efforts to seek opportunities to foster partnerships and forge stronger linkages between small landholders and large-scale agricultural farms and corporations to further develop agro-processing. IFC will continue supporting Cambodia in the development of its cassava and pepper production and will potentially expand efforts in the rice sector to include increased internal partnerships with local firms to develop a sustainable, traceable, and inclusive rice supply chain by scaling up the adoption of Sustainable Rice Platform standard.	

CPF Objective Indicators	WBG Program
36. Increase in the value of gross sales at benefitting farms: • Baseline: 0 (2018) • Target: 10% (2024) Source: Cambodia Agricultural Sector Diversification Project (P163264) 37. Increase in the value of gross sales at benefitting farms (Incremental sales revenue in US$): • Baseline: 0 (2018) • Target: 3,092,500 (2024) Source: IFC TA/Advisory - 603217, 603679 and IFC Investment 41831 38. Share of non-rice production area of participating farmers: • Baseline: 0 (2018) • Target: 15% (2024) Source: Cambodia Agricultural Sector Diversification Project (P163264) 39. Self-Help Groups (SHGs) supported: • Baseline: 0 (2017) • Target: 975 (2024) Source: Livelihood Enhancement and Association of the Poor Project (P153591)	**World Bank Knowledge and Convening** *Closed:* • TA - Cambodia Agriculture Sector ASA (P164736) – FY20 **IFC TA/Advisory:** *Ongoing:* • Rice Mars-BRICo (603217) • AMRU Rice AS (603679) **World Bank Financing** *Ongoing:* • Livelihood Enhancement and Association of the Poor Project (P153591) – closes November 2022 (will be extended) • Land Allocation for Social and Economic Development project II (P150631) – closes December 2021 • Land Allocation for Social and Economic Development project III (P171331) – closes December 2026 • Cambodia Agricultural Sector Diversification Project (P163264) – closes January 2025 **IFC Investment:** *Ongoing:* • AMRU Rice (41831)

Annex 2. Matrix of Changes to Original CPF Results Matrix

Original CPF Objective Indicators	Revisions	Rationale for change
Focus Area 1: Promote State Efficiency and Boost Private Sector Development		
Objective 1: Enhance financial sector development and foster private enterprises		
1. Number of individuals and businesses covered by credit reporting service providers • Baseline: 5.7 million (2016) • Target: 6.5 million (2022)	**Unchanged**	
2. Number of MSMEs that received loans secured with movables property: • Baseline: 5,710 (2018) • Target: 10,000 (2022)	**Revision** • Baseline value will be adjusted to 4,276 (2018). • Target timeframe will be revised to 2020 since the IFC project is closed.	The IFC source has been adjusted resulting in the changes in the baseline value.
3. Access to finance: Outstanding SME/MSME IFC Portfolio • Baseline: 415,222 (2018) • Target: 521,611 (2022)	**Revision** • The unit of measurement in number (#) is added for clarity. • Access to finance: Outstanding SME/MSME IFC Portfolio (#) adjustments: o Baseline value will be adjusted to 1,049,696 (2018). o Target value will be adjusted to 1,326,680. o The end target year will be adjusted to FY2024.	For clarity, the unit of measurement in number (#) has been added. The revisions to the baseline and the target values will take account additional IFC investment commitment processed in between CPF and PLR period. The update is following the same methodology of target calculation in results matrix.
	Added Number of beneficiary businesses supported by the SME Bank of Cambodia (SMEBC) risk sharing facility for SME credit • Baseline: 0 (2019)	This indicator will be added to track the World Bank assistance to the RGC's Economic Recovery Plan (Recovery, Reform, Resilience) through the stand-alone DPF - Cambodia Relief, Recovery and Resilience

Original CPF Objective Indicators	Revisions	Rationale for change
	• Target: 500 (2022) Source: Cambodia Relief, Recovery and Resilience Development Policy Financing (P176756)	Development Policy Financing (P176756) [and planned programmatic DPF series], which was not envisaged in the original CPF. At a later stage, there may be a need to add potential indicators derived from the programmatic DPF series.
	Added Number of outstanding loans to women-owned SME (Number) • Baseline: 50,811 (2018) • Target: 68,000 (2023) Source: IFC Project 42480	This indicator will be added to track IFC's support to women-owned SMEs, which was not envisaged in the original CPF.
Supplementary Progress Indicators a. Finalizing key elements of financial infrastructure: • Payment systems in place (Yes/No) • Recommended laws/regulations/ amendments/codes enacted, or government policies adopted (Yes/No)	**Revision** The supplementary progress indicator on the payment systems will be replaced with an indicator on the financial inclusion which will be elevated to the CPF objective indicator: **Indicator 4 - Percentage of adult individuals who made or received a digital payment (percentage)** • Baseline: 15.6 (2018) • Target: 25 (2024) **Revised; timeline adjusted to align with PLR delivery.**	The payment system indicator is proposed to be dropped due to the change in the National Bank of Cambodia's plan to use an alternative approach for the payment system.
b. Finalize guidelines for ecotourism concessional agreement with private sector operators/entrepreneurs by 2023 (Yes/No)	**Not considered as not relevant.**	There are three PRAKAS under preparation supporting this activity. One of the Ministry of Environment (MOE)-led Prakas will be finalized in early 2022. Inter-ministerial Prakas and the other MOE-led Prakas will be adopted by

Original CPF Objective Indicators	Revisions	Rationale for change
		2023. The end target timeline is extended to accommodate the delays in the project implementation.
c. Establishment of domestic corporate and government debt markets demonstrated by bond issuance by 2023 (Yes/No)	**Upgraded to the main CPF indicator and revised the end target year to 2024.** Establishment of domestic corporate and government debt markets demonstrated by bond issuance by 2024 (Yes/No)	Given the direct contribution of the indicator to Objective 1, this indicator has been upgraded to the main CPF indicator.
	Dropped The following ASA will be dropped: • Jobs Diagnostics/Future Jobs ASA • Cambodia Investment Climate Assessment and Doing Business Reform (P164814) – closed FY18 • Cambodia, Fiscal Policy and Public Services (P157949) - closed FY18 • Cambodia Policy Notes 2018 (included in the original CPF are Policy Note on Entrepreneurship and Innovation and Policy Note on Digital Economy) (P165116) - closed FY18	While these ASAs are included in the original CPF, they were closed in FY18 prior to the CPF period.
Objective 2: Strengthen public sector accountability and public finance		
4. Number of line ministry-FMIS connected to MEF to improve efficiency of budget execution system • Baseline: 10 (2018) • Target: 15 (2023)	**Revision** This end target year will be adjusted to 2024.	This new end target year will allow the indicator to be achieved and aligned with the new closing date of the PFM & Public Sector Performance for Improved Public Service Delivery PASA.
5. Number of schools with School Operational Budgets available to the school, committee, and to the local	**Revision**	To align the CPF indicator with that of the Education SEIP project. The school development plan includes the school operational budgets (per the SEIP project's PAD, the

Original CPF Objective Indicators	Revisions	Rationale for change
community through public display and to anyone requesting it. • Baseline: 0 (2017) • Target: 100 (2023)	• The indicator description will be adjusted to align with the Secondary Education Improvement Project (SEIP) (P157858)'s results indicator: **Indicator 5 - Number of schools that publicly display development plan** • Baseline: 0 (2017) • Target: 100 (2023)	indicator determines the number of schools out of 100 that have publicly displayed plans which meet the School Improvement Fund (SIF) guidelines).
6. Increased voice of citizens in their engagement with education, health and local government service providers (disaggregated by gender) • Baseline: 27% (2017) • Target: 45% (2023)	**Dropped**	The indicator was ambiguous and challenging to measure. The new indicator capturing social accountability, which has been added under Objective 6 and moved to Objective 2, better reflects the Bank's contribution. Percentage of target communes/sangkats that have completed three full annual ISAF cycles (percentage) • Baseline: 15 (2020) • Target: 90 (2024)
	Added Number of IDPoor beneficiary households having received COVID-19 cash transfers • Baseline: 0 (2019) • Target: 690,000 (2022) Number of eligible beneficiaries (poor pregnant women and children) having received maternal and child health cash transfers • Baseline: 58,324 (2019) • Target: 360,000 (2022) Source: Cambodia Relief, Recovery and Resilience Development Policy Financing (P176756)	These indicators will be added to track the World Bank assistance to the RGC's Economic Recovery Plan (Recovery, Reform, Resilience) through the stand-alone DPF - Cambodia Relief, Recovery and Resilience Development Policy Financing (P176756) [and planned programmatic DPF series], which was not envisaged in the original CPF.
Supplementary Progress Indicators		

