Poverty Forum
Poverty and Infrastructure

Session: Infrastructure and Regional Integration

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Ministry of Rural Development

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Welcome to Cambodia and Poverty Forum Poverty and Infrastructure

Session: Infrastructure and Regional Integration
MILLENNIUM DEVELOPMENT GOALS (MDG)

Each goal is to be achieved by 2015, compared to 1990 levels:

1. **Eradicate extreme poverty and hunger**
   - Halve the proportion of people with less than one dollar a day
   - Halve the proportion of people who suffer from hunger

2. **Achieve universal primary education**
   - Ensure that boys and girls alike complete primary schooling

3. **Promote gender equality and empower women**

4. **Eliminate gender disparity at all levels of education.**

5. **Reduce child mortality**
   - Reduce by two thirds the under-five mortality rate.

6. **Improve maternal health**
   - Reduce by three quarters the maternal mortality ratio.

7. **Combat HIV/AIDS, malaria and other diseases**
   - Reverse the spread of HIV/AIDS

8. **Ensure environmental sustainability**
   - Integrate sustainable development into country policies and reverse loss of environmental resources.
   - Halve the proportion of people without access to potable water.
   - Significantly improve the lives of at least 100 millions slum dwellers.

9. **Develop a global partnership for development**
   - Raise official development assistance
   - Expand market access

BUT NO INFRASTRUCTURE DEVELOPMENT MENTIONED
NPRS 2003-2005

Priority Poverty Reduction Actions

- maintaining macroeconomic stability;
- improving rural livelihoods;
- expanding job opportunities;
- improving capabilities;
- strengthening institutions and improving governance;
- reducing vulnerability and strengthening social inclusion;
- promoting gender equity; and
- priority focus on population.
1. the realization and strengthening of peace, security and stability in Cambodia
2. the fast-track integration of Cambodia into the regional and world community, and
3. the implementation of key reform programs in all sectors, taking advantage of the first two favourable conditions in order to promote sustainable and equitable growth, the prerequisite for poverty reduction.
Poverty can be defined not only as a low income or lack of opportunities and choices but also includes low education, poor health, low productivity, lack of safe water supply, vulnerability, gender & ethnic minority discrimination and so on.

The main causes of poverty are the lack of access to basic needs, namely education, health, foodstuffs, water supply, rural credit, shelter and other social services.
"Poverty is associated with very low income and consumption and is manifested in many dimensions—malnutrition, ill health, illiteracy, vulnerability, physical isolation, and political and social exclusion. Each of these dimensions tends to reinforce the others and they share important transport linkages. Good transport policy contributes to reduce poverty in all its dimensions and stimulates economic and social development and inclusion."

Jerry Lebo and Dieter Schelling, Design and Appraisal of Rural Transport Infrastructure, Ensuring Basic Access for Rural Communities, World Bank Technical Paper No. 496
Rural Transport Infrastructure (RTI)

Government Commitment

General Policies for the Development of RTI.

The RGC recognises that transport improvements are vital to social and economic development. One of the cornerstones of the government's medium-term strategy is promoting better transport services in rural areas through well-maintained roads and feeder roads. Inter village road improvements bring many advantages to communities.
RURAL DEVELOPMENT

Rural Development is a strategy designed to improve the economic and social life of a specific group of people resident in the country’s rural areas - the rural poor (the World Bank).

Rural Development is integrated in objective and in strategy. Objectives vary from the broadest (multi-sectoral or area-based development) to the narrowest (target-group development). The strategy must integrate relevant and complementary activities.
Ministry of Rural Development: Policy Objectives

“The Ministry of Rural Development is responsible for facilitating improvement of rural social and economic conditions”

Our Mission:
1. To improve accessibility
2. To create opportunity

The MRD’s role is as an enabling institution. It seeks to improve access to rural infrastructure, particularly rural transportation and water supply, to improve access to rural finance and credit schemes, promote sustainable natural resource management and stimulate rural community development through realising the RGC’s policies on governance, implemented through the decentralisation and de-concentration of government functions.
Accessibility Improvement

Improve Accessibility

- Access to rural infrastructure and transport
- Access to rural water supply
- Access to health care and sanitation
- Access to rural credit
- Access to skills

