



## Country Manager Says Goodbye After Five Years

**N**isha Agrawal left the World Bank at the end of February after 18 years, the last five as Cambodia Country Manager, to go back to India and take the helm of a new NGO, Oxfam India. In an interview with the Phnom Penh Post's Susan Postlewaite on February 7, Agrawal discussed the highs and lows of her time with the Bank in Cambodia. Indian born Nisha Agrawal arrived in Cambodia in April 2003 to find herself eventually thrust into the World Bank's biggest confrontation with the government over corruption. The problems culminated in June 2006 in a ten month suspension of funds for three World Bank projects. The ban was lifted in February 2007, but the bank cancelled over \$2.5 million in project funding and the government subsequently was asked to repay the World Bank \$2.9 million. The bank has since hired Crown Agents, a British company, to handle procurement in Cambodia projects.



*World Bank Country Manager Nisha Agrawal says goodbye to Cambodia at a farewell reception in Phnom Penh on February 25, 2008.*

**What do you count as the accomplishments of your five years as country manager for Cambodia?**

Four things. Firstly we have done a lot of research that has generated very useful

knowledge about what is happening in the Cambodian economy. Before I came we really didn't know whether the growth that Cambodia has seen in the last decade was having an impact on poverty or not. The Poverty Report was

a very important piece of work by the World Bank to show that growth was actually benefiting poor people and that their lives were getting better off as a result.

Secondly, a very big thing is helping Cambodia agree on the priorities for reform and supporting the reforms that are happening.

Third, the way the development community works together has changed very dramatically and the World Bank has played a key role in bringing all the donors together around a common agenda. When I came here everybody had different priorities. We helped put in place a very elaborate architecture – 18 technical groups which meet and talk together with the government, with NGOs, with the development partners. We have quarterly meetings at senior levels of the government to discuss major policy issues.

Finally, the World Bank has built a very strong and large country office.

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*Country Manager Nisha Agrawal cuts the ribbon to open the World Bank Public Information Centre at the University of South-East Asia in Siem Reap on January 30, 2008. The PIC, and another opened at the Western University in Kampong Cham, are the first two outside Phnom Penh. More are planned for other provinces.*

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When I came we were about five people and now we are 45 and most of these are Cambodian staff, and very high capacity staff.

**What do you leave for your successor?  
What needs to be done?**

During my five years, the economy has almost doubled in size, and government revenues have almost doubled in size. Foreign investment has taken off and is now larger than foreign aid for the first time. The challenge ahead is to ensure there's also high quality development going on at the same time as a high growth rate. These would be the things my successor would focus on. Cambodia after ten years has been having an impact on poverty but only about one percent of the population is being lifted out of poverty per year. Vietnam is able to raise four percent of its population out of poverty each year. The difference is the emphasis that Vietnam has on agriculture.

The second challenge is how to make sure the growth is not coming at the cost of just cannibalizing your natural resources. One big choice the government faces is in the mining sector. How the government decides to do mining in the future will have a big impact on how sustainable it will be. These debates should happen very openly and transparently. Do Cambodians really want to be mining everywhere including in the national parks, or do they value their national parks?

A second choice is on how to manage



**During her five years in Cambodia Nisha Agrawal visited the countryside many times. Above, a visit to Preah Vihear Province in early 2004.**

the oil and gas revenues. That is a huge challenge. Suppose there are these large orders of magnitude that people are talking about. How they are managed would really make or break this country. If the government doesn't use those revenues well, Cambodia could go down a very bad path where the revenues not only kill off other industry and employment, but corruption levels rise to such a level that everything else could fall apart.

**The World Bank has come under heavy criticism – from *The Wall Street Journal* and others – for allowing corruption in its programs in Cambodia. Are you satisfied that you've corrected the problems?**

We are making a huge effort to make sure that funds from our own projects don't leak. Our projects are implemented

by the government and supervised by us. The biggest problem was in the way procurement was done and who got the contracts. Because there were systematic problems in procurement, we are taking a two-track approach to deal with this issue: in the short-run, all procurement will be done by an independent procurement agent, while in the medium to long term, we will work with government to build and strengthen their systems.