Original CPF Objective Indicators	Revisions	Rationale for change
d. Enact PIM Sub-decree and prepare the PIM Standard Appraisal and Implementation Manuals to provide uniform procedures for the management of project execution at all line ministries (2023) (Yes/No)	**Not considered as not relevant.**	Given the RGC's prioritization on the COVID-19 response, the CPF encounters delays in advancing on the PIM and the extended timeline will help achieve the end target.
e. Adopt Public Service Delivery Law by 2023 (Yes/No)	**Not considered as not relevant.**	Per Annual Progress Review of Strengthening PFM & Public Sector Performance for Improved Public Service Delivery (P168407), the draft public service delivery law is currently under development by Ministry of Civil Service (MCS).
f. Percent of citizens participating in Social Accountability Framework process able to cite standards for school, health center or commune services (information awareness) • Baseline: 0 (2016) • Target: 60% (2022)	**Not considered as not relevant.**	For streamlining purposes, the other social accountability indicator is maintained and this indicator will not be considered.
g. National disaster risk finance strategy developed by 2022 (Yes/No)	**Upgraded to the main CPF indicator under Objective 3 and revised the end target year to 2023.** National disaster risk finance strategy developed by 2023 (Yes/No)	The delay was caused by the reorganization of the responsible department within the government. The additional time will allow the indicator to be achieved and aligned with the closing date of the current DRM project.
	Dropped ASA closed in FY18 prior to the CPF period (these are included in the original CPF) will be dropped: • Sequencing of Public Administration, Public Finance Management, and Decentralization reforms for Improved Public Sector Performance (P165721) – closed FY18	

Original CPF Objective Indicators	Revisions	Rationale for change
	• Public Sector Governance Improvement Program (Cambodia Fiscal Policy and Public Services) (P162321) – closed FY18.	
	Dropped Project closed in FY18 prior to the CPF period (this project is included in the original CPF) will be dropped: • Voice and Action: Social Accountability for Improved Service Delivery (P146160) - closed FY18.	
Objective 3: Expand and improve sustainable infrastructure services		
7. Length and share of national roads maintained under performance-based maintenance contracts • Baseline: 0 (2015) • Target: 218 (2023)	**Revision** • This end target year will be adjusted to 2024 • The indicator is also proposed to be revised to take out 'share'. Therefore, the indicator is proposed to be revised as "Length of the national roads maintained under the performance-based maintenance contracts".	• This new end target year will allow the indicator to be achieved by the extended closing date of the CPF. • The share part of the indicator will be removed because it raises an issue with attribution as there are other parts of the road network with performance-based contracts from other development partners. Limiting the measurement of the 'share' to the WB project, on the other hand, would measure exactly the first part of the indicator ('length') without value addition.
8. Length of rural roads receiving climate resilient upgrades • Baseline: 0 km (2017) • Target: 290 km (2023)	**Revision** • The end target value will be adjusted from 290 km to 250km.	Following DRM project's level 2 restructuring in 2020, the end target value of the total length of road was reduced from 290km to 250km as actual cost after bidding turned out to be higher than the original estimate.
9. People provided with access to improved water sources through piped household water connections • Baseline: 0 (2017)	**Revision** • The CPF indicator formulation will be adjusted to align with the project's indicator. The indicator will be revised to:	The CPF indicator formulation is different from that of the project, i.e., missing the "in target areas" aspect in the indicator. This needs to be adjusted to align with the project's indicator.

Original CPF Objective Indicators	Revisions	Rationale for change
• Target: 79,000 (2023)	**People provided with access to improved water sources through piped household water connections in target areas** • Baseline: 0 (2017) • Target: 37,000 (2024)	Due to implementation startup delays exacerbated by COVID-19 disruptions, the water supply schemes (the water treatment plant and pipes installed) will only be completed in mid/end of 2023. The connections to households are expected to start when the water supply schemes are completed. Therefore, the end target value is being adjusted to reflect the realism.
10. People provided with access to improved sanitation services through connection to sewer network • Baseline: 0 (2018) • Target: 16,000 (2023)	**Revision** • The end target year will be adjusted to FY2024.	The implementation startup delays and COVID-19 disruptions have delayed the start of the construction of sewerage network. The sanitation services through connection to sewer network will only be completed in FY2024.
11. Number of cities with financially and environmentally sustainable solid waste management improvement plans developed • Baseline 0 (2018) • Target 3 (2023)	**Dropped**	The indicator is not found to be reported in any of the recently closed ASA or lending operations.
	Added A new IFC indicator is proposed to be added as the CPF objective indicator per below: **The PPP agreement for the Sihanoukville Logistics Hub Project is signed** • Baseline: No (2019) • Target: Yes (2024)	Through IFC TA/Advisory services: Sihanoukville Logistics Hub Project – PPP transaction advisory support (603265), a new IFC indicator is proposed to be added as the CPF objective indicator.
	Dropped ASA closed in FY18 prior to the CPF period (this is included in the original CPF) will be dropped. • Cambodia Urbanization ASA Phase 2 (P164930) - FY18	

Original CPF Objective Indicators	Revisions	Rationale for change
Focus Area 2: Foster human development		
Objective 4: Enhance quality and alignment of education with labor demands		
	Revision The Objective 4 has been revised to, **"Enhance quality of targeted levels of education"**	The Objective 4 has been revised to better align with the WB's program interventions, focusing on improve quality of targeted levels of education (no dedicated skills project that is contributing to "enhanced alignment of education with labor demands) at this stage.
12. Number of higher education partnership programs evaluated as modest or higher by expert panels (to measure quality) • Baseline: 0 (2018) • Target: 30 (2023)	**Revision** • The end target year will be adjusted to FY2024.	Due to delays caused by COVID-19 disruptions, the end target will only be achieved in FY2024.
13. Number of HEIs that complete accreditation process (to measure governance and quality, using the updated guideline) • Baseline: 0 (2017) • Target: 25 (2023)	**Revision** • The end target year will be adjusted to FY2024.	Due to delays caused by COVID-19 disruptions, the end target will only be achieved in FY2024.
14. Number of enrolled students in newly built lower secondary schools (gender disaggregated): • Baseline: 0 (2018) • Target 5250 (2023)	**Revision** • Include the gender disaggregated target of 2,625 based on the end target from the SEIP project.	The gender disaggregated target was not included in the original CPF.
15. Number of secondary school teachers who graduate from teacher upgrading program • Baseline: 0 (2018) • Target: 2000 (2023)	**Unchanged**	
Supplementary Progress Indicators		

Original CPF Objective Indicators	Revisions	Rationale for change
h. Participants receiving skills development training with new and improved employment or increased income • Baseline: 0 (2017) • Target: 80% (2023)	**Not considered as not relevant.** This indicator is proposed to be removed as it is not covered under any operations.	Given that the TVET/skills development program was not included in the CPF, this indicator will be dropped.
i. Number of research projects in collaboration with industry completed (to measure relevance) • Baseline: 0 (2018) • Target: 35 (2023)	**Upgraded to the main CPF Indicator.** • The end target year will be adjusted to FY2024.	Due to delays caused by COVID-19 disruptions, the end target will only be achieved in FY2024.
Objective 5: Expand access to quality early childhood services		
16. Proportion of pregnant women in target provinces receiving appropriate micronutrient supplementation • Baseline: 80.2 (2017) • Target: 90 (2023)	**Revision** This end target year will be adjusted to 2024.	This new end target year will allow the indicator to be achieved and aligned with the new closing date of the CNP and CNPII.
17. Proportion of children under 12 months of age immunized for Pentavalent-3 vaccine in target provinces • Baseline: 63 (2017) • Target: 70 (2023)	**Revision** The indicator will require adjustment to make consistent with the CNP Project indicator. This indicator will be revised to: **Number of children under 12 months of age in target areas receiving DPT-HepB-Hib 3 in the last calendar year (annual)** • Baseline: 38,500 (2019) • Target: 46,000 (2024)	To align the CPF indicator with that of the CNP Project (which is being restructured and the end target value is being adjusted from 41,000 to 46,000). The project is currently tracking the absolute number instead of the percentage.
18. Number of children in floating villages receiving home-based and community-based childcare and education • Baseline: 0 (2017)	**Dropped** The indicator will no longer be tracked given that the Early Childhood Care and Development for Floating	The project was closed in December 2019. The indicator was achieved with the exception of 4 villages which were relocated according to the new resettlement policy of the government.

Original CPF Objective Indicators	Revisions	Rationale for change
• Target: 13,382 (2023)	Villages Project (P146085) which contributed to this indicator was closed on December 31, 2019.	
Supplementary Progress Indicators j. Number of communes receiving performance-based grants based on successful delivery of nutrition programs • Baseline: 0 (2018) • Target: 200 (2023)	**Upgraded to the main CPF indicator.** • The indicator will be adjusted to be consistent with that of the CNP project. • The end target value and end target year will also be revised to align with those of CNP project. **Number of commune/sangkats in target areas receiving Commune/Sangkat Service Delivery Grants (C/S-SDGs) for women and children (annual) (based on successful delivery of nutrition programs)** • Baseline: 0 (2019) • Target: 250 (2024)	To align the CPF indicator with that of the CNP Project. The end target value has accounted for potential unanticipated delays in the rollout of C/S-SDGs.
k. Number of public health providers trained in updated MIYCN package • Baseline: 0 (2018) • Target: 250 (2023) (MIYCN: Maternal, Infant and Young Child Nutrition)	**Not considered as not relevant.**	Due to delays caused by COVID-19 disruptions, the end target will only be achieved in FY2024.
l. Number of sustainable, community-based childcare facilities established for garment factory workers • Baseline: 0 (2018) • Target: 20 (2023)	**Upgraded to the main CPF indicator.** • The indicator's end target value will be adjusted to 14 and the end target year will be revised to FY2024. **Number of community-based childcare centers (CBCCs) that are operational before the conclusion of project** • Baseline: 0 (2018) • Target: 14 (2024)	The original indicator was ambiguous, and the proposed new indicator's formulation more clearly tracks the "operational" aspect of the childcare centers. The indicator is derived from the Community-based Childcare project (P171063) Project indicator (which will also be adjusted for consistency).

