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## New Country Manager Gets Down to the Grass Roots

The World Bank's new Country Manager for Cambodia, Qimiao Fan, spent his first month of work in Cambodia visiting many provinces to meet with villagers, students, commune councils, district and provincial authorities, civil society groups, and the private sector to learn and understand better how things are working in Cambodia, particularly in the rural areas, the challenges people face, and the opportunities they have.

In Kampong Cham province, Sdeung Chey commune, Mr. Fan met with commune council members and learnt about development processes at the commune level, the progress the commune has made in rural infrastructure with financial sup-

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*New World Bank Country Manager Qimiao Fan talks with forestry community members in Kampong Thom province on October 31.*

## World Bank Executive Director Hagan Visits Cambodia

World Bank Executive Director Jim Hagan visited Cambodia in November and met with senior government officials, commune councillors and others to get a better understanding of the country, which he represents at the World Bank's Board.

Mr Hagan is the Bank's Executive Director representing Australia, Cambodia, Kiribati, the Republic of Korea, the Marshall Islands, the Federated States of Micronesia, Mongolia, New Zealand, Palau, Papua New Guinea, Samoa, the Solomon Islands and Vanuatu.

The visit, from November 13 to 16, 2008, was Mr Hagan's second to Cambodia. He met with Deputy Prime Minister and Minister of Economy and Finance Keat Chhon, who is a governor of the World Bank, and with Senior Minister and Minister of Land Management, Urban Planning and Construction Im Chhun Lim, to learn about the new Government's development priorities.

Mr. Hagan said, "Having a good understanding of the Government's priorities and development challenges faced by the people of Cambodia is crucial to my role in representing Cambodia effectively at the World Bank."

Mr Hagan, accompanied by World Bank Country Manager Qimiao Fan and project officers, also visited some of the project sites in Cambodia supported by the World Bank.

At Takmao town in Kandal province, Mr Hagan and the World Bank team visited a water tower being built as part of

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*World Bank Executive Director Jim Hagan, left, discusses the Takmao water tower progress with Samrith Sovithea of the Phnom Penh Water Supply Authority, right.*

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port from the World Bank's Rural Investment and Local Governance Project (RILGP). He also visited project sites and met beneficiaries.

In a ramshackle, termite-infested commune office with leaking roof and disintegrating walls, Commune Chief Prak Sokhon briefed the World Bank team about commune achievements since 2003. With funding from the World Bank's RILGP project through the Commune/Sangkat Fund, the commune has built 7 km of rural roads and more than 2 km of small irrigation channels, and a new contract has been signed for a reservoir which will irrigate more than 400 hectares of paddy rice fields for four villages during the dry season.

"It is clear that even a small amount of financing can go a long way to help build the much needed rural infrastructure which in turn will have a significant impact on agriculture productivity and rural poverty", Mr. Fan said. "What is even more encouraging is to see how our project is helping to enhance local governance by encouraging open consultation and full participation of villagers in the prioritization of and decision on commune infrastructure projects."

In Kampong Thom province, Mr. Fan met with several NGOs working on health, education, community forestry, agriculture and animal health, micro finance, clean water and sanitation, as well as supporting orphans and vulnerable children.



*Villagers at O'Angkub and O'Som share their concern about forest community issue with Mr. Fan on October 31, 2008.*

The Executive Director of Partners for Health and Development (PFHAD), Dr. Phong Choun, said, "Cambodia's health service has improved significantly in recent years, but access and quality of services remain a challenge, particularly in remote areas where there is no health center and it is difficult to access health services."

The next day, Mr. Fan experienced a bumpy, hour-long ride up National Road 62 towards Preah Vihear province to meet with forestry communities around 30 km from Kampong Thom town. These two communities are next to a significant land concession that has been granted to a private investor. At a community pavilion he met 20 ethnic minority people from the two forestry communities who wanted

to share their thoughts on the opportunities, concerns, challenges and frustration on community forestry issues.

"The forest is so important for us: for centuries, we have been getting a lot of things for our living from this forest, such as resin, mushrooms, fruit, vines, rattan, and bamboo," said one of the villagers. Consistent with the regulations and laws, the community has asked the Government for a certain ha. of forest land that is supposed to be part of the land concession for their community forestry, but has yet to receive the final approval. "It is critical that the community continues to have access to the forestry as our livelihoods depend on it", said another villager.

