



CAMBODIA

COUNTRY PROFILE



| DECEMBER 2023



HISTORICAL BACKGROUND

Situated in Southeast Asia, Cambodia boasts a history shaped by Hindu and Buddhist influences. The Khmer Empire, renowned for the iconic Angkor Wat temple complex, thrived from the 9th to the 15th centuries. Cambodia endured French colonization and the brutal Cambodian genocide during the Khmer Rouge regime led by Pol Pot from 1975 to 1979, followed by a tumultuous period of civil war for more than three decades. Peace was only achieved after the implementation of the Win-Win policy in 1998.

CULTURAL PROFILE

The essence of Khmer culture profoundly shapes Cambodia, manifesting in its intricate traditional dances, architecture, and artistic expressions. Theravada Buddhism serves as the dominant religion, significantly influencing daily life and cultural customs.

Cambodia has experienced significant and sustainable economic growth, with an average annual growth rate of over 7% in the past two decades. This has allowed the country to achieve the status of a lower-middle-income country and improve the standard of living for its population. This progress is evident in the tenfold increase in GDP, which has risen from approximately USD 3.11 billion in 1998 to about USD 29.60 billion in 2022. Additionally, GDP per capita has increased sevenfold, from around USD 253 in 1998 to USD 1,784 in 2022. Furthermore, the poverty rate has dropped to below 10% prior to the COVID-19 Crisis.

Noteworthy strides have been made in health indicators as well, with maternal mortality decreasing from 206 to 154 per 100,000 live births between 2013 and 2022 and *infant mortality dropping from 27 to 22 per 1,000 live births during the same period*. Cambodia's aspiration to transition from a low-income to an upper-middle-income nation by 2030, followed by attaining high-income status by 2050, is underpinned by these accomplishments, sound economic strategies, and the promise of global economic recovery.

SOCIO-ECONOMIC

Cambodians have the habit of living with family and community and relying on reciprocal relationships, especially in events of illness, emergency, or old age. This habit is still strong in Cambodian society, especially among relatives and family members. It is a clear sign of solidarity within the family and community of Cambodian society and is something worth preserving. Experiences from other countries, especially those with similar customary practices to Cambodia, show that those habits tend to fade away gradually from one generation to another due to various factors. This trend suggests that a social protection system is indispensable to prevent every citizen from falling into poverty due to unforeseen negative events such as natural disasters, healthcare costs, disability, or old age.





DEMOGRAPHIC PROFILE

Cambodia's demographic profile skews young, with individuals aged 65 and above constituting only 5% of the population in 2020. Nonetheless, the pace of population growth has gradually decelerated, dropping from 2.26% in 2000 to 1.2% in 2021. Coupled with an increasing average life expectancy to 75.5 years old in 2019, this trend indicates a gradual shift towards an aging society.

Advances in healthcare and nutrition have contributed to longer lifespans. Projections from the United Nations suggest that by 2030, Cambodian life expectancy will exceed 70 years, thereby influencing the dependency ratio. The transition towards an aging population underscores the necessity of effective financial planning for the elderly to ensure their well-being and mitigate potential poverty.

SOCIAL PROTECTION

The Royal Government envisions a sustainable social protection system that mitigates poverty, vulnerability, and inequality while fostering human resource development and economic growth. Traditional reliance on familial support during old age, common among Cambodians, increases their risk of poverty.

Social Assistance guarantees decent living standards for the impoverished and vulnerable, enhancing their employability in a competitive economic landscape. These programs align with Cambodia's development priorities, including inclusive growth and poverty reduction.

They elevate low-income individuals and vulnerable groups to middle-income status, thereby integrating informal sector members into the formal sector. This transition supports national financial stability and social security scheme development through enhanced tax contributions.

Social Assistance focuses on three categories: those living below the poverty line, those near it with high crisis susceptibility, and vulnerable groups like infants, children, pregnant women, food-insecure families, disabled individuals, and the elderly.

Ministries and institutions have implemented diverse social protection policies according to their functions. Ministry of Social Affairs, Veterans and Youth Rehabilitation (MoSVY) develops policies for social assistance and security, including civil servants, veterans, and people with disabilities.