Original CPF Objective Indicators	Revisions	Rationale for change
Objective 6: Expand access to quality health services		
19. Increase in the number of health centers exceeding 60% score on the quality assessment of health facilities • Baseline: 49 (2016) • Target: 700 (2023)	**Unchanged**	
20. Increase in the number of outpatient services (episodes) covered by HEF during the year • Baseline: 2.6 million (2015) - The baseline will be revised to reflect 2.47 million in 2018. • Target: 3.1 million (2023)	**Unchanged**	
21. Decrease in the share of households that experience impoverishing health spending during the year (percentage) • Baseline: 0.9 (2014) • Target: 0.7 (2023)	**Revision** The indicator's baseline will be revised to 1.29 percent and wording update to align with the project's indicator, per below: **Reduction in the share of households that experience impoverishing health spending during the year (percentage)** • Baseline: 1.29 (2014) • Target: 0.7 (2023)	The updated methodology has been applied to align with the national poverty line and the consumer price indexes from the National Institute of Statistics. The ISR indicates that the baseline data will be updated from 0.9 percent to 1.29 percent with the updated methodology.
22. Number of designated laboratories with COVID-19 diagnostic equipment, test kits, and reagents • Baseline: 1 (2020) • Target: 16 (2024)	**Added**	Through Cambodia COVID-19 Emergency Project (P173815), a new indicator is proposed to be added as the CPF objective indicator to cover the health emergency preparedness aspect.
Supplementary Progress Indicators m. Percentage of rural health centers that have implemented community scorecards and service improvement actions agreed with citizens:	Dropped and Added a new indicator which will be moved to Objective 2: Strengthen public sector accountability and public finance.	The exact formulation and target for the indicator is not an identical match to any of the existing project indicators. i.e., the implementation of the Joint Accountability Action Plan that are prepared following community scorecard of service provision.

Original CPF Objective Indicators	Revisions	Rationale for change
• Baseline: 51 (2018) • Target: 80 (2023)	A new indicator from the Engaging Citizens to Improve Service Delivery Through Social Accountability (P172630), which tracks the Implementation of the Social Accountability Framework (ISAF) project, will replace the old indicator and be moved to Objective 2. **Percentage of target communes/sangkats that have completed three full annual ISAF cycles (percentage)** • Baseline: 15 (2020) • Target: 90 (2024)	
n. People who have received essential health, nutrition and population services (gender disaggregated): • Baseline: 13,221,685 (2017) • Target: 16,000,000 (2023)	**Dropped**	In additional to the issues with attribution, the indicator was ambiguous and challenging to measure.
Focus Area 3: Improve Agriculture and Strengthen Sustainable Use of Natural Resources		
	Revision The Focus Area 3 will be revised to, "**Improved resilience against shocks**".	Focus Area 3 will be revised to accommodate the inclusion of the WBG's response to the RGC's Economic Recovery Plan (Recovery, Reform, Resilience).
Objective 7: Strengthen management of water and land use		
23. Area (ha) brought under sustainable landscape management plans • Baseline: 0 (2017) • Target: 300,000 (2023)	**Revision** • The indicator will be replaced with an indicator from the Landscape project: **Protected areas management plans adopted (Number).** • Baseline: 0 (2019) • Target: 4 (2024)	The existing indicator will be replaced with another indicator drawn directly from the Landscape project. Protected areas management planning is underway, with four management plans already being drafted (totaling around 326,482 ha).

Original CPF Objective Indicators	Revisions	Rationale for change
24. Hydro-meteorological monitoring stations newly established or improved and functioning in the Mekong River Sub-Basins • Baseline: 0 stations (2016) • Target: 25 provinces (2023)	**Revision** Change the unit of measurement from provinces to stations and adjust the end target timeline of FY2023 to FY2022. **Hydro-meteorological monitoring stations newly established or improved and functioning in the Mekong River Sub-Basins** • Baseline: 0 stations (2016) • Target: 25 stations (2022)	The adjustments will help align the indicator's unit of measurement and the end target timeline with those of the Mekong Integrated Water Resources Management Project- Phase III project (P148647).
25. Fully functioning Community Fisheries (CFis) • Baseline: 0 (2016) • Target: 50 (2022)	**Added**	This indicator will be added to track the World Bank assistance to the government's community fisheries program supported under the Mekong Integrated Water Resources Management Project- Phase III (P148647), which was not reflected in the original CPF. The indicator is contributing to the expected outcome under **Objective 7 " Strengthen management of water and land use**" through ongoing work on the legalization of community fisheries for fishing zone protection, enhancement of livelihoods activities including aquaculture, and establishment of the regional Mekong fish hatchery and research center.
Supplementary Progress Indicators o. Number of stakeholders who have increased knowledge, skills and capacities on how to develop and implement sustainable landscape management, using an integrated approach across a watershed. • Baseline: 0 (2018) • Target: 150 (2023)	**Not considered as not relevant.** This indicator is not part of the formal project M&E.	Per Landscape project team, the project is establishing community protected areas (CPAs). In this process, the communities' capacities on the matter are going to be strengthened. The project needs to collect the number on the people in the communities where CPAs are going to be established, and those involved in the CPA management committees, benefitting from trainings, etc.

Original CPF Objective Indicators	Revisions	Rationale for change
p. Water resources management models and information systems developed by 2023 (Yes/No)	**Revised and upgraded to the main CPF indicator.** Need to align the indicator description with that of the project: 3S/ 4P sub-basin with functional water resources management models has been developed • Baseline: 0 (2016) • Target: 4 (2022)	To indicate more clearly the target measurement and definition of the indicator in particular the functionality of developed models to demonstrate capability of decision support and information management system for river basin planning. Four river basin models in 3S and 4P basins were developed to provide informed decision scenario for water resource development investment. The models have materialized to run scenario models for the Cambodia Water Security Improvement Project.
Objective 8: Improve agricultural productivity and diversification		
26. Increase in the value of gross sales at benefitting farms: • Baseline: 0 (2018) • Target: 15% (2023)	**Revision** The indicator's end target value will be adjusted from 15 percent to 10 percent with the revised end target year of FY2024. Increase in the value of gross sales at benefitting farms: • Baseline: 0 (2018) • Target: 10% (2024)	Due to COVID-19 disruptions and limitation of the project staff capacities and the farms, the target number of values of gross sales at benefiting farms will be adjusted to 10% by the end of FY2024.
	Added IFC tracks results in absolute $m term so a new indicator tracking the absolute gross sales at benefitting farms has been added to complement the WB-focused indicator which tracks the percentage increase. The new IFC-focused indicator is per below: **Increase in the value of gross sales at benefitting farms (Incremental sales revenue in US$):** • Baseline: 0 (2018)	

Original CPF Objective Indicators	Revisions	Rationale for change
	• Target: 3,092,500 (2024)	
27. Share of non-rice production area of participating farmers: • Baseline: 0 (2018) • Target: 45% (2023)	**Revision** The indicator's end target value will be adjusted from 45 percent to 15 percent with the revised end target year of FY2024. Share of non-rice production area of participating farmers: • Baseline: 0 (2018) • Target: 15% (2024)	The conversion/diversification process supported by the Cambodia Agricultural Sector Diversification Project (P163264) at participating farms is progressing slower than anticipated. Delays are caused by the Covid-19 related disruptions in support activities and value chains.
28. Increase in the value of gross sales at benefiting agribusinesses: • Baseline: 0 (2018) • Target: 15% (2023)	**Dropped**	Given the delays in the startup of implementation and to streamline the results framework, the indicator was suggested to drop.
Supplementary Progress Indicators q. Number of farmers adopting good agricultural practices (GAP) • Baseline: 10% (2019) • Target: 70% (2022)	**Dropped**	
r. Self-Help Groups (SHGs) supported: • Baseline: 0 (2017) • Target: 1250 (2022)	Revision and upgraded to the main CPF indicator. The end target value will be adjusted to 975 and the end target timeline will be updated to 2024. **Self-Help Groups (SHGs) supported:** • Baseline: 0 (2017) • Target: 975 (2024)	Due to COVID-19 disruptions, the number of SHGs will be adjusted to 975. LEAP project will be extended by 12 months (from November 2022 to November 2023). As all 975 SHGs have been established, RGC requested that no more SHGs are established as the focus should be to ensure that sustainability work is done with the SHGs by the LEAP project.