At the meeting with villagers Mr. Fan shared his thoughts on the land and forestry issue: "The land issue is very complex," he said. "Some of the difficulties arise from the inconsistencies in the existing legal and regulatory framework and the lack of coordination among government agencies involved. Cambodia needs a comprehensive legal framework and transparent and participatory processes to protect all parties concerned – the communities that depend on the forestry for their livelihood and the investors who invest in the concessions." "As the country develops and improves the legal framework, which will take some time, it is critically important that interim measures are put in place to protect the rights of the indigenous communities." He encouraged all parties, the community, investors and the government, to work collaboratively to find equitable solutions that would be in the long-term interests of all stakeholders concerned.



*Country Manager Fan, right, discusses the rural road development project with Sdeung Chey Commune Chief Prak Sokhon, left, in Kampong Cham province.*

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## New Country Manager Gives His First Impressions

*Qimiao Fan, appointed as the World Bank's Country Manager for Cambodia recently, began his assignment in Cambodia in late October, 2008. The World Bank Newsletter interviewed him about his perspectives on Cambodia and how the World Bank can help to improve the lives of ordinary people.*

**Q.** *Could you brief us on why you are interested in working for Cambodia?*

Cambodia has always been a fascinating country for me. Even though Cambodia is a post-conflict country, it has made tremendous progress in the past decade in terms of social stability, economic growth, and poverty reduction. However, Cambodia, as one of the poorest countries in the region, also continues to face tremendous challenges, and they are unique challenges. Both as a development professional and as someone who grew up in a poor village in a developing country, I think it is this combination of great past successes and unique future challenges that makes working on Cambodia such an exciting and hugely fulfilling experience. I also believe that the World Bank, as a development partner, can make a significant contribution to growth and to poverty reduction in Cambodia.

**Q.** *You spent four days of your first week visiting the countryside. Could you share your views on what you saw there?*

Yes, I did spend four days of my first week visiting some provinces around the Tonle Sap. I met with villagers, stopped on the roadside just meeting with ordinary people, and met local government officials, NGOs, and private sector people. I wanted to get a better understanding of how things are working in Cambodia, particularly in the rural areas; and what kind of challenges people are facing in their daily lives. What I see is that tremendous progress has been made in Cambodia. We all know that Cambodia has been growing at, on average, 9.7 percent per year for the last decade and that poverty has been reduced from about 47 percent over a decade ago to about 30 percent in 2007. Throughout my trip I saw much better roads, especially the main national roads; I saw health centers, schools, and new houses, even in poor villages. But I also saw enormous challenges ahead. Cambodia still has a large population living below the poverty line. Poverty is still very high; infrastructure is still relatively poor. More importantly, growth is very narrowly based and is very vulnerable to external shocks. And governance remains a challenging issue in Cambodia.



**Qimiao Fan:** *“What I see is that tremendous progress has been made in Cambodia... But I also see enormous challenges ahead.”*

**Q.** *What opportunities do you see for growth and development in Cambodia, and in which directions should the country go?*

I do see tremendous opportunities, and I think Cambodia's success in the past in terms of growth and poverty reduction is a testimony to the enormous capacity of the Cambodian people – and that is very critical for the future of Cambodia. To sustain growth going forward, Cambodia needs significant diversification of the economy. First, agriculture, historically one of the most important sectors in Cambodia, and remains an important sector and will continue to contribute to the country's growth. But a lot can be done to further improve agricultural development, particularly in rural infrastructure. In particular, rural access roads and irrigation will be critical. Second, Cambodia is a country that has relatively abundant land and natural resources and labor. So I think that if one can maintain and manage these resources in a more sustainable and transparent man-

ner that would be a potential source of growth. Third, clearly Cambodia needs to invest further in infrastructure: it needs significant improvement in roads and electricity; these are key issues. Better roads and electricity supply will help Cambodia integrate better into the region, and will be another source of growth. Finally, there is clearly a need to continue to improve the governance structure. In this regard, I think, it is particularly important to improve the management of natural resources. Given the potential of natural resources in Cambodia it is critically important that those resources are managed in transparent, equitable and sustainable ways, so that ordinary people can benefit from the resources. And another aspect of governance is the investment climate; a conducive investment climate will be crucial for sustained private sector growth.

**Q.** *From your previous experience with the Private Sector, what do you see here?*  
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## New Country Manager Gives His First Impressions

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**How does Cambodia compare with other countries?**

The Private Sector in Cambodia faces significant constraints. Obviously, this country had gone through a long period of civil war and social and political instability. So the infrastructure here is not as good as in many other countries. But the fact, I think, that the garment manufacturing sector has been able to grow rapidly in the last few years is an indication that the private sector can grow and thrive as long as the government and the private sector can work together to improve the investment climate. Obviously, infrastructure improvement, as I indicated earlier, would have tremendous impact on the cost of doing business. But the other aspect is the legal and regulatory framework and government control. That also has an impact on Cambodia, particularly, given the fact that there is a relatively underdeveloped financial system here and relatively poor infrastructure, both of which will take a long time to develop in order to support rapid private sector growth. But there are many other things, particularly in the areas of regulation, for example in trade facilitation, business registration, and in-

spection, where the government has control and can move rapidly. In fact, I would argue that given the poor infrastructure and underdeveloped financial system, Cambodia needs to do a lot better in terms of regulatory framework than other countries, so that its private sector can compete with those in other countries.