Ultimately it should not be just about whether the World Bank money is leaking or not, but it should be about the country's own spending. Our funds in this country are \$50 million a year. What we would like to do is work with the government to improve their procurement and financial management system in the long run to make sure that the whole \$1.2-billion budget is spent wisely.

**In retrospect was your decision to suspend disbursement on three World Bank projects in 2006 and then to reinstate the funding ten months later the most effective way to handle the corruption problem?**

It was the best way. It was tough on our relationship with the government because it's a very drastic measure to take. But once we have evidence that our funds are leaking, we really have no other choice but to halt disbursement while we put in place measures to prevent those kinds of leakages in the future. We wanted to send a very strong signal in this country that we are not going to tolerate corruption in our projects and the suspension did that. Many people in Cambodia felt reassured that the Bank was taking this issue very seriously.  
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**Nisha Agrawal gets a taste of Khmer food during her first overnight stay in the Cambodian countryside -- at remote Thiem Leu village near the Tonle Se San in Ratanakiri Province in August 2003. Over the next five years she would make many more trips to rural Cambodia, visiting nearly every province.**

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seriously, people who had seen that this was happening in our projects but had not really come forward to complain about it.

It was tough with the beneficiaries of these projects. To go out in the provinces and see a project that was actually delivering goods and services to the people – like clean drinking water – was halted was quite tough.

**Was the suspension of the three projects a low point or a high point of your tenure?**

It was both. It was very tough for our relationship with the government because, unfortunately, most of the evidence that we gathered during our investigations was obtained confidentially and we could not share it with the government, which upset them a lot. That was definitely a low point in our relationship. At the same time, however, corruption does remain a major problem in this country and during that time, many Cambodian people came up to me on the street and said “thank you for what the World Bank has done and we are glad that at least someone has stood up on this issue.” That was pretty rewarding since no one else had taken quite such a public stance on this issue and put their whole relationship with the Government on the line the way that we did.

**How much was the leakage?**



*The Cambodia Club of Journalists invited Nisha Agrawal to participate in a Round Table discussion on the topic “Halfway to Millenium Development Goals: Education for All” in June 2007. She attended hundreds of meetings, forums, presentations and discussions during her time in Cambodia, endeavouring to ensure that the World Bank played its full part in the country’s development.*

**Nisha Agrwal:**  
*“The challenge ahead is to ensure there’s also high quality development going on at the same time as a high growth rate.”*



It is hard to quantify what the leakage was. The problems were that people were interfering with the procurement process, and the wrong people were getting the contracts. But the projects were still being delivered and so was their development impact in terms of growth and poverty reduction.

**Do you know where the bribes went?**

No. We have to rely on people for our investigations, and while they might know, it’s very hard to document who got a bribe, how much money changes hands and so forth.

**Could this kind of leakage be happening right now to other development agencies like USAid or ADB?**

To the extent that any agency is imple-

menting its programs through the Government as the World Bank does, they could be facing similar problems to ours.

**Do you believe the draft law on corruption will ever be passed by the National Assembly?**

The Government has committed to passing it but we don’t know when. It has been a frustratingly long wait. On the other hand, it is not a magic bullet—it is just one of many things that need to be done to fight corruption in this country. Other things are happening—such as public financial management reform—that are reducing corruption in this country, but passing the anti corruption law would send a strong and visible signal about the Government’s intention to tackle corruption.

The Government has said they are going to pass it after they pass the Penal Code, which is still being written. We would like to hear from them when that would happen.

**What have been the highlights of your life here in Phnom Penh?**

Even though the work has been challenging, I’ve really enjoyed living here for five years. I think that Phnom Penh is a very charming city. I think this is another area that Cambodians need to pay attention to, to make sure they keep Phnom Penh beautiful. In any case, I have a lot of friends in Cambodia and I will miss them and miss Phnom Penh when I leave for New Delhi next month but I am sure I will be back for a visit soon.