Annex 3. Matrix Summarizing Progress toward CPF Objectives

CPF Objective Indicators	Progress to Date	WBG Program
Focus Area 1: Promote State Efficiency and Boost Private Sector Development		
Objective 1: Enhance financial sector development and foster private enterprises		
1. Number of individuals and businesses covered by credit reporting service providers • Baseline: 5.7 million (2016) • Target: 6.5 million (2022) 2. Number of MSMEs that received loans secured with movables property: • Baseline: 5,710 (2018) • Target: 10,000 (2022) 3. Access to finance: Outstanding SME/MSME IFC Portfolio • Baseline: 415,222 (2018) • Target: 521,611 (2022)	**Indicator 1: Achieved** Actual: 7.9 million (2020) Source: IFC TA/Advisory on Credit reporting (599902) **Indicator 2: Achieved** Actual: 11,421 (2019) Source: IFC TA/Advisory on Secured Transactions and Collateral Registry (583247) **Indicator 3: Achieved** Actual: 1,064,535 (2020) Source: IFC Investment on long-term financing to increase access to finance to MSMEs and promote green finance (42480, 44882, 44742, 45535, 44211, 44231).	**World Bank Knowledge and Convening** *Closed:* • Cambodia: Financial Sector Development Technical Assistance (P160713) - FY19 • KH-Logistics Master Plan Development (P164649) - FY19 • Cambodia Follow-up second DeMPA (P166908) - FY19 • Cambodia Medium-Term Debt Management Strategy (MTDS) (P167728) - FY19 • Cambodia Economic Diversification Study (P168198) - FY19 • KH: ICT Sector Rapid Assessment (P165399) - FY19 • CMC: Cambodia DMF Government Bond Market Development (P165458) – FY20 • Cambodia Digital Economy Framework ASA (P171971) – FY20 • Cambodia Financial Sector Development TA (P171621) – FY21 • Cambodia Jobs for Growth and Competitiveness ASA (P172080) – FY21 • Macro Programmatic Advisory Services and Analytics (P167392) – FY21 • Cambodia Country Economic Memorandum Part II (P171958) – FY21 *Ongoing:*
Supplementary Progress Indicators a. Finalizing key elements of financial infrastructure: • Payment systems in place (Yes/No)	***Supplementary Progress Indicator*** **Indicator a - Bullet point 1: Payment systems in place: Partially On track** While the retail payment system is currently considered to be in place in Cambodia, further development in a modern payment system infrastructure is critical to support the national digital infrastructure under the Cambodia Digital Economy and Society Policy Framework 2021-2035. The introduction of the National Clearing System (NCS) operated by the National Bank of Cambodia (NBC) has been one of the main drivers for the growing usage of interbank credit transfers in Cambodia. The retail payment infrastructure of Cambodia is developing, and the prospects for digital payments	

CPF Objective Indicators	Progress to Date	WBG Program
• Recommended laws/regulations/ amendments/codes enacted, or government policies adopted (Yes/No)	growth are considerable provided there is a clear landscape on a national level. In 2020, the NBC launched the Bakong scheme. Built on a wallet-based platform employing a permissioned distributed-ledger technology (DLT) network, the Bakong is currently designed for the execution of very small low-value transactions. Source: Supporting Financial Stability and Inclusion in Cambodia (P177272) – FY23. **Indicator a - Bullet point 2: Recommended laws/regulations/ amendments/codes enacted, or government policies adopted: On track** During the CPF implementation, the team has provided technical assistance to implement the following laws and regulations: 1. Sub-Decree on Small and Medium Enterprise Bank of Cambodia (May 17, 2019): Provided technical assistance to set up the SME Co-Financing Scheme (SCFS) of the Small and Medium Enterprise Bank of Cambodia (SMEBC) and promote SME financing as a COVID-recovery measures. 2. Royal Decree on Establishment of Cambodia's National Committee for Financial Stability (August 7, 2019): Provided technical assistance to scope roles and responsibilities of this National Committee. 3. Law on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) (June 27, 2020): Provided technical inputs to develop a Standard Operating Procedures (SOP) and Risk-Based Supervisory Tools for AML/CFT compliance in the Casino Sector, in line with the Law on AML/CFT 2020 version. In addition, provided capacity building and hand holding to conduct a risk-based supervision on AML/CFT compliance for casino sector both off-site and on-site examinations. 4. Sub-decree on the establishment of credit guarantee corporation of Cambodia (CGCC) (Sep 1, 2020): Provided technical assistance to operate the CGCC in line with the "World Bank and FIRST Initiative (2015). Principles for public credit guarantee schemes for SMEs" (http://documents.worldbank.org/curated/en/576961468197998372/Principles-for-public-credit-guarantee-schemes-for-SMEs). 5. The law on the organization and the functioning of non-banking financial service authority (NBFSA) (January 16, 2021): Plan to provide technical assistance to set up an institutional arrangement of the NBFSA so that they can deliver on their mandate.	• Supporting Financial Stability and Inclusion in Cambodia (P177272) – FY23 • Cambodia: Macro Programmatic Advisory Services & Analytics (P177340) – FY24 • Domestic Debt Market Development (DDMD) TA (P174820) - FY24 *ASA closed in FY18 prior to the CPF period (these are included in the original CPF so will need to note in Annex 2. Matrix of Changes to Original CPF Results Matrix that these are to be dropped at PLR)* • *Jobs Diagnostics/Future Jobs ASA* • *Cambodia Investment Climate Assessment and Doing Business Reform (P164814) – closed FY18* • *Cambodia, Fiscal Policy and Public Services (P157949) - closed FY18* • *Cambodia Policy Notes 2018 (included in the original CPF are Policy Note on Entrepreneurship and Innovation and Policy Note on Digital Economy) (P165116) - closed FY18* **IFC TA/Advisory:** *Closed (Achieved):* • Microfinance: Hattha Kaksekar Ltd (623836), Sumitomo Corporation (506525); BRED Bank (1015349) • Credit reporting (599902) • Secured Transactions and Collateral Registry (583247) • Doing Business Reform Advisory (600402) *Ongoing:*

CPF Objective Indicators	Progress to Date	WBG Program
	Expected New Laws/regulations/Government Policies 6. Government Securities Policy Framework: expect in FY22 7. Rules and procedures for large value payment system: expect in FY22 8. Corporate Governance Policy Framework: expect in FY22 9. Motor Third Party Liability Framework: expect in FY23 10. Financial Risk Management Framework for Retail Payment System: expect in FY23 11. SME Bank of Cambodia's 3-year Strategic Plan: expect in FY23 Source: Supporting Financial Stability and Inclusion in Cambodia (P177272) – FY23.	• Insolvency and debt resolution reform (601954) • SME financing project with financial institutions in Cambodia to increase lending to underserved SMEs (604143) • Finance projects with financial institutions to develop financing solutions that leverage the supply chain **World Bank Financing** *Ongoing:*
b. Finalize guidelines for ecotourism concessional agreement with private sector operators/ entrepreneurs by 2023 (Yes/No)	**Indicator b: Partially On track** Per Cambodia Landscape project ISR, the development of three proposed Prakas (ministerial regulations) to better define rules and processes for private and community-based ecotourism is making good progress. Per Cambodia Landscape project's draft Aide Memoire and ISR (May 2022), the development of three proposed Prakas (ministerial regulations) to better define rules and processes for private and community-based ecotourism is making good progress. The two Ministry of Environment (MOE)-led Prakas will be finalized in 2022. Inter-ministerial Prakas will be adopted by 2023. The first ecotourism sub-decree and Prakas are well advanced and expected to be signed by June 2022. It will be crucial that the private sector consultation on the three Prakas that define private ecotourism investment conditions continues (also expected to be a Prior Action under the DPO under preparation). Source: Draft ISR Cambodia Sustainable Landscape & Ecotourism (P165344), May 2022.	• Cambodia Sustainable Landscape & Ecotourism (P165344) – closes December 2025 *Pipeline:* • Cambodia: Enterprise Digitalization and Technology Adoption Project (P175380) – FY23 **IFC Investments:** • Banking and Mico-finance: Advanced Bank of Asia Ltd (805280), ACELDA Bank PLC (52359), Amret Co, Ltd (645905); BRED Bank (Cambodia) Plc (1015349), • Bond issuance by financial institutions to support establishment of the local debt capital market, including themed bonds such as social/gender bond (41223)
c. Establishment of domestic corporate and government debt markets demonstrated by bond issuance by 2023 (Yes/No)	**Indicator c: On track** MEF confirmed the timeline to complete the first issuance of KHR denominated government bonds by the end of 2022. The 2022 Annual Budget Law will include $300 million equivalent local currency bond issuance for 2022. Source: Domestic Debt Market Development (DDMD) TA (P174820) - FY24	• Risk Sharing facility projects with financial institutions to increase access to finance to SMEs (40973) • Long-term financing to increase access to finance to MSMEs and promote green finance (42480, 44882, 44742, 45535, 44211, 44231) • SMEV Advisory Project - CLMDF II (601704)