**Q. How can the World Bank help to sustain that growth?**

As the World Bank, we are a partner in Cambodia's development. I think we can contribute to Cambodia's growth in a number of ways. First, as a global development institution we have the global knowledge and experience from other countries that we can share in terms of analysis and policy formulation. Our experience, based on our work in many countries, can contribute to Cambodia's policy formulation in a way that is adapted to specific Cambodian conditions. Second, we can provide limited financial support through our projects. Third, quite important, particularly in the Cambodia context, is the role of facilitation: we can work closely with the government and help coordinate the overall assistance of the development community, so that we can all work to-

gether in a more systematic way to help Cambodia develop.

**Q. What would you expect to see in the next five years?**

I am very optimistic about Cambodia. I think we shall continue to see rapid growth, particularly if the government can put in place some important policies that will help sustain the growth that I talked about earlier, such as sustainable and transparent natural resource management, investment in infrastructure, and continued investment in agriculture. With that we shall also see continued decline in poverty. I am very hopeful that poverty reduction in the next few years will be faster than in past years, particularly if the quality of growth can be maintained and become more equitable. We have seen in the past few years continued improvement in governance, and that is important for sustained and equitable growth. I hope all these will contribute to more equitable growth and to sustained improvement in the lives of ordinary people.

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On his way to Siem Reap Mr. Fan stopped on the road side and met people who were resettled from their houses and land to make way for a by-pass bridge at Kampong Kdei in order to protect and preserve an ancient bridge that had been part of the highway for centuries. The by-pass bridge was part of a World Bank road project. Mr. Fan was pleased to hear from a farmer who had received compensation from the project that he was satisfied with the resettlement process and compensation and was keen to save the ancient bridge.

In Siem Reap town Mr. Fan visited Artisans d'Angkor, a private enterprise that provides jobs for more than 1,000 poor and disabled people in Siem Reap province, who work on Khmer arts and crafts. In the evening he met with Siem Reap Governor H.E. Sou Phirin to learn about development challenges in the province and how the World Bank could help.

On the way to Banteay Meanchey province Mr. Fan visited a small water supply project supported by the World Bank's Provincial and Peri-Urban Water Supply and Sanitation

Project (PPWSSP) to learn about the benefits to users. Run by the Sar Kor Cambodia Company, the water treatment plant pipes clean water to more than 1,000 families  
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**Mr. Fan met with Sar Kor Cambodia Water Supply company officers in Banteay Meanchey province to learn about water supply and the benefit to households.**

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lies in Psar Chup. Sa Kor Cambodia also supplies water to Phnom Touch and Phnom Thom community located along National Road 5 where 1,700 households are connected.

“It was great to see how our project is providing clean and sustainable water to the people in the small towns and peri-urban areas,” Mr. Fan said. “It is very gratifying to see that our projects are helping address many of the challenges in the rural area and having a real impact on the lives of ordinary people. We should all be very proud of these achievements.”

At Makak Junior High School, around 20 km from Banteay Meanchey town, Mr. Fan met with 65 scholarship students and their parents, as well as commune council members, the school director and teachers to learn how students are helped by the scholarship program, supported by the World Bank under the Education Sector Support Project (ESSP).

An 8<sup>th</sup> grade scholarship recipient, Lim Kim Heng, said she used the money she got from the scholarship program to buy a bicycle to travel to school, and school materials. When asked by Mr. Fan on what she would like to do when she grows up, she stood up and spoke in English: “I want to be a doctor.”

To get a sense of the value of the scholarship program, Mr. Fan enquired with the parents if they would have sent their children to school without the scholarships. It is not surprising that most of the parents said they would have had great difficulty and several said they would not be able to send their children to school with-



*Qimiao Fan, right, and community representatives looks at houses in the Public Garden of Prek Preah Sdach commune in Battambang town.*

out the scholarships. “It is clear that, the scholarships, while relatively small, have made an important difference in ensuring access to education by the poorest families in that community, particularly the girls.”

Mr. Fan thanked the parents who took education of their children, particularly their daughters, seriously and supported them going to school, despite their low income. “Girls who received an education help not only themselves, but their children, families and the society.” He encouraged parents to invest more in their children’s education, saying that educa-

tion is one of the most effective means to lift them out of poverty.