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## Women Leaders Praise Nisha's Leadership at Farewell Lunch



*Nisha Agrawal with H.E. Ing Kantha Phavi (center), H.E. Lourdes G. Morales.*

*The Philippines Ambassador to Cambodia, H. E. Lourdes G Morales, paid tribute to departing World Bank Country Manager Nisha Agrawal at a women's farewell luncheon hosted by H.E. Ing Kantha Phavi, Minister for Women's Affairs, on February 13, 2008.*

**W**e would like to thank her Excellency Dr. Ing Kantha Phavi, Minister for Women's Affairs, for organizing today's women's luncheon and getting us all together to say goodbye to our dear friend, Nisha. Dr. Phavi has also allowed us, the women diplomats in Cambodia, the opportunity to say a few words of farewell for Nisha.

So as these remarks do not come across as being purely my own, I had asked all the other women diplomats to give me their thoughts on what we could say to Nisha in farewelling her. These are words of farewell from the heart coming from all of us women diplomats therefore.

We have been enriched in many ways by our association with Nisha and she will always be part of what we will remember of Cambodia long after we ourselves shall have left. I guess with Nisha you kind of got the feeling that she was always there, as large as life, a true woman of substance.

Her presence and her visibility in the landscape which is Cambodia, through the work she did and the friendship she offered, have been very strong. Nisha was

competence, tenacity and warmth all rolled into one and to us, it cannot get any better than that. Cambodia after Nisha Agrawal will certainly take a lot of getting used to. And I am sure our host, Dr. Phavi, feels pretty much the same way.

Cambodia, we would think, provided many exciting times for Nisha and she has survived these well, very much unwounded. There have been controversies which have surrounded the World Bank during Nisha's tenure here, landing her in the hot seat, but all these she had handled with grace and we cannot but admire her for this. And so she leaves Cambodia, with friendships intact and undiminished.

Erin Soto of U.S.A.I.D, who cannot be with us today, validates all that has been said of Nisha. In her words: "I have truly appreciated Nisha's leadership and sense of humor. I don't know how she does it but Nisha is always on top of all the donor coordination working groups. Where does she find the time to keep track of such diverse issues? I have always appreciated Nisha's willingness to discuss an issue or give advice. She has really held the monthly donor coordination meetings together for us all. Also, I admire her sense of humor even in the midst of disappointment. Whether it's the lack of advancement on "SWAPS" or the lack of Government commitment on MBPI, Nisha's sense of humor helped us all keep these issues in perspective. She has been a joy to

work with. I know whatever she touches will turn to gold. I wish her the best of luck!"

Margaret Adamson, the Australian Ambassador, echoes Erin's praise of Nisha's leadership in the donor coordination working groups: "In her five years in Cambodia, Nisha has shown excellent leadership within the donor partner community in our collective efforts, in cooperation with the Royal Government of Cambodia, to assist the people of Cambodia along the path to economic security and sustainable development. She has pulled no punches on the challenges to be overcome along the way, from corruption to public sector and judicial reforms. She kept a bright spotlight on the special needs of the rural population, and agriculture as a central pillar for Cambodia's economic success and poverty alleviation. She has spoken out for women, and for the need to give high priority to improve and accessible health and education services.

But Nisha also has her lighter side. She is a wonderful raconteur and can be the life of every party, although she has been reluctant to take the microphone for karaoke!"

We, women leaders in Cambodia, have not been lacking in attention from Nisha either. She has given efforts, time and resources to connect us all together, seen in the successful women leaders' luncheons we have had in March of the past three years in celebration of International Women's Day. We might again ask, as Erin has asked, how does she do it- on top of everything else she does?

We are happy to know that from here, Nisha will be pursuing a life after the World Bank and the shift will take her to her very own – to incredible India. It will be incredible Nisha giving back to incredible India.

Truly Nisha has colored our world, colored the world of the Cambodian people and we will miss her greatly. We wish her all the best and Godspeed.

Some parting words from Yee Woan, the Singapore Ambassador: "Don't be dismayed at goodbyes. A farewell is necessary before you can meet again. And meeting again, after moments or lifetimes, is certain for those who are friends."

We will surely meet again, Nisha.