CPF Objective Indicators	Progress to Date	WBG Program
d. Digital Economy Strategic Framework (DESF) is adopted by 2022 (Yes/No)	**Indicator d: Achieved** Digital Economy and Social Policy Framework of Cambodia 2021-2035 was adopted in May 2021. (Source: https://mef.gov.kh/download-counter?post=7118)	• ACLEDA-Internal Capital Adequacy Assessment Process (ICAAP) Advisory Project (605059) • Forte Equity Investment (44741)
Objective 2: Strengthen public sector accountability and public finance		
4. Number of line ministry-FMIS connected to MEF to improve efficiency of budget execution system • Baseline: 10 (2018) • Target: 15 (2023)	**Indicator 4: Achieved** As of 2021, FMIS has been connected to 37 line ministries and agencies; 25 provincial Departments of Economy and Finance; and 25 fully authorized budget entities. Further improvement through business process streamlining began in early 2020, starting with MEF, to support payment transaction processing. Seven additional ministries began streamlining payroll and low risk transaction processes in August 2020. Additional 19 ministries were introduced to the new processes since April 2021. Source: Strengthening PFM & Public Sector Performance for Improved Public Service Delivery (P168407) - FY23	**World Bank Knowledge and Convening** *Closed:* • Cambodia Social Accountability and Service Delivery - (P171049) - FY19 • Cambodia Social Accountability Impact Evaluation (P156491) – FY20 *Ongoing:* • Strengthening PFM & Public Sector Performance for Improved Public Service Delivery (P168407) - FY25
5. Number of schools with School Operational Budgets available to the school, committee, and to the local community through public display and to anyone requesting it. • Baseline: 0 (2017) • Target: 100 (2023)	**Indicator 5: Achieved** Requires adjustment of the indicator formulation to ensure consistency with the SEIP project's results indicator. Per SEIP ISR (February 2022), there is an indicator, **"# of schools that publicly display development plan"** which shows 100 as of December 22, 2021. This CPF indicator's description will be revised to be consistent with the indicator, "Number of schools that publicly display development plan" under the SEIP project. Source: Secondary Education Improvement Project (SEIP) (P157858)	*ASA closed in FY18 prior to the CPF period (these are included in the original CPF so will need to note in the Annex with Changes that these are to be dropped at PLR)* • *Sequencing of Public Administration, Public Finance Management, and Decentralization reforms for Improved Public Sector Performance (P165721) – closed FY18* • *Public Sector Governance Improvement Program (Cambodia Fiscal Policy and Public Services) (P162321) – closed FY18*
6. Increased voice of citizens in their engagement with education, health and local government service providers (disaggregated by gender) • Baseline: 27% (2017)	**Indicator 6: Insufficient data**	**World Bank Financing** *Project closed in FY18 prior to the CPF period (this project is included in the original CPF so will need to note in the Annex with Changes that these are to be dropped at PLR)*

CPF Objective Indicators	Progress to Date	WBG Program
• Target: 45% (2023)		• *Voice and Action: Social Accountability for Improved Service Delivery (P146160) - closed FY18* *Ongoing:* • Cambodia Southeast Asia Disaster Risk Management Project (P160929) – closes March 2023 • Community-based Childcare for Garment Factory Workers Project (P171063) – closes March 2024 • Engaging Citizens to Improve Service Delivery Through Social Accountability (P172630) – closes June 2024 • Integration of Social Accountability into National and Subnational Systems (P173527) – closes June 2024
Supplementary Progress Indicators	***Supplementary Progress Indicators***	
e. Enact PIM Sub-decree and Prepare the PIM Standard Appraisal and Implementation Manuals to provide uniform procedures for the management of project execution at all line ministries (2023) Yes/No	**Indicator e: On track** Per Annual Progress Review of Strengthening PFM & Public Sector Performance for Improved Public Service Delivery (P168407), as of December 2021, the government has adopted PIM Strategy and PIM Sub-decree. PIM is further revisited in terms of capital budget management in the upcoming Public Expenditure Review Dialogue on needed capacity development for PIM continues. Source: Strengthening PFM & Public Sector Performance for Improved Public Service Delivery (P168407) - FY23	
f. Adopt Public Service Delivery Law by 2023 (Yes/No)	**Indicator f: On track** Per Annual Progress Review of Strengthening PFM & Public Sector Performance for Improved Public Service Delivery (P168407), the draft public service delivery law is currently under development by Ministry of Civil Service (MCS). The Bank has been working with MCS with the assistance of a legal consultant to provide technical inputs for further improving the draft law. Source: Strengthening PFM & Public Sector Performance for Improved Public Service Delivery (P168407) - FY23	
g. Percent of citizens participating in Social Accountability Framework process able to cite standards for school, health center or commune services (information awareness)	**Indicator g: On track** Per recent semi-annual report from ISAF project (World Vision), the project has reached already 73% results as of February 25, 2022. The indicator will be adjusted to be consistent with that of the ISAF project indicator (P172630). Source: Engaging Citizens to Improve Service Delivery Through Social Accountability (P172630)	

CPF Objective Indicators	Progress to Date	WBG Program
• Baseline: 0 (2016) • Target: 60% (2022) h. National disaster risk finance strategy developed by 2022 (Yes/No)	**Indicator h: Off track** Per SEADRM ISR draft (May 2022), as of June 2, 2022, the National Disaster Risk Financing Strategy (DRFS) is yet to be developed. The draft ISR notes that the Chairman of Non-Bank Financial Service Authority (NBFSA, formerly GDFI under MEF) has been assigned by the Deputy Prime Minister to lead the work on development of the DRFS. Following the May 2022 mission, the NBFSA will submit a proposal to the Deputy Prime Minister to form a cross-ministerial committee led by the NBFSA to prepare the draft DRFS for submission to the RGC. Source: Cambodia Southeast Asia Disaster Risk Management Project (P160929)	
Objective 3: Expand and improve sustainable infrastructure services		
7. Length and share of national roads maintained under performance-based maintenance contracts • Baseline: 0 (2015) • Target: 218 (2023) 8. Length of rural roads receiving climate resilient upgrades • Baseline: 0 km (2017) • Target: 290 km (2023) 9. People provided with access to improved water sources	**Indicator 7: On track** Per ISR RAMP II, June 2022, as of May 2022, 197.9 km of roads (3.5 percent) have been maintained under performance-based maintenance (PBC) contracts. Given that 30km was reduced by the client for 2020 flood recovery emergency, more time is needed to reach the end target of 218 km. The indicator is also proposed to be revised to take out 'share' because it raises an issue with attribution as there are other parts of the road network with performance-based contracts from other development partners. Source: Road Asset Management Project II (P150572/ P165249) **Indicator 8: On track** Following DRM project's level 2 restructuring in 2020, the end target value of the total length of road was reduced from 290km to 250km as actual cost after bidding turned out to be higher than the original estimate. Per DRM ISR, December 2021, as of November 1, 2021, 122 km of rural roads have been upgraded. Source: Cambodia Southeast Asia Disaster Risk Management Project (P160929) **Indicator 9: Off track**	**World Bank Knowledge and Convening** *Closed:* • Cambodia Improving Rural Water and Sanitation Services (P161075) - FY20 *Ongoing:* • Cambodia and Lao PDR: Fostering Green Mobility and Walkable Cities Strategy for Luang Prabang and Siem Reap – closes FY22 *ASA closed in FY18 prior to the CPF period (this ASA is included in the original CPF so will need to note in the Annex with Changes that this ASA will be dropped at PLR)* • *Cambodia Urbanization ASA Phase 2 (P164930) - FY18* **World Bank Financing**

CPF Objective Indicators	Progress to Date	WBG Program
through piped household water connections • Baseline: 0 (2017) • Target: 79,000 (2023) 10. People provided with access to improved sanitation services through connection to sewer network • Baseline: 0 (2018) • Target: 16,000 (2023) 11. Number of cities with financially and environmentally sustainable solid waste management improvement plans developed • Baseline 0 (2018) • Target 3 (2023)	Per MTR ISR WaSSIP, June 2022, only 2,838 people have been provided with access to improved water sources through piped household water connections. As of May 2022, total connections under Mondul Kiri Phase I was 515 connections comprising 500 households (including 8 minorities households and 117 households with children under 2 years old), 1 school (137 students), and 14 public institutions). Source: Water Supply and Sanitation Improvement project (P163876) **Indicator 10: Off track** Per MTR ISR WASH, June 2022, the actual results still show zero. Civil works have not yet started due to the delay in implementation. Source: Water Supply and Sanitation Improvement project (P163876) **Indicator 11: Achieved** This indicator was not designed to be part of the IDA operation but the improvement plans were developed as part of the delivered ASA "Sustainable Solid Waste and Plastics Management (P169925)" the target has been met and the cities are now part of the IDA IPF project preparation (Siem Reap, Kandal, Kampong Speu).	*Ongoing:* • Road Asset Management Project II (P150572/ P165249) – closes December 2026 • Road Connectivity Improvement project (P169930) – closes July 2027 • Cambodia Southeast Asia Disaster Risk Management Project (P160929) – closes March 2023 • Water Supply and Sanitation Improvement project (P163876) – closes June 2024 *Pipeline:* • Cambodia Southeast Asia Disaster Risk Management Project II (P177185) – FY22 • Cambodia: Solid Waste and Plastic Management Improvement Project (P170976) – FY22
Focus Area 2: Foster Human Development		
Objective 4: Enhance quality and alignment of education with labor demands		
12. Number of higher education partnership programs evaluated as modest or higher by expert panels (to measure quality) • Baseline: 0 (2018) • Target: 30 (2023)	**Indicator 12: On track** The partnership agreements (between local universities and universities overseas) were signed in early 2021 (13 new agreements signed and 12 previously signed agreements now being implemented). The project will carry out the evaluation at end 2022. Source: Higher Education Improvement Project (P162971)	**World Bank Knowledge and Convening** *Closed:* • ECE Impact Evaluation in Cambodia (P157069) - FY19 • Promoting Development and Home Reading of Supplementary Texts for Young Readers in Cambodia (P171294) - FY20