Create Opportunity

- To make the right choice
- To participate in the decision making process
  - Planning
  - Implementation
  - Maintenance
- To get involved in all stages and benefits from development
Rural Transport Infrastructure (RTI): Accessibility Improvement

**Basic Access** is the minimum level of RTI network that service required to sustain socio-economic activity....

**A basic access intervention**, in this context, can be defined as the least-cost (in terms of total life-cycle cost) intervention for ensuring reliable, all season passability for locally prevailing means of transport.
The Importance of Rural Infrastructure
(Refers to roads - transport and communication, water supply & sanitation services and rural energy)

A strong, well-functioning rural infrastructure:

- improves basic health & hygiene
- reduces the vulnerability
- creates new economic opportunities
- creates new employment
- enhances democratic process and skills
Agriculture
Market
Health
Rural Roads
Irrigation
School
Rural Transport Infrastructure (RTI) Direct Benefits

An MRD/ILO survey (1998) indicated the direct benefits once the rural road had been rehabilitated:

- Motorized Transports increased by 10%
- Trips from rural to centers increased by 20%
- Volume of Local traffic is double
- Traveling time reduced by 43%
- Transport fees reduced by 38%
- Load carried per trip increased by 103%
- Local shops/stall along the road increased by 600%
Socio-Economic Impact Study
Summary of Key Findings (January 2002)

- **IMPROVED ACCESS** - Among 288 households interviewed, 129 household have changed or added their money earning works after completion of roads because it has been easier to transport their products to the market center. After TRIP’s roads construction, the survey recorded that the incomes were twice as high as the 4 year values prior to road construction.

- **INCREASED INCOME** - The total family income was higher during 2 - 3 years after road construction than during the 4 years before construction.

- **INCREASED SAVING** - Households reporting to have savings increased between the period before and after road construction. Money saved by household member rose up to 30.2% for male and 25.73% for female.
**Socio-Economic Impact Study**

**Summary of Key Findings (January 2002)**

- **REDUCE TRAVEL TIME** - More than 50% of respondents said they previously used the whole day to get to the market. But, currently, it is just 2 hours only, so that they have a lot more time to do other work.

- **SERVICES ACCESSIBILITY** - Local people are more aware of the activities of various NGOs and governmental agencies in their areas after the improvement of roads by TRIP. Many stakeholders said that among those organizations existing in the area, health workers and governmental extension workers were now visiting their areas as roads communication had improved.

- **MOBILITY** - The improvement of roads by TRIP has been instrumental in increasing the mobility of the rural farmer and labour force and the women, who were previously confined to their own locality. A large number of village people were able to move away from their villages in search of employment.
Socio-Economic Impact Study

Summary of Key Findings (January 2002)

- **RURAL CREDIT** - Many credit agencies from NGOs have been able to access areas due to the road improvement, which was not possible in the past. Government officials as well as members of parliament have been able to access areas by passing the roads during flood period.

- **EDUCATION** - The number of students in schools has increased after rehabilitation of TRIP’s roads, the girls are going to high schools. Before they would only attend up to primary level (class 2 and 3).

- **HEALTH** - Meeting with the people, they agreed that their access to health services increased after the road improvement. Most of the beneficiaries claimed that women from their locality were visiting health centres more frequently.

- **SOCIAL SAFETY** - The number of thieves and kidnapping have decreased. Apparently, there are always more people on the TRIP’s roads so that thieves are always scared of being caught.
The MRD has taken several important steps towards a pro-poor RTI program:

1. Formulated a Rural Roads Policy through a participatory process, during which stakeholders were consulted.

2. Formulated their agreement on the division of responsibilities in the road sector with the MPWT through a memorandum of understanding. This allows the two Ministries to collaborate efficiently to develop the transport network and to ensure that the RTI investments feed into the higher order transport system.

3. Decided to orient their RTI program around the concept of accessibility using the IRAP tool. Orienting investments around the increase in rural accessibility is a key strategy for poverty reduction.

