

The World Bank and Cambodia: Everything You Ever Wanted to Know ...But were Afraid to Ask

September 23, 2000

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About the World Bank

- Who knows what the Bank does? Who cares?
- Where did the Bank come from and why?
- Who thinks the Bank is a private company?
- Who thinks the Bank is a part of the United States Government?
- What's the Bank's Mission?

The World Bank's Mission

- To fight poverty with passion and professionalism for lasting results.
- To help people help themselves and their environment by providing resources, sharing knowledge, building capacity, and forging partnerships in the public and private sectors.
- To be an excellent institution able to attract, excite, and nurture diverse and committed staff with exceptional skills who know how to listen and learn.

Frankly, I liked the old mission statement better

- Any Mission Statement that takes three paragraphs was written by committee!
- And it's too mushy anyway, esp. the part about nurturing, listening, and learning
- So here's the mission of old: "To reduce poverty and improve living standards through sustainable growth and investment in people." Short and sweet.

Bank Factoids

- Lending: Almost \$20 billion per year, over \$200 billion in outstanding loans
- Knowledge: WDR, Research, and more
- The World Bank Group: IFC, MIGA, IBRD (The World Bank proper), IDA, and ICSID.
- Cambodia is eligible to borrow only from IDA, the Bank's concessional loans window

About Cambodia's Economy

- What don't we know? A lot!
- What makes Cambodia similar to other developing countries? It's poor, really poor!
- What makes Cambodia different?
- What does development mean? Not just GDP (income), but Human Development.
- Why should we care? Increase HD and you increase productivity, which makes wages ↑

Some Stats on Cambodia (Or, what we think we know...)

- \$290 per capita GDP (hug a Civil Servant)
- Life expectancy: 54 years (EAP: 69; LI: 63)
- Access to safe water: 13% (77% & 74%)
- More than 1/3 in poverty, and of those 90% in the countryside! Phnom Penh is rich!
- 4.5% GDP growth in 1999 after some pretty bad recent years beginning in mid-1997

Some More Stats!

- Child malnutrition (% of children under 5): 38% (20% in East Asia & Pacific)
- Illiteracy (% of population 15+): 41.4% for males, 78.9% for females (EAP/LI: 15/32)
- Paved roads as of 1995: 7.5%
- Borrowed from the Bank as of 1998: \$157 million, which is not a lot considering that \$548 million committed by donors in 2000

Progress in Forestry (Or, some good news for a change!)

- In 1996, I was at the Government Palace, sitting in on a pre-CG meeting. Here's what happened.
- Four years later, the Government names Global Witness as its independent monitor on forestry.
- In 1996: \$14 m³
- Today: \$54 m³

So what's the Bank doing in Cambodia? (1)

- Loans: The Bank has 11 active projects in Cambodia in the following sectors: Agriculture, Economic Policy, Environment, Education, Public Sector Management, Social Protection, Water Supply & Sanitation, HNP.
- Economic & Sector Work: It has dozens of papers which are supposed to build our

So what's the Bank doing in Cambodia? (2)

- ESW cont'd: “Knowledge”. The Poverty Assessment is one example. Every few years, a Forestry Paper comes out.
- Training for Cambodian government officials, especially in the project implementation/management units.
- CG: The Bank chairs the Consultative Group meetings each year (Paris, Tokyo, and now Phnom Penh 2002!).

What Is Still Needed? (1)

- Tax collection still needs to improve
- Budget process transparency--typically MoF would be in charge anywhere else, but not here, everyone has their own “budgets”
- Land disputes clogging up the courts--underscores the importance of the Rule of Law not just for the respect of democratic principles but for private property rights

What Is Still Needed? (2)

- Demobilization remains a sticky issue and above all, C-O-R-R-U-P-T-I-O-N
- One thing you learn quickly in Cambodia is that TALK IS CHEAP (for the Minister)
- Actually, it's quite expensive to the Cambodian people. Expat consultants making money hand over fist, Ministers talking the talk--but where's the walk?

Okay, so we know a little about the Bank and about Cambodia

- And we all know how a little knowledge can be dangerous...
- Does the Bank know everything? NO!
- Has the Bank made mistakes in the past? YES!
- Will the Bank ever get its money back on Cambodia? It better!
- Will Cambodia ever develop? Definitely!

– Any questions?