CPF Objective Indicators	Progress to Date	WBG Program
13. Number of HEIs that complete accreditation process (to measure governance and quality) • Baseline: 0 (2017) • Target: 25 (2023) 14. Number of enrolled students in newly built lower secondary schools (gender disaggregated): • Baseline: 0 (2018) • Target 5250 (2023) 15. Number of secondary school teachers who graduate from teacher upgrading program • Baseline: 0 (2018) • Target: 2000 (2023)	**Indicator 13: Partially On track** Current value per HEIP ISR (March 2022): 10 (as of November 15, 2021). The project remains committed to completing accreditation of 25 HEIs by the end of the project. Adjustment is being considered to ensure the new accreditation system is applied/validated by the ACC. Source: Higher Education Improvement Project (P162971) **Indicator 14: Achieved** Current value per SEIP ISR (April 2021): 5,623 (of which female 3,038) as of March 4, 2021. As part of PLR, the indicator will be adjusted to reflect the gender disaggregated target of 2,625 enrolled female students. Source: Secondary Education Improvement Project (P157858) **Indicator 15: On track** Current value per SEIP ISR (February 2022): 1,303 (as of December 22, 2021). The end target is on track to be met. Source: Secondary Education Improvement Project (P157858)	• Strengthening Social Protection Systems (P168585) – FY20 • Cambodia Social Protection and Future Jobs Programmatic ASA - (P165080) - FY21 *Ongoing:* • The Future of Education in Cambodia: Recovering from COVID and Leveraging Technology (P177580) - FY22 *Dropped:* • Prevalence and Impact of Extra Class Provision by Cambodian Teachers (P168009) - Dropped • Improved Employment for Women in Cambodia: Constraints and Opportunities **World Bank Financing** *Ongoing:* • Secondary Education Improvement Project (P157858) - closes July 2022 • Higher Education Improvement Project (P162971) - closes June 2024 • Strengthening Pre-Service Education System for Health Professionals Project (P169629) - closes June 2026 **IFC TA/Support** *Ongoing:* • ACLEDA Institute of Business Education Project (P35242)
Supplementary Progress Indicators i. Participants receiving skills development training with new and improved employment or increased income • Baseline: 0 (2017) • Target: 80% (2023) j. Number of research projects in collaboration with industry	***Supplementary Progress Indicators*** **Indicator i: Insufficient data** As part of PLR, this indicator is proposed to be removed as it is not part of any operations. **Indicator j: Off track** Current value per HEIP ISR (March 2022): zero. Source: Higher Education Improvement Project (P162971)	

CPF Objective Indicators	Progress to Date	WBG Program
completed (to measure relevance) • Baseline: 0 (2018) • Target: 35 (2023)		
Objective 5: Expand access to quality early childhood services		
16. Proportion of pregnant women in target provinces receiving appropriate micronutrient supplementation • Baseline: 80.2 (2017) • Target: 90 (2023)	**Indicator 16: Mostly Achieved** As of February 2022 (per CNP ISR May 2022), 83.15 percent of pregnant women in target provinces receiving appropriate micronutrient supplementation. Source: Cambodia Nutrition Project (P162675)	**World Bank Knowledge and Convening** *Closed:* • Health Programmatic Support • ECE Impact Evaluation • Strengthening Social Protection Systems *Ongoing:* • Health Programmatic Support • ECE Impact Evaluation • Strengthening Social Protection Systems **World Bank Financing** *Closed:* • Early Childhood Care and Development for Floating Villages Project (P146085) – FY20 *Ongoing:* • Cambodia Nutrition Project (P162675) - closes June 2024 • Community-based Childcare for Garment Factory Workers Project (P171063) – closes March 2024
17. Proportion of children under 12 months of age immunized for Pentavalent-3 vaccine in target provinces • Baseline: 63 (2017) • Target: 70 (2023)	**Indicator 17: Achieved**; will be adjusted to make consistent with the CNP Project indicator (absolute number instead of proportion) As of December 31, 2020 (per CNP ISR May 2022), 45,307 children under 12 months of age have been immunized for Pentavalent-3 vaccine. Source: Cambodia Nutrition Project (P162675)	
18. Number of children in floating villages receiving home-based and community-based child care and education • Baseline: 0 (2017) • Target: 13,382 (2023)	**Indicator 18: Mostly Achieved;** the project was closed in FY20. Per ICR of the Early Childhood Care and Development for Floating Villages Project (P146085), as of December 20, 2019, around 9,591 children in floating villages are receiving home-based and community-based childcare and education. Only 72 percent of the target was achieved because of discontinuation of home-based program activities in the four villages that had been relocated to the new mainland resettlement villages, according to the new resettlement policy of the government in early 2019.	
Supplementary Progress Indicators k. Number of communes receiving performance-based	***Supplementary Progress Indicators*** **Indicator k: Off track;** may require adjustment of the indicator formulation to be consistent with the CNP project. Rollout of project activities have been delayed due to	

CPF Objective Indicators	Progress to Date	WBG Program
grants based on successful delivery of nutrition programs • Baseline: 0 (2018) • Target: 200 (2023)	COVID-19. While the project has experienced some delays, it is expected that the end target will be achieved by 2023. (1st round of Service Deliver Grants were already transferred). Per CNP ISR May 2022 ISR, 8 communes have received the grants. Source: Cambodia Nutrition Project (P162675)	
l. Number of public health providers trained in updated MIYCN package • Baseline: 0 (2018) • Target: 250 (2023) (MIYCN: Maternal, Infant and Young Child Nutrition)	**Indicator l: Off track** Per CNP May 2022 ISR, rollout of project activities have been delayed due to COVID-19. Source: Cambodia Nutrition Project (P162675)	
m. Number of sustainable, community-based childcare facilities established for garment factory workers • Baseline: 0 (2018) • Target: 20 (2023)	**Indicator m: On track**; will likely require adjustment to make consistent the indicator formulation as well as end target value to be aligned with the project M&E. Per Community-based Childcare for Garment Factory Workers project ISR (April 2022) four childcare centers near completion and additional six centers are currently under construction. Source; Community-based Childcare for Garment Factory Workers Project (P171063)	
Objective 6: Expand access to quality health services		
19. Increase in the number of health centers exceeding 60% score on the quality assessment of health facilities • Baseline: 49 (2016) • Target: 700 (2023)	**Indicator 19: Achieved** As of May 18, 2021, 1,158 health centers exceeded 60% score on the quality assessment of health facilities (source: MOH validated data in Round 14, Q1/2021 Quality Assessment per H-EQIP ISR June 2021).	**World Bank Knowledge and Convening** *Ongoing:* • Cambodia Health Sector Programmatic Advisory Services and Analytics (P160714) - FY22 • Strengthening Progress towards Universal Health Coverage and Pandemic Preparedness (P165875)- FY22
20. Increase in the number of outpatient services (episodes)	**Indicator 20: On track** The number of outpatient services (episodes) covered by HEF has increased to 3 million as of May 18, 2021.	**World Bank Financing** *Ongoing:*

