EXECUTIVE SUMMARY

Cambodia introduced its first national cash transfer programme for the poor and vulnerable households during COVID-19 on June 24, 2020 in a landmark move to support the poor and vulnerable during the COVID-19 pandemic. The programme has been an unparalleled achievement and the understanding of its impact is critical to inform the country’s investment in social protection.
A socioeconomic impact assessment of the cash transfer initiative was therefore conducted from 2020 until 2021 by the United Nations Development Programme and the General Secretariat for the National Social Protection Council.

Utilizing data from the Cambodia Socio-Economic Survey 2019 and propensity score matching, the study first analyzed the characteristics and welfare differences between IDPoor and non-IDPoor households prior to the roll out of the cash transfer programme. It found that the country's national IDPoor identification programme provided robust support for households to access healthcare; however, any additional impacts were not clearly realized at this stage.

Through the introduction of the COVID-19 cash transfer programme; however, a seven-month longitudinal study found significant positive impacts across human development dimensions and socioeconomic indicators including food security, nutrition, children's education, savings, debt repayments, productivity, healthcare, gender empowerment, and perception of local and national governments. The findings also dismissed concerns over potential idleness among recipients of the cash transfers.

At a macroeconomic level, economy-wide modelling also suggested that the cash transfer programme helped to slow the loss of development gains achieved over the last two decades and to stimulate economic growth, reduce poverty, and create local employment in Cambodia.

Policy recommendations to enhance the success of the cash transfer programme include extending its implementation during COVID-19 recovery, expediting IDPoor household registration and improving the programme's targeting mechanism, as well as reviewing communication channels and improving financial literacy among recipients.
I. INTRODUCTION AND BACKGROUND

The global shock resulting from the COVID-19 pandemic has had a significant effect on Cambodia’s economy, particularly on its key drivers of growth. As a result, the country’s gross domestic product (GDP) contracted by 3.1% in 2020 and the poverty rate increased considerably. The shrinking economy has affected all population groups in Cambodia, but none more severely than the poor and most vulnerable.

To counteract the impacts of the pandemic, June 24, 2020 marked the first time in history that the Government of the Kingdom of Cambodia rolled out the rapid cash transfers at scale, through the use of the national IDPoor identification system. The COVID-19 Cash Transfer Programme for the Poor and Vulnerable Households has since supported 700,000 households who are among the poorest, the most vulnerable, and the most impacted by the pandemic with temporary cash assistance. This is an incomparable accomplishment and sets precedent for Cambodia to put people at the centre of its recovery and development efforts.

In order to inform decision-making for further investment and strengthen social protection system, the United Nations Development Programme in Cambodia and the General Secretariat for the National Social Protection Council undertook a socioeconomic impact assessment of the cash transfer programme.

The assessment utilized a three-pronged approach by:
(i) analyzing the characteristics and welfare differences between IDPoor and non-IDPoor households prior to the COVID-19 cash transfer programme to establish a baseline;
(ii) assessing the impacts of the cash transfer programme on households across a number of human development dimensions and socioeconomic indicators; and
(iii) examining the macroeconomic impacts of the programme on economic growth, poverty reduction, and employment creation.
II. WELFARE DIFFERENCES BETWEEN IDPOOR AND NON-IDPOOR HOUSEHOLDS PRIOR TO THE COVID-19 CASH TRANSFER PROGRAMME

In order to establish a baseline study for future evaluation of the IDPoor programme and its use in policy interventions to support the poor and vulnerable households, differences between IDPoor and non-IDPoor households with similar welfare characteristics were analyzed. A propensity score matching method was used to control for the different characteristics between the two types of households with data from the 2019 Cambodia Socio-Economic Survey, which is representative of approximately 10,000 samples collected prior to the roll out of the COVID-19 cash transfer programme.

Key Findings

IDPoor households were found to have spent 26.6% less than non-IDPoor households on per capita healthcare expenditure. In other words, each IDPoor household member spent approximately US$2.5 per month less than each non-IDPoor household member. However, the gaps between the two groups with respect to the remaining outcome variables – per capita food consumption, income, major expenses, and school dropout rates – become statistically insignificant after propensity score matching.

This suggests that the IDPoor programme had a positive impact on healthcare programmes for households with IDPoor cards, while other impacts were not clearly realized before the roll out of the COVID-19 cash transfer programme.

This differential may be attributable to the equity cards provided to the IDPoor households to access or utilize healthcare services free of charge at public health facilities.

The impacts on additional key welfare outcomes such as children’s nutrition, vaccination rates, maternal health, and student test scores supported by other programmes (e.g., the cash transfer for pregnant women and children under two years of age and the scholarship and school feeding programme for poor students) were not assessed in this study due to data limitations.