SOCIAL PROTECTION

The Ministry of Labour and Vocational Training (MoLVT) oversees worker social security under labor law. The Ministry of Health (MoH) manages health protection for the vulnerable and promotes maternal-child health through the HEF. The Ministry of Education, Youth and Sport (MoEYS) supports school feeding and scholarship, and the Ministry of Economy and Finance (MEF) handles food security and coordinates social assistance policies.

Social Assistance directly supports the poor and vulnerable and is state-funded via the budget. Conversely, Social Security is obligatory and self-reliant, promoting protection against unforeseen crises. It operates as a contributory system encompassing public and private sector employees, retirees, and informal sector workers.

The Royal Government subsidizes contributions for the poor and vulnerable and eventually reduces funding as socio-economic development progresses. This shift emphasizes contribution-based financing and investment returns for social security schemes.



NATIONAL SOCIAL ASSISTANCE FUND (NSAF)

With its mandate, NSAF acts as a social protection operator, administering Social Insurance benefits for retired civil servants and veterans (including national police and armies) and providing Social Assistance benefits for the poor and vulnerable people in Cambodia.

Vision: Our vision is to achieve efficient and effective management and delivery of social protection programs and integrated referral services in Cambodia.

Mission: We are committed to implementing national social assistance programs and relevant services across the country while maximizing the coverage of social protection for poor and vulnerable people.

NSAF was created by the Royal Government of Cambodia as a public administrative institution under Sub-decree No. 68/ANKr/BK dated 31 March 2022, and was structured according to Sub-Decree No. 210 on 17 October, 2022.

NSAF was formed by merging three existing institutions: the National Fund for Veterans (NFV), the National Social Security Fund for Civil Servants (NSSFC), and a substantial portion of the Department of Social Welfare within the Ministry of Social Affairs, Veterans, and Youth Rehabilitation. Following the completion of the merging process to establish a unified NSAF, our initial phase now includes 454 personnel, with 252 employees at the national level and 202 at the provincial level. We remain committed to expanding our workforce as we actively proceed with the establishment of new provincial branches across all provinces.



NSAF'S BOARD OF DIRECTORS

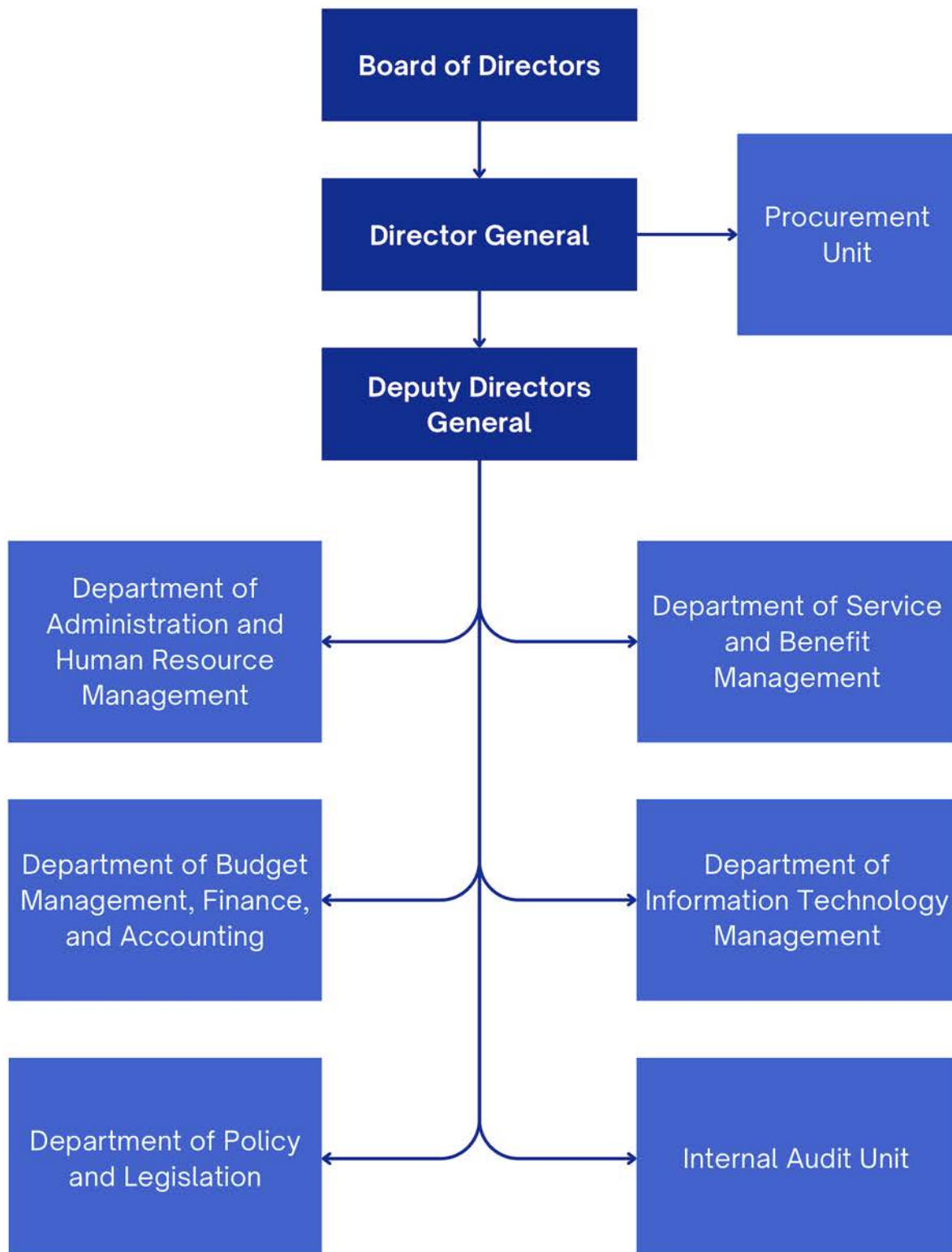
NSAF is led by the **Board of Directors** with the mission of orienting implementation and monitoring NSAF's work activities.