Mr. Fan also visited a biomass power plant and rice mill along the road. Elsewhere he talked to villagers who would benefit from the Rural Electrification and Transmission Project (RETP) supported by the World Bank. The RETP will help provide stable and affordable electricity to households in the rural areas.

**O**n the morning of his fourth day Mr. Fan visited a pilot project supported by the Japan Social Development Fund (JSDF), administered by the World Bank under the Land Allocation for Social and Economic Development (LASED) project. The pilot project is being implemented by Habitat for Humanity, in close collaboration with commune, district and provincial authorities. This project aims at allocating state land and providing land tenure security, shelter improvement, and livelihood support for about 400 households and the resettlement of other families from so-called squatter communities in Battambang town. Mr. Fan toured the community where cottages and houses are built on the roadsides and some right on the drains. Residents briefed him on the poor and unhealthy conditions they live in and urged a speedy start to the development of the project.



*Scholarship students at Makak Junior High School, Banteay Meanchey province welcome Mr. Fan and the education team during their visit.*

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## New Country Manager Gets Down to the Grass Roots



*Country Manager Fan, center, and Samaki Mean Chey district governor Mu Samban, right, in Kampong Chhnang province, in the left photo, talk to villagers, right, about social land concessions.*

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**B**efore heading back to Phnom Penh, on Sunday November 2, 2008, Mr. Fan visited another pilot project in Preah Theat commune, Samaki Mean Chey district, Kampong Chhnang province, implemented by the Lutheran World Federation (LWF). This pilot is also funded by JSDF under the LASED project. Under this pilot project, the Government will find available state land and allocate it to farmers who have no or little land. In the classroom of a new school building, Mr. Fan met with around 30 villagers, some of whom have no land for farming and hope to get state land allocation through the project. Villagers told him and the local government officials who were present how important land allocation is for their livelihoods. Through the hour-long discussion, it is clear land allocation for social and economic development is a complex

but hugely important issue. A transparent and fully participatory process is critical to the success of the program. It is hoped that the lessons and experience gained through this pilot will further inform the scale up of the social land allocation program under LASED.

**I**n the third week of his first month in Cambodia, together with Jim Hagan, the World Bank's Executive Director for Cambodia, Mr Fan visited a water tower being built as part of the World Bank-supported Provincial and Peri-Urban Water Supply and Sanitation Project in Takmau Town, Kandal province. The water tower will improve water supply to households in Takmau town, 7,000 of which are already connected.

At Prek Sdei commune in Kandal province Mr. Fan met with commune council members and villagers who briefed him on

the improvement of people's living conditions in the commune. Council members and villagers proudly talked about the small infrastructure projects and took him to the access road that they have built using financing from the Commune/Sangkat Fund under the World Bank-supported RILGP.

For the fourth week of his first month, Mr. Fan visited coastal provinces to learn about trade activities and living conditions of fishery communities.

**I**n Sihanoukville he visited and observed the Reproductive Health Association of Cambodia (RHAC) district forum on improving health services. The forum is supported by the World Bank through the Small Grants Program, which provided a small grant of \$9,000. The grant is aimed at strengthening the capacity of community-based agents (CBAs) to increase their ability to interact with and influence the commune council and the Operational District Health Equity Fund Steering Committee. Mr. Fan learned about both achievement and challenges of health services in the rural areas, and the need for further improvements.

On the same day Mr. Fan visited the ASYCUDA (Automated System Customs Data) pilot at the Port of Sihanoukville, funded under the World Bank's Trade Facilitation and Competitiveness Project. The project aims at improving Cambodia's competitiveness by streamlining import/export formalities and reducing costs of trade-related activities. While it has only been made operational for a few months, it is clear that the installation and use of ASYCUDA have



*Mr. Fan talks with Phnom Penh Water Supply officer and private contractor to learn about progress of the water tower construction in Takmao town.*

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*Country Manager Fan and Sihanoukville Customs staff after a demonstration of the ASYCUDA system.*

greatly improved the customs clearance process and significantly reduced the time and costs of businesses. In addition, it has helped reduce corruption as the streamlined and automated process has eliminated many opportunities for discrete decisions and thus for rent-seeking. Mr. Fan was delighted to see the relatively modest ASYCUDA office accommodating a large number of brokers who were busy inputting information into the system at the computer terminals while the customs officers examining and clearing these documents in real time right next door. He was informed by the sub-project director that ASYCUDA will soon be expanded into other ports and dry ports in the country and that will greatly improve trade facilitation.