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A longitudinal study was conducted to evaluate the impacts of the COVID-19 cash transfer on households, based on selected human development and socioeconomic indicators including healthcare, nutrition, education, and social inclusion, with the aim of contributing to monitoring and evaluation, programmatic adjustment, and the design of future cash transfer interventions.

The study took place over the course of seven months and included three rounds of data collection with sample households and relevant village chiefs between December 2020 and June 2021. The sample households were chosen through random sampling, amounting to a total of 1,000 respondents in 50 villages (40 rural and 10 urban), of which 400 households were beneficiaries of IDPoor social assistance and 600 households were non-beneficiaries. To evaluate the impacts of the COVID-19 cash transfer programme, the propensity score matching method was once again used.

Key Findings

Almost all IDPoor cardholders in the sample have received at least one cash transfer since June 2020. With the on-demand IDPoor process being implemented - which allows households that have recently fallen into poverty to apply for financial assessment to determine their eligibility for the cash transfer without waiting for the regular three-year poverty listing cycle - more IDPoor cardholders were added in each of the data collection rounds. The sample size of households receiving the cash transfer therefore increased from 400 households in the first round to 413 households by the third round.

On average, each poor and vulnerable household received around US$50 per month. Most recipients (92%) spent the cash received on food, followed by medicine (33%), household and utility expenses (17%), debt repayment (11%), and children’s education (10%) (Figure 1).
ប្រទេសបារាំង ឬឯកសារទំព័រចុងក្រោយ បំពេញប្រទេសបារាំង បំពេញបារាំង បំពេញប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំង ប្រទេសបារាំgements
រូបភាពទ្រឹសៃ២. បចែងនេះការអន់ុវិត្តតកម្មមវិិធីីឧបត្តថម្មភសាច្ប្រាះះក់

អកទទួលផលពីការវិធីីឧបត្តម្មីលីកីក់ជូនគរកីកមិនយរងេះកងអំឡិងពលបយុទនឹងជំងឺកូវីដ-េ១៩ចំនួនតិចតួចែដលខីបំណាក់បង់បង់សិកការង់ើយនាមបរបរិគ្របីពេញក់សប់សនំខះបង់បំរួលទិនន័យ។ នេះបង់ការវិធីីឧបត្តម្មីលីកីក់មិនណែតការទឹកចិតីលីមនុសជិលការសសំចូលរងកុមេលេកកុមែដលមិនទទួលនិយវិធីីឧបត្តម្មីលីកីក់មិនក់សប់សនំខោលីជំក់េបុក់សិវិភូរៈពៃន់សរ៍កលមសពោលនិងតិន៍ក់េបុក់សិវិភូរៈពៃន់រេជឿក់ខស់េនិងរដាសលំង់ាាតិន៍ក់េបុក់សិវិភូរៈពៃន់រេផរេច់េក់សប់ីសតិន៍ក់តិន៍ក់េបុក់សិវិភូរៈពៃន់នេចចេសតិន៍ក់េបុក់សិវិភូរៈពៃន់រេទោីក់ឬម៉ែន៍ក់េបុក់សិវិភូរៈពៃន់រេទោីក់ឬម៉ែន៍ក់េបុក់សិវិភូរៈពៃន់
The study found that as many as 99% of the recipients were satisfied with the current transfer mechanism, and 92% preferred cash to other types of support. Reported issues with the programme increased during the three rounds of data collection, although most reported cases were related to the time taken to receive the cash (46 cases) and the waiting time at Wing branches to pick up the cash (32 cases).

### Gender Dynamics and Considerations

Informed by the United Nations Development Programme's gender sensitive assessment framework, the study also looked into outcome differences by gender and gender dynamics in households. It found that more than 75% of the surveyed households reported that women are the main decision makers on daily household expenses, with a similar rate for decisions on cash transfer spending. However, households in urban villages tended to have a lower prevalence of women making decisions on daily expenses and use of the cash transfer.

The study also suggests that more attention is needed for women-headed poor and vulnerable households when it comes to food group consumption, as they appeared to have lower levels than those households that were headed by men.
Figure 2. Impacts of the cash transfer programme on households