CPF Objective Indicators	Progress to Date	WBG Program
covered by HEF during the year • Baseline: 2.6 million (2015) - The baseline will be revised to reflect 2.47 million in 2018. • Target: 3.1 million (2023) 21. Decrease in the share of households that experience impoverishing health spending during the year (percentage) • Baseline: 0.9 (2014) • Target: 0.7 (2023)	Source: Cambodia Health Equity and Quality Improvement Project (P157291/ P173769) **Indicator 21: On track** The June 2021 H-EQIP ISR reports the actual results of 0.74 as of May 18, 2021. The updated methodology has been applied to align with the national poverty line and the consumer price indexes from the National Institute of Statistics. The baseline data will be updated from 0.9 percent to 1.29 percent with the updated methodology. Source: Cambodia Health Equity and Quality Improvement Project (P157291/ P173769)	• Cambodia Health Equity and Quality Improvement Project (P157291/ P173769) – closes June 2022 • Cambodia Nutrition Project (P162675) - closes June 2024 • Strengthening Pre-Service Education System for Health Professionals Project (P169629) - closes June 2026 • Cambodia COVID-19 Emergency Project (P173815) • Engaging Citizens to Improve Service Delivery Through Social Accountability (P172630) - closes June 2024 • Integration of Social Accountability into National and Subnational Systems (P173527) - closes June 2024 *Pipeline:* • Cambodia Health Equity and Quality Improvement Project Phase 2 (P173368) – FY22 • Cambodia Nutrition Project II (P177370) – FY22 *RETF closed in FY16 prior to the CPF period (this has been included in the original CPF so will need to note in Annex 2. Matrix of Changes to Original CPF Results Matrix that this is to be dropped at PLR):* *Voice and Action: Social Accountability for Improved Service Delivery - (P146160)*
Supplementary Progress Indicators n. Percentage of rural health centers that have implemented community scorecards and service improvement actions agreed with citizens: • Baseline: 51 (2018) • Target: 80 (2023) o. People who have received essential health, nutrition and population services (gender disaggregated): • Baseline: 13,221,685 (2017) • Target: 16,000,000 (2023)	***Supplementary Progress Indicators*** **Indicator n: Insufficient data** The exact formulation and target for the indicator is not an identical match to any of the existing project indicators. However, this indicator has close similarity to the indicators in the ISAF project, i.e., the implementation of the JAAPs Joint Accountability Action Plans that are prepared following community scorecard of service provision. **Indicator o: Off track** The total number of 8,137,959 people, 451,654 people under CNP project; ISR December 2021 (data as of December 31, 2020) and 7,686,305 people under H-EQIP project; ISR June 2021 (data as of May 18, 2021) have received essential health, nutrition and population services.	

CPF Objective Indicators	Progress to Date	WBG Program
Focus Area 3: Improve Agriculture and Strengthen Sustainable Use of Natural Resources		
Objective 7: Strengthen management of water and land use		
22. Area (ha) brought under sustainable landscape management plans • Baseline: 0 (2017) • Target: 300,000 (2023) 23. Hydro-meteorological monitoring stations newly established or improved and functioning in the Mekong River Sub-Basins • Baseline: 0 stations (2016) • Target: 25 provinces (2023)	**Indicator 22: Off track** Results per Cambodia Landscape project's draft Aide Memoire and ISR (May 2022): zero. The target is off track. The adoption of Protection Areas (PAs) management plans is well underway, a total of seven Community Protected Areas (CPAs) having approved CPA management plans. Eighteen other CPAs are at different stages of development. Thus, CPF indicator 22 will be reported through the number of PA management plans approved, accounting for the size of the respective PAs. **Indicator 23: On track;** require adjustment to the end target phrase (replace provinces with stations) Per ICR mission, May 2022 hydromet stations have been constructed and hydromet equipment have been supplied and installed. Source: Mekong Integrated Water Resources Management - Phase III (P148647)	**World Bank Knowledge and Convening** *Closed:* • Cambodia's Mekong Delta: Building Climate Resilience and Sustainability (P169923) - FY20 • Cambodia: Ecosystem Valuation (P169924)- FY20 • Cambodia: Sustainable Solid Waste and Plastic Management (P169925)- FY20 • Ecotourism Development in Cambodia (P174084)- FY20 • Enhancing Environmental Sustainability and Resilience in Cambodia (P168687) - FY21 • Coastal Blue Economy Development Path and Updated NDC for Cambodia (P172461) - FY21 **World Bank Financing** *Ongoing* • Mekong Integrated Water Resources Management - Phase III (P148647) – closes May 2022 • Cambodia Sustainable Landscape and Ecotourism Project (P165344) – closes December 2025 *Pipeline* • Cambodia Integrated Water Security and Natural Resource Management Project (P176615) – FY23
Supplementary Progress Indicators p. Number of stakeholders who have increased knowledge, skills and capacities on how to develop and implement sustainable landscape management, using an integrated approach across a watershed. • Baseline: 0 (2018) • Target: 150 (2023)	***Supplementary Progress Indicators*** **Indicator p: Insufficient data; Requires adjustment** The project is establishing community protected areas (CPAs). In this process, the communities' capacities in this area are going to be strengthened. There is a need to collect the number on the people in the communities where CPAs are going to be established, and those involved in the CPA management committees, benefitting from trainings, etc.	

CPF Objective Indicators	Progress to Date	WBG Program
q. Water resources management models and information systems developed by 2023 (Yes/No)	**Indicator q: On track** Per ICR mission, May 2022 the indicator is on track; 7 sub-basin models (i.e.,3S and 4P) have been developed and integrated in the DSS Planning Tool. Source: Mekong Integrated Water Resources Management - Phase III (P148647)	
Objective 8: Improve agricultural productivity and diversification		
24. Increase in the value of gross sales at benefitting farms: • Baseline: 0 (2018) • Target: 15% (2023)	**Indicator 24: Off track** Current value per CASDP ISR (November 2021): zero. The indicator result is off track. Due to COVID-19, the project has experienced significant delay in mobilizing the technical service providers and the preparation of diversification business proposals (BPr) and diversification business plans (BPl) by producer organizations and Small and Medium Agribusinesses (SMAs). Since the project's infrastructure activities such as road and water infrastructure improvement activities are linked to the specific geographical sites where BPr and BPl will be implemented, their execution has been delayed as well. Given the project's very slow implementation progress, the Government has adopted a three-pronged strategy: first, to enhance the technical support to PO to prepare diversification proposals and diversification plans, focusing on increasing the capacity of the technical service providers (TSP) both in terms of staff numbers and expertise, and using a more decentralized support to beneficiaries, taking into account Covid-related constraints such as social distancing; second, to improve the efficiency of the evaluation and approval processes of the diversification proposals and diversification plans; and, third, part of the project's mid-term review currently underway (May-June 2022), to assess progress in project's implementation performance, and formulate appropriate adjustments not excluding project restructuring, to realign targets for project's outcome indicators and implementation arrangements, taking into account the operating environment such as Covid-19, institutional weaknesses of PO, limited number of SMAs that are formally registered, etc.	**World Bank Knowledge and Convening** *Closed:* • TA - Cambodia Agriculture Sector ASA (P164736) – FY20 **IFC TA/Support** *Ongoing:* • Rice Mars-BRICo (603217) • AMRU Rice AS (603679) **World Bank Financing** *Ongoing:* • Livelihood Enhancement and Association of the Poor Project (P153591) – closes November 2022 (will be extended) • Land Allocation for Social and Economic Development project II (P150631) – closes December 2021 • Land Allocation for Social and Economic Development project III (P171331) – closes December 2026 • Cambodia Agricultural Sector Diversification Project (P163264) – closes January 2025 **IFC Investments** *Ongoing:*
25. Share of non-rice production area of participating farmers: • Baseline: 0 (2018) • Target: 45% (2023)	**Indicator 25: Off track** Current value per CASDP ISR (November 2021): zero. The target is off track. See an update above. This indicator is contingent upon the implementation of diversification plans and the project MTR is currently underway (May-June 2022) to review the results framework and overall progress.	

CPF Objective Indicators	Progress to Date	WBG Program
26. Increase in the value of gross sales at benefiting agribusinesses: • Baseline: 0 (2018) • Target: 15% (2023)	Source: Cambodia Agricultural Sector Diversification Project (P163264) **Indicator 26: Off track** Current value per CASDP ISR (November 2021): zero. The indicator is off track. See update above. The target is off track. This indicator is contingent upon the implementation of diversification plans and the project MTR to review the results framework and overall progress is only planned for mid-2022. End target value to be adjusted downward to reflect realism.	• AMRU Rice (41831)
Supplementary Progress Indicators r. Number of farmers adopting good agricultural practices (GAP) • Baseline: 10% (2019) • Target: 70% (2022) s. Self-Help Groups (SHGs) supported: • Baseline: 0 (2017) • Target: 1250 (2022)	***Supplementary Progress Indicators*** **Indicator r: Off track** • Per CASDP ISR (November 2021), the indicator, "number of producers and processers trained in GAP implementation rules" shows zero results. **Indicator s: Partially On track** The end target value will be adjusted to 975 and the end target timeline will be updated to 2024 (LEAP project will be extended by 12 months). Per LEAP AM/ML (May 2022), 975 SHGs (as of March 30, 2022) have been supported under the LEAP project in Siem Reap. Covid-19 pandemic has disrupted and slowed down some project activities, the project is therefore reducing the number of SHGs; it will also ensure that new SHGs will get at least one year for maturing. Some SHGs have stopped functioning due to market contraction (chicken) and some SHG households left their SHGs due to their inability to save regularly because of COVID-19 impacts, therefore the project will also focus on existing SHGs to ensure their sustainability. Source: Livelihood Enhancement and Association of the Poor Project (P153591)	

