

Launch of ILO-EU Social Protection Studies in Cambodia

Somadevi Angkor Hotel, Siem Reap province, Cambodia

28 May 2013, 17:00-19:30 hours

Opening Address by Ambassador Jean-François Cautain

European Union Delegation to the Kingdom of Cambodia

Excellency Sann Vathana, Deputy Secretary General of CARD, H.E Heng Sour, Representative of Ministry of Labour and Vocational Training,

Mr Maurizio Bussi, Director of ILO Office in Bangkok

Government representatives, Development Partner Colleagues, Members of the media, Ladies and Gentlemen,

After 3 years of hard work with Government, representatives of employers and workers, developments partners and other stakeholders, I am very pleased indeed to take part in the launching of these important studies related to social protection and employment in Cambodia.

Our cooperation with ILO to produce these studies and work closely with all relevant stakeholders to strengthen the social protection and employment framework reflects the European Union's commitment to support social protection systems in developing countries to promote inclusive and sustainable growth.

Indeed as you probably know, the European Commission presented in October 2011 its 'Agenda for Change' which aims at setting a more strategic approach for EU's external assistance to reducing poverty. The Agenda for Change calls for a more comprehensive approach to human development, including a focus on increased access to quality health and education services and enhanced social protection in support of inclusive growth. As a follow-up to this emphasis on social protection, the EU adopted in 2012 a Communication on Social Protection. The Communication explains the role of social protection in underpinning inclusive and sustainable development, and it outlines the role of EU development cooperation in strengthening social protection policies and systems. Social protection is a key area in our fight to reduce poverty and achieve the Millennium Development Goals.

Excellencies, Ladies and Gentlemen, the studies on social protection and employment in Cambodia we are launching today provide very useful analytical and technical information to take and implement well informed policy decisions. The studies note that many important steps have already been taken in Cambodia with regard to social protection, such as: the adoption of the Social Security Law in 2002 and of the National Social Protection Strategy (NSPS) for the Poor and Vulnerable in 2011; the

establishment of a National Social Security Fund (NSSF) for civil servants and private sector workers; the National Fund for Veterans; the Health Equity Fund for poor people; and the identification of poor and vulnerable people through the ID-Poor programme. All these recent developments reflect a clear political commitment to enhance the protection of the poor and workers as the economy continues to grow.

Cambodia has already achieved a lot in this sector, but the studies also report that Cambodia is still lagging behind its neighbours in terms of the type of coverage provided and the number of persons covered by the different schemes. Further efforts are indeed required for strengthening the institutional capacity of the NSSF and expanding its scope, notably through the planned introduction in 2013 of the Social Health Insurance and a pension branch. I would actually be very pleased to hear from Government some update in this regard. The Social Health Insurance is indeed a critical step that would benefit the health sector as a whole through additional funding in the public health system and an incentive to improve quality standards thanks to increased funding and demand of health services.

Excellencies, Ladies and Gentlemen, all these recent developments on social protection are very exciting at a time when Cambodia is preparing its new development policy framework for 2014-18 in the context of a move towards reaching the status of middle income country. It is hugely important for Government to make a clear political and financial commitment in the new National Strategic Development Plan and Rectangular Strategy to expand social protection. The continuous strong economic growth which provides important additional revenue to Government every year creates new fiscal space and makes the expansion of social protection affordable. In this regard, the studies provide very useful details about the costs of implementing different schemes. It is very important that expanding social protection is actually not seen as a 'cost' but rather as an investment, as it ultimately supports inclusive and sustainable growth, as well as improvements in the delivery of public services.

The EU is committed to support Government's efforts to expand social protection through the provision of budget support directly to the national treasury - for the time being to finance scholarships, and we are ready to consider other types of social protection schemes within the framework of our programming for 2014-2020.

Excellencies, Ladies and Gentlemen, I would like to close these brief remarks by congratulating all stakeholders who participated in the development of these studies, with a particular thanks to ILO for all their hard work in coordinating the process and providing precious technical advice. I am confident that these studies provide a solid basis for Government to fully implement the Social Security Law and the NSPS, and I look forward to see this happening in the very near future.

Thank you