1. COVID-19 cash transfer recipients are less likely to take additional loans.
2. COVID-19 cash transfer recipients are less likely to have their children (aged 6-18 years old) dropped out of school.
3. COVID-19 cash transfer recipients are more likely to report having enough food to eat, compared with non-recipients.
4. COVID-19 cash transfer recipients are more likely to have cash savings.
5. The income earner ratio difference between COVID-19 cash transfer recipients and non-recipients is not significant based on the second and third rounds of data collection. This suggests that the cash transfer programme is not encouraging idleness by disincentivizing recipients from finding employment.
6. COVID-19 cash transfer recipients have significantly higher positive perceptions of national government and local authorities in terms of their trustworthiness, improvement of services, and cash transfer transparency.
កម្មវិធីឧបត្ថថម្មភសាច់ប្រាាក់ ៤. បច័យាមាាគ្រួកូង្ខេសដាឋកិច័នៃនកមមវិធីឧបតាថមភសាច់គ្រួបាាក់ កា��អំឡុ��ង្ខេពលគ្រួបយាុទ្ធធនឹ�ជំំ�ឺកូវីដា ១៩ ដើើម្មាបីីវាឯត្ថម្លៃាាលើើបច់័�យកុ�ងកម្រិាិត្ថមាាាក្រីា�សេាដឋកិច់័នៃាកម្មមវិិធីីឧបត្ថថម្មភសាច់់ប្រាាក់ ដូច់ជាលើើកំណើើន ផ.សំ.សំ. ការងារ និងភាពីក្រីាីក្រីាីក្រីានៅកម្មុ�ជា, វិិធីីសាសំត�ធ្វើែើត្រាាប់ សាានភាពីសេាដឋកិច់័ទាំំងម្មូល (economy-wide simulation approach) ត្រូវិបានប្រើាើប្រាាសំ់។ គំរូនេះា� ប្រើាើប្រាាសំ់តារាងមាាាទ្រាីសំគណៈនេះាយាយសំងគម្ម ឆ្នាំំាំ២០២០ របសំ់កម្មុ�ជាជាគោល ដែលនេះា�ជាកំណែាបច់័�បាបីនុភាពីនៃាតារាងមាាាទ្រាីសំឆ្នាំំាំ២០១៤ ដែលត្រូវិបានរៀៀបច់ំឡើើង ដើើម្មាបីីវាឯត្ថម្លៃាាលើើបច់័�យដែលការ វិិនិយោគសាធ្លារណៈមានលើើវិិសំ�យដំឡុ�ងម្មីរបសំ់ប្រាទេាសំនេះា�។ របកគំំហើើញសំខាន់ៗ ការប្រើាើប្រាаសំ់គំរូនេះា� បានរកឃើើញថា កម្មមវិិធីីឧបត្ថថម្មភសាច់់ប្រាាក់កុ�ងអំំឡុ�ងពេាល ប្រាយុទ្ធធនឹងជូំងឺកូវិីដ-១៩ បានជូួយពីនាយឺត្ថការបាត្ថ់បង់ផលនៃាការអំភិិវិឌ្ាឍដែលសំម្រេាាច់បាននៅកុ�ងរយ�ពេាលពីីរទ្ធសំវិត្ថាសេរ៍ច់ុងក្រោាាយ និងបានជូួយជូំរុញកំណើើនសេាដឋកិច់័ កាត្ថ់បនថយភាពីក្រីាីក្រីា និងបង្កេេើត្ថការងារនៅតាម្មម្មូលដាានកុ�ងប្រាទេាសំកម្មុ�ជា។ ជាពីិសំកម្មមវិិធីីឧបត្ថថម្មភសាច់់ប្រាាក់ បានផតល់នូវិច់ំណៈូលបន្តែថាម្ម ដល់ក្រីាុម្មគ្រួ�សារដែលរសំ់នៅកុ�ងភាពីក្រីាីក្រីា ដូច់ជា គ្រួ�សារដែលគាំះានដីកសំិករខាំាត្ថត្ថូច់គ្រួ�សារដែលម្មិនធ្វើែើស្រែាាច់ំការ និងគ្រួ�សារដែលមានកម្រិាិត្ថអំប់រំទាំប។ រូបទ្ធី ៣ បងាាាញពីីបច់័�យគួរឱ្ាយកត្ថ់សំមាាាល់ ដែលកម្មមវិិធីីនេះា�មាន លើើសាានភាពី មាាាក្រីា�សេាដឋកិច់័។

**ការបញ្ចូលរូបមន្ត**

![Image]

**សេចក្តីប្រការ**

- **សួងសេចក្តីប្រការ**
  - បីបប់ (0.55%)
  - ឬបីបប់ (0.65%)

- **ការប្រការ**
  - អ៊ីនេណម៉ា (0.85%)
  - អ៊ីនេណម៉ា (0.95%)

- **ការប្រការ**
  - អ៊ីនេណម៉ា (2.7%)
  - អ៊ីនេណម៉ា (3.4%)
IV. MACROECONOMIC IMPACTS OF THE COVID-19 CASH TRANSFER PROGRAMME

To assess the macroeconomic impacts of the cash transfer programme on GDP growth, employment, and poverty in Cambodia, an economy-wide simulation approach was used. The model is based on Cambodia’s 2020 social accounting matrix, which is an updated version of the 2014 matrix developed to assess the impacts of public investment on the country’s cassava sector.