NSAF's **Board of Directors** consists of 11 members:

- Representative of the Ministry of Social Affairs, Veterans and Youth Rehabilitation as **Chairman**
- Representative of the Ministry of Economy and Finance as **Vice Chairman**
- Representative of the Council of Ministers as **Member**
- Representative of the Ministry of Interior as **Member**
- Representative of the Ministry of National Defence as **Member**
- Representative of the Ministry of Education, Youth and Sport as **Member**
- Representative of the Ministry of Health as **Member**
- Representative of the Ministry of Planning as **Member**
- Representative of the Ministry of Civil Service as **Member**
- Director-General of NSAF as **Member**
- Representative of NSAF's Staff as **Automatic Member**.



NSAF'S STRUCTURE



SOCIAL ASSISTANCE & SOCIAL INSURANCE

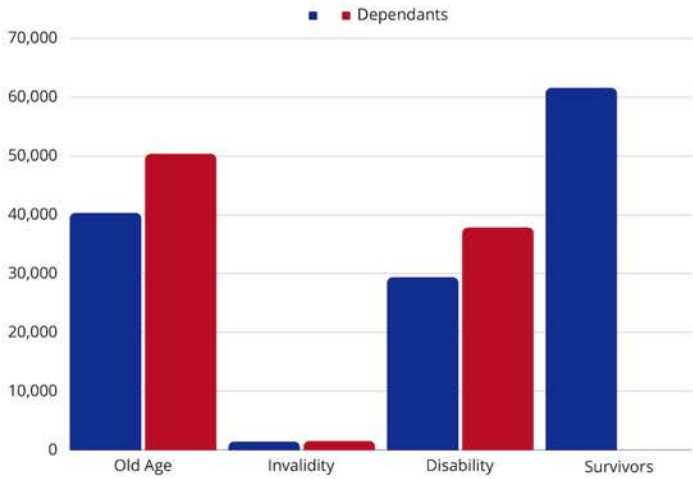
NSAF is responsible for managing a wide range of extensive social insurance schemes and social assistance programs, which include the following:

Social Insurance for Veterans / Civil Servants
Retirement/Old Age (Civil Servants and Veterans Insurance Scheme)
Invalidity (Civil Servants and Veterans Insurance Scheme)
Disability (Veterans Insurance Scheme)
Survivor Benefit (Civil Servants and Veterans Insurance Scheme)