4. Opted for technologies that optimize the potential benefits of RTI investments for the local population. By using labour-based methods and local materials important employment and economic development opportunities will flow to the rural people as the RTI investments are made.
Rural Transport Infrastructure (RTI)

Pro-Poor Steps Taken in Cambodia

Established a dedicated rural roads budget that is increasing annually. Even though the amount is insufficient and the implementation arrangements of the works financed by this budget need to be improved, it is an important step in the right direction.

The MRD will:

- Once the DRR is operational the MRD will be able to better manage the RTI program through a decentralized organization.

- By allocating ownership of the rural road network to the appropriate level of administration, the opportunity for the local participation in RTI decisions will be enhanced.
Ministry of Rural Development
Policy for Rural Road

The Policy for Rural Roads was developed in conjunction with stakeholders in the rural road network and based on a number of government objectives:

- Promotion of the use of labour-based appropriate technology
- Management and preservation of existing infrastructure
- Decentralisation of decision making
- Use of the private sector
- Promotion of local small scale contractors
- Improvement of maintenance funding
- Gender, disabled and disadvantaged group issues
Rural Transport Infrastructure (RTI)

Employment Creation

<table>
<thead>
<tr>
<th>Organisation/ Project</th>
<th>ADB/RIIP</th>
<th>KfW/TRIP</th>
<th>WFP</th>
<th>ILO</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers</td>
<td>283,952</td>
<td>239,087</td>
<td>4,352,493</td>
<td>117,848</td>
<td>4,993,380</td>
</tr>
<tr>
<td>Workdays</td>
<td>4,996,352</td>
<td>6,650,000</td>
<td>14,165,000</td>
<td>3,708,077</td>
<td>29,519,429</td>
</tr>
</tbody>
</table>

A workday payment is not less than one US dollar, although the WFP remunerates the labourers in kind, with food, the equivalent value is not less than one US dollar. Therefore almost US$ 30M has been put back into the economy through the use of labour for building rural infrastructure.

This is a much needed injection of resources into a rural economy. In addition to simply alleviating poverty it gives the people living along the road (the labourers) more sense of ownership of the asset.
Ministry of Rural Development

How can we do better?
Rural Transport Infrastructure (RTI)

The Cambodian Experience

- Human Resource Development
- Technical Choice
- Institutional Arrangement
- Funding Sources
- Integrated Rural Accessibility Planning
- Rural Road Maintenance
- Partnership in Development
Rural Transport Infrastructure (RTI)

The Cambodian Experience

The planning process is one of the most important aspects and a transport policy is an essential for proper development of infrastructure.

- In addition a sustainable maintenance procedure, standard technical specifications, choice of technology, capacity building and community awareness are all very important considerations.

- Identification of the user, and development of the legal structure and policy for road use are vital for the long-term operation of any infrastructure.
Integrated Rural Accessibility Planning

This is a new planning tool in Cambodia and it will help to better identify access priorities. IRAP should also allow planners to better develop proposals for infrastructure and to support the investment programme.

Rural Road Maintenance

LBAT is not a complicated technology, but high engineering standards still need to be met. Once a road is built, traffic increases, and without maintenance, deterioration occurs quickly. In Cambodia, monsoon rains, flood, and oxcart can cause a lot of damage to an incorrectly designed and built road, or a road without maintenance.
Partnership

Every programme should be in tune with other programmes and partners. IRAP can be used to identify who are the other players involved or affected by any road project.

Fighting Poverty in Cambodia
Can Development be Sustained without Maintenance?
Delivery System
Partnership in Development

- Government
- NGO’s and IO’s
- Private sectors
- Informal institutions and Mechanisms at various levels
Guiding Principles

- Partnership
- Decentralization
- Financial Sustainability
- Competitive Delivery
- Transparency and Accountability
- Environmental and Social Sustainability
Rural Development is the Catalyst for Change
ISSUES

- How to communicate development to rural people?
- How to include Short term needs with Long-terms plan?
- How to avoid overlaps of activities and responsibilities
- What types of Extension services to be provided?
- How to balance Top-down vs bottom-up approach?
- Does Task vs Process oriented co-exist?
- Duplication and complementary
- How to balance between services provided and received?
sUmGrKuN
Thank You