Key Findings

Modelling revealed that the COVID-19 cash transfer programme helped to slow the loss of development gains achieved over the last two decades and to stimulate economic growth, reduce poverty, and create local employment in Cambodia. The cash transfers have, in particular, augmented the incomes of poverty-stricken household groups such as the landless, small farmers, non-farm households, and households with lower education levels. Figure 3 outlines the significant macroeconomic impacts of the programme.

COVID-19 Cash Transfer Programme

- **PZLZ[PTH][LKV**

<table>
<thead>
<tr>
<th>Impact</th>
<th>Increase/Decrease</th>
<th>Year 1</th>
<th>Year 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP growth</td>
<td>0.55%</td>
<td>2020</td>
<td>0.45%</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>0.57%</td>
<td>2020</td>
<td>0.62%</td>
</tr>
<tr>
<td>Poverty rate</td>
<td>2.7%</td>
<td>2020</td>
<td>3.4%</td>
</tr>
</tbody>
</table>

Figure 3. Macroeconomic impacts of the cash transfer programme
៣. មេប្រយុទ្ធភាព

៣.១ ការអនុវត្តន៍អនុវត្តបានក្លាយជា ប្រាកដម្លើងពេលប្រារព្ធដ៏មិនអាចដឹងពីលក្ខណៈនេះ។

៣.២ ការអនុវត្តន៍អនុវត្តបានក្លាយជា ប្រាកដម្លើងពេលប្រារព្ធដ៏មិនអាចដឹងពីលក្ខណៈនេះ។

៣.៣ ការអនុវត្តន៍អនុវត្តបានក្លាយជា ប្រាកដម្លើងពេលប្រារព្ធដ៏មិនអាចដឹងពីលក្ខណៈនេះ។

៣.៤ ការអនុវត្តន៍អនុវត្តបានក្លាយជា ប្រាកដម្លើងពេលប្រារព្ធដ៏មិនអាចដឹងពីលក្ខណៈនេះ។

៣.៥ ការអនុវត្តន៍អនុវត្តបានក្លាយជា ប្រាកដម្លើងពេលប្រារព្ធដ៏មិនអាចដឹងពីលក្ខណៈនេះ។

៣.៦ ការអនុវត្តន៍អនុវត្តបានក្លាយជា ប្រាកដម្លើងពេលប្រារព្ធដ៏មិនអាចដឹងពីលក្ខណៈនេះ។

៣.៧ ការអនុវត្តន៍អនុវត្តបានក្លាយជា ប្រាកដម្លើងពេលប្រារព្ធដ៏មិនអាចដឹងពីលក្ខណៈនេះ។

៣.៨ ការអនុវត្តន៍អនុវត្តបានក្លាយជា ប្រាកដម្លើងពេលប្រារព្ធដ៏មិនអាចដឹងពីលក្ខណៈនេះ។

៣.៩ ការអនុវត្តន៍អនុវត្តបានក្លាយជា ប្រាកដម្លើងពេលប្រារព្ធដ៏មិនអាចដឹងពីលក្ខណៈនេះ។
V. POLICY RECOMMENDATIONS

Based on the findings, six policy recommendations are proposed to enhance social protection support for the poor and vulnerable households:

i. The Government is advised to extend the implementation of the cash transfer programme, at least during the COVID-19 recovery period, considering available fiscal space weighed against other priorities. The programme has shown significant impacts, especially in terms of protecting the poor and vulnerable households from increased food insecurity and poverty.

ii. Although the ODIDPoor process was being implemented during the study, the IDPoor registration procedure should be further expedited to ensure the poor and vulnerable households are more rapidly included in the programme.

iii. Efforts should be made to improve the programme's targeting mechanism, as the findings suggest some weaknesses in the identification process. Coordination among stakeholders including relevant ministries, United Nations agencies, and international and national civil society organizations is important for ensuring greater inclusion. It is also recommended to review the targeting mechanism to increase its robustness and minimize subjectivity in the identification of the poor and vulnerable households at the community level.

iv. The available communication channels to inform cash recipients at the community or village level of cash release dates should be reviewed, and a fixed cash transfer schedule should ideally be set up. Furthermore, a stakeholder engagement mechanism should be put in place to support reports or inquiries in the case of cash either not being received or only being partially received.

v. Financial literacy needs to be raised among cash recipients, particularly when it comes to the relationship with financial service providers and direct information on cash transfers (e.g., transfer amount, possible fees deducted by the service provider if applicable, transfer/code security, withdrawal receipts, etc.). An assessment of service provider performance could also be useful to improve the mechanism.

vi. Finally, it would be helpful to disseminate information and improve understanding regarding the benefits of the IDPoor cards as the study suggests households may not be aware of, nor have taken full advantage of the IDPoor programme, such as its provision of free healthcare.