In the afternoon, Mr. Fan met with a group of fishermen from the Tnuot fisheries community in Kampot province. The fishermen told him that due to illegal fishing and competition from large fishing companies, they are facing rapidly declining fish resources and increasing conflicts. As a result, they are generating less and less income from fishery to support their families. To protect their livelihood, they would like to see stronger enforcement of laws and government regulations to reduce illegal fishing. They would also like to diversify into other agricultural activities, but the lack of land, financing and irrigation systems makes diversification extremely difficult.

In late afternoon of the same day, Mr. Fan visited a health center and met with provincial health officials and beneficiaries of a community health insurance scheme. The scheme is supported through the Health Equity Fund under the World

Bank's Health Sector Support project and provides free health coverage for poor families. Beneficiaries told Mr. Fan about the significant improvements in the access and use by the poor of health services as a result of this community-based health insurance scheme which pulls together the resources of the World Bank project, the community and the families.

To conclude his first month's visit to the countryside, on Sunday November 23, 2008, Mr. Fan visited a smallholder farmer who has piloted multiple farming system in Tram Kok district, Takeo province, with support from Centre d'Etude et de Developpement Agricole Cambodgien

(CEDAC). The farmer, Ros Mao, who was only able to grow one rice crop a year and nothing else in his 3000-square-meter rice field just three years ago, told Mr. Fan how he turned it into a multiple-purpose farm. Using new planting technology, cross-planting vegetables and fruits and adding fish farming (raising frogs, eels and fish) to his small plot, Mr. Ros Mao was able to triple his rice output and generating an additional cash income of over US\$1,700 a year for his family. With the additional income he has generated, he has purchased more land from his neighbours and is expanding his farming business. Because of his success, other farmers in the area are beginning to follow his suit and he is providing training to his fellow farmers on a regular basis.

At the end of his trip, Mr. Fan remarked, "I have learned so much about Cambodia in the short few days in the countryside. Agriculture development is critical for poverty reduction in Cambodia and there is a lot of potential. Just imagine what Cambodia's countryside would look like if every smallholder farmer is working like Mr. Ros Mao. For farmers to reach that potential, it will require significant investment in rural infrastructure, agriculture technology and extension services, but the returns for poverty reduction can be huge."



*World Bank Country Manager Qimiao Fan learns about multiple farming from farmer Ros Mao in Tram Kok district in Takeo province.*

## World Bank Executive Director Hagan Visits Cambodia



*World Bank Executive Director Jim Hagan learns about mat-weaving in Prek Sdei commune in Kandal province.*

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the Provincial and Peri-Urban Water Supply and Sanitation Project, one of the projects the World Bank supports. Mr. Hagan and Mr. Fan were briefed by Mr. Samrith Sovithea, Director of Technical Department and Study of the Phnom Penh Water Supply Authority, on the progress of the Takmau construction and its challenges. The water tower will improve supply to households in Takmau town, 7,000 of which are already connected.

achievements over the past few years, such as rural roads, irrigation channels, and bridges. These improvements were accomplished under the Rural Investment and Local Governance project, supported by the World Bank and other donors.

The Bank representatives also learned how the commune works to serve its people, as well as about local businesses in Prek Sdei commune such as weaving, handmade truck, a plastic water-container factory, and a garment factory that employs

than in many other parts of Cambodia. During 2009, in cooperation with a private company, the commune plans to connect electricity to 90 percent of its households.

“If we compare our people’s lives now with five years ago, there has been a great improvement,” Mr. Kouy said. “You can see our people have more motor-bikes and almost no thatched houses any more.”

At the end of his second visit to Cambodia Mr. Hagan said, “I got a much better understanding of how important a reliable water supply is to the community and the innovative ways that low income households are assisted,” and added, “It’s clear that the joint support of the World Bank and Government of Cambodia have enabled the commune to shape its future. This is effective partnership. I was impressed by the commitment of Bank staff to working with the Cambodian Government and people. I feel I have learned a lot on my second visit and look forward learning more in future visits.”

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**Jim Hagan, World Bank Executive Director**

At Prek Sdei commune building office in Kandal province Mr. Hagan and Mr. Fan met with commune council members and heard about progress in the improvement of people’s living conditions in the commune.

Prek Sdei commune chief Mr. Kouy Kea briefed the team about his commune’s

around 300 workers. Mr. Kouy said most agricultural products, such as rice, mung beans and peanuts, are sold to Vietnam through middle-men. In return, villagers buy fertilizers, pesticides, seed and fuel.

Prek Sdei commune is only 15 km from Vietnam, so people have access to electricity that is only 650 riel per kWh, cheaper