Annex 4: Cambodia's Key Macroeconomic Indicators

	2017	2018	2019	2020	2021 Est.	2022 Proj.	2023 Proj.	2024 Proj.
National Accounts and Prices								
GDP at constant market prices (% change)	7.0	7.5	7.1	-3.1	3.0	4.5	5.8	6.6
Agriculture	1.7	1.1	-0.5	0.4	1.1	1.3	1.5	1.5
Industry	9.7	11.6	11.3	-1.4	7.4	8.6	9.1	9.2
Services	7.0	6.8	6.2	-6.2	-1.0	1.6	4.1	5.6
Price/Deflator (annual average)	3.3	3.1	3.1	-0.7	1.2	7.2	3.3	2.5
Consumer Price Index (annual average)	3.3	3.1	3.2	2.9	3.5	6.5	4.5	4.0
General Government (% of GDP)								
Revenue and grants	21.9	23.8	27.0	24.1	20.9	21.4	22.6	24.6
Tax and non tax revenue	20.1	21.8	25.1	22.3	19.9	20.7	22.0	24.1
o/w tax revenue	16.2	17.4	20.0	18.3	16.6	17.4	18.5	20.5
Non tax revenue	2.7	2.9	3.0	2.0	1.5	1.5	1.7	1.6
Other revenue	1.2	1.5	2.0	2.0	1.8	1.8	1.9	2.0
Grants	1.8	2.0	1.9	1.8	0.9	0.7	0.6	0.5
Expenditure and net lending	22.7	23.4	25.5	28.7	27.7	28.0	28.8	29.2
Overall balance (excluding grants)	-2.6	-1.6	-0.4	-6.5	-7.7	-7.3	-6.8	-5.1
Overall balance (including grants)	-0.8	0.4	1.5	-4.6	-6.8	-6.6	-6.2	-4.6
Foreign financing	3.3	2.6	3.1	4.7	3.6	5.6	4.7	4.0
Net domestic financing (from current savings	-3.1	-3.8	-5.4	-1.1	2.0	-0.2	0.2	-0.8
Amortization	0.6	0.7	0.8	1.0	1.2	1.2	1.3	1.3
Money and Credit	-0.6	-0.7	-0.8	-1.0	-1.2	-1.2	-1.3	-1.3
Broad money (% change)	23.1	26.6	18.2	15.3	20.0	21.4	21.0	22.5
Credit to the private sector (% change)	17.4	27.4	27.0	17.7	23.2	25.8	28.1	28.5
External Sector (US$m unless otherwise)								
Exports (goods and services)	13,420	15,076	16,351	16,692	20,731	25,891	32,484	39,943
Imports (goods and services)	14,177	15,494	18,198	19,243	28,747	31,203	36,407	42,881
Foreign Direct Investment, net inflows	2,673	3,089	3,561	3,498	3,391	3,451	4,042	4,876
Gross official reserves	12,201	14,598	18,733	21,186	19,918	20,810	22,050	23,532
(months of imports)	6.3	6.3	9.7	10.4	9.0	8.1	7.5	7.1
Current account (percent of GDP)	-9.7	-8.9	-15.2	-12.4	-37.0	-24.7	-18.6	-14.9
Exchange rate (Khmer riel per US$ average)	4062.0	4,067.0	4,070.0	4,077.4	4,100.0	4,150.0	4,110.0	4,100.0
Debt Stock and Service								
External debt (public sector, % of GDP)	30.2	28.7	28.1	32.8	33.3	35.0	34.7	34.5
Domestic public debt (% of GDP)	0.0	0.0	0.0	0.0	0.0	1.0	0.9	0.8
Total public debt (% of GDP)	30.2	28.7	28.1	32.8	33.3	35.9	35.6	35.3
Memorandum items:								
Nominal GDP, USD million	22,115	24,476	27,007	25,950	26,909	29,790	32,874	36,015

Source: World Bank staff calculations and projections based on data from the authorities (MOP, MEF and NBC).

Note: 1/ domestic financing = drawdown of government savings.

MOP = Ministry of Planning; MEF = Ministry of Economy and Finance; NBC = National Bank of Cambodia;

Est. = estimates; and Proj.= projections.

Annex 5: Summary of CPF Objectives and Indicator Ratings

CPF Objectives	Overall	Indicators Achieved	Indicators On track	Indicators Off track	Indicators Insufficient data
Focus Area 1: Promote State Efficiency and Boost Private Sector Development					
Objective 1: Enhance financial sector development and foster private enterprises	**On track**	4 (1, 2,3, d)	3 (a, b, c)	—	—
Objective 2: Strengthen public sector accountability and public finance	**On track**	2 (4, 5)	3 (e, f, g)	1 (h)	1 (6)
Objective 3: Expand and improve sustainable infrastructure services	**On track**	2 (7, 11)	1 (8)	2 (9, 10)	—
Focus Area 2: Foster Human Development					
Objective 4: Enhance quality and alignment of education with labor demands	**On track**	1 (14)	3 (12, 13, 15)	1 (j)	1 (i)
Objective 5: Expand access to quality early childhood services	**On track**	2 (16, 17)	1 (18)	3 (k, l, m)	—
Objective 6: Expand access to quality health services	**On track**	1 (19)	2 (20, 21)	1 (o)	1 (n)
Focus Area 3: Improve Agriculture and Strengthen Sustainable Use of Natural Resources					
Objective 7: Strengthen management of water and land use	**Off Track**	—	2 (23, q)	1 (22)	1 (p)
Objective 8: Improve agricultural productivity and diversification	**Off Track**	—	1 (s)	4 (24, 25, 26) (r)	—
Overall CPF Achievements		**12**	**16**	**13**	**4**

Annex 6: Feedback from the clients on WBG support to Cambodia

The WBG's 2021 country opinion survey suggests that key focus areas under the CPF remain relevant. The country opinion survey was conducted from January to February 2021 and 333 stakeholders of the WBG in Cambodia were invited to provide their opinions on the WBG's work in the country, of whom 44 percent responded. Participants were parliamentarians, government officials, development partners, private sector; Civil Society Organizations (CSOs), researchers, and media. The emphasis in defining development priorities, was on education, governance, corruption, agriculture, and judiciary reform. Corruption was identified by more than four out of ten respondents as the key contributor to slow or failed reform, followed by inadequate government accountability. Respondents would like to see WBG's support emphasize governance, followed closely by poverty and education, agriculture, jobs, private sector development, growth, corruption, and judiciary reform. These sectors broadly align with those identified as the country's top development priorities. Positive responses demonstrated the WBG is recognized as a long-term partner whose work is aligned with development priorities.

Annex 7. IDA FY19-22 Planned VS Approved

Indicative IDA Financing Program under CPF	IDA Approved Projects
Focus Area 1: Promote State Efficiency and Boost Private Sector Development	
• Water Supply and Sanitation Improvement Project (FY19; US$55m) • Digital Economy and Competitiveness Project • Road Connectivity Improvement Project	**FY19** • Cambodia Nutrition Project (P162675; US$15m) • Water Supply and Sanitation Improvement Project (P163876; US$55m) **FY21** • Cambodia Road Connectivity Improvement (P169930; US$100m) • Cambodia Relief, Recovery and Resilience Development Policy Financing (P176756; US$200m)
Focus Area 2: Fostering Human Development	
• Cambodia Nutrition Project (FY19; US$15m) • Pre-service Training for Health Workers Project (FY20) • Education Sector Support Project • Heath Sector Project	**FY20** • Strengthening Pre-Service Education System for Health Professionals Project (P169629; US$15m) • Cambodia COVID-19 Emergency Project (P173815; US$20,) **FY21** • Additional Financing for Health Equity and Quality Improvement Project (P173769; US$14m) **FY22** • Cambodia General Education Improvement Project (P174335; US$60m) • Health Equity and Quality Improvement Project – Phase 2 (P173368; US$55m)
Focus Area 3: Improve Agriculture and Strengthens Sustainable Use of Natural Resources	
• Agriculture Sector Diversification Project (FY19; US$91.67m) • Sustainable Landscape and Ecotourism Project (FY19; US$50.66m) • Additional Financing to Land Allocation for Social and Economic Development (FY20) • Natural Resource Management Project • Urban Development/Solid Waste Management Project	**FY19** • Cambodia Agricultural Sector Diversification Project (P163264; US$91.7m) • Cambodia Sustainable Landscape and Ecotourism Project (P165344; US$50.6) **FY20** • Land Allocation for Social and Economic Development Project III (P171331, US$93m) **FY22** • Cambodia Southeast Asia Disaster Risk Management Project II (P177185; US$169m)

Annex 8. MIGA's Portfolio[11]

Project name	Effective date	Expiration date	Investor	Sector	Gross Exposure (millions)
Cambodian Transmission Limited	08/02/2019	08/01/2029	Mizuho Bank, LTD	Infrastructure	US$52.9
NBC Bank	01/31/2022	01/30/2025	National Bank of Canada	Financial	US$300
Total					US$352.9

[11] As of 31 May 2022