Social Assistance
Cash Transfer Programme for Pregnant Women and Children Under 2 years old.
Cash Transfer Programme for Poor and Vulnerable Families During the Fight Against Covid-19
Cash Transfer Programme for Poor and Vulnerable Families after Covid-19 lockdown
Cash Transfer Programme for Vulnerable Families Affected by Floods
Cash Transfer Programme for vulnerable families Affected by inflationary pressures
Family Package Framework (at the start of 2024)
Vocational Training for Young People from Families with Equity Card (at the start of 2024)

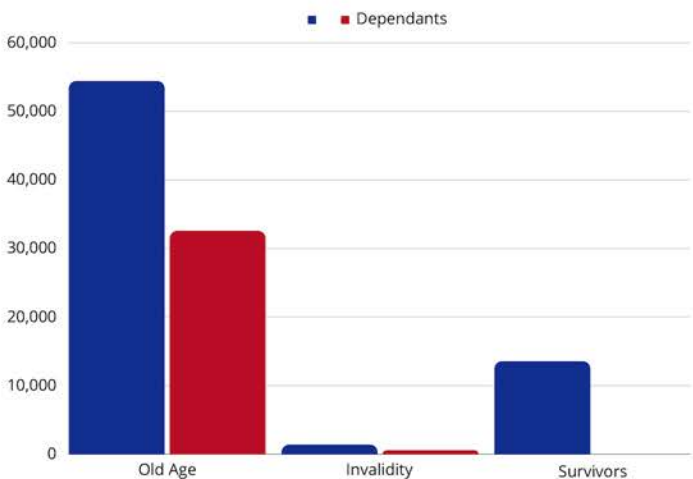


ENROLLED PENSIONERS VETERAN INSURANCE SCHEME



Old Age	Invalidity	Disability	Survivors
40,316	1,413	29,371	61,588
Dependants	Dependants	Dependants	Dependants
50,365	1,511	37,831	-

ENROLLED PENSIONERS CIVIL SERVANTS INSURANCE SCHEME



Old Age	Invalidity	Survivors
54,437	1,398	13,556
Dependants	Dependants	Dependants
32,581	571	-

SOCIAL ASSISTANCE BENEFICIARIES

NSAF is a pivotal operator in the integration of Social Assistance programs nationwide, the following table shows current programs and future integration under the Family Package Framework and Shock Responsive Social Protection Framework:

Program	Current Progress	Future Direction
Emergency Response		
Cash Transfer for Poor and Vulnerable Households during Covid-19	698 729 households or 2 753 638 people received the benefits	Phased-out gradually depending on the development of Covid-19 and inflation (oil and food prices)
Post-Lockdown Cash Transfer in Phnom Penh, Takmao, and Preah Sihanouk	129 666 households facing difficulties and living in the large lockdown area in Phnom Penh, Takmao, and Preah Sihanouk province.	One-off program
Cash Transfer for Poor and Vulnerable Households affected by Inflation	495 119 households or 1 823 037 people received the benefits as a phase-out of the Cash Transfer for Poor and Vulnerable Households during Covid-19	One-off program
Cash Transfer for Poor and Vulnerable Households affected by Floods	99 169 households or 372 859 individuals received the benefits as a relief support after being affected by floods	Will be integrated and expanded into the "Shock Responsive Social Protection Framework"
Human Capital Development		
Cash Transfer for Pregnant Women and Children under 2	Launched in 2019, 349 420 beneficiaries received the cash transfer upon conditionalities were met	Will be integrated into "Family Package Framework"
Scholarship Program for Primary and Secondary Education	Around 261 974 students have received the scholarship from the Ministry of Labour and Vocational Training (MoLVT)	Will be integrated into "Family Package Framework"

SOCIAL ASSISTANCE BENEFICIARIES

Program	Current Progress	Future Direction
Vocational Training		
TVET Program	Provide vocational training to youths from poor households, improving their skills to enable them to be able to find jobs and have good incomes.	Will be rolled-out from January 2024 with an expected target of around 1.5 mln beneficiaries
Welfare for Vulnerable People		
Cash Allowance for Poor Person with Disabilities	Around 16 807 beneficiaries received these benefits in 16 provinces by the Ministry of Social Affairs, Veterans and Youth Rehabilitation (MoSVY)	Will be integrated into "Family Package Framework"