

Post-Conflict Rehabilitation: Experience of the Social Fund of the Kingdom of Cambodia

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Nearly three decades of civil strife and social dislocation had rendered Cambodia one of the poorest nations in the region: it has a per capita income of around US\$280 and currently faces innumerable challenges in the rehabilitation and reconstruction of all of its physical infrastructure and the development of its human resources. With the signing of the peace accord among the warring factions in 1991, and the formation of the Royal Government in 1993 through United Nations-supervised elections that were widely regarded as free and fair, the unique opportunity to rehabilitate and reconstruct Cambodia began.

It was immediately obvious that the first priority for sustainable development was the reconstruction of physical infrastructure and the provision of social services, without which economic and social progress would be severely inhibited. For example, the inferior road systems and in some cases the complete lack thereof seriously impaired the development of the economic sector, namely agriculture, and the access to and provision of social services for the most vulnerable groups in the provinces. Despite earlier concerted efforts to improve the social services and economic infrastructure in the country, a large gap between demand and supply has persisted. The rural areas have poor access to education and health services. In addition, the rural-urban gap is pronounced in Cambodia and manifests itself in a number of ways, apart from the lack of social and economic infrastructure. Therefore, the Government, with the assistance of international partners, undertook the rebuilding of the main arteries linking the largest population centers, and concentrated on the reconstruction of schools and health services. The Government planned various programs and projects utilizing different methodologies and serving different areas. The Social Fund of the Kingdom of Cambodia (SFKC) was one such instrument. Established in 1994 as an autonomous public institution, it was to engage, in the short term, in the rehabilitation of essential infrastructure and, in the long term, it was to undertake poverty alleviation and the creation of opportunities to assist the development of small-scale infrastructure in the country.

The SFKC, with the assistance of the World Bank, became operational in late 1995 to carry out post-conflict rehabilitation of physical infrastructure. Phase I (late 1995 to mid-1999)¹ of the SFKC's program focused on the nationwide rehabilitation of infrastructure essential

¹ The second phase of SFKC's work, built on the experience gained in Phase I and designed to contribute to long-term development needs, commenced in July 1999 with an allocation of about US\$27 million and is expected to continue at least until 2002. A special feature of Phase II is increased emphasis on "sustainable use and maintenance of the facilities created" and more local community participation in planning, implementing, and managing projects.

to the population. As part of its operational strategy, the SFKC established itself as a demand-driven management instrument to finance activities that fulfilled needs expressed by the community. Based on this premise, SFKC worked directly with communities, while maintaining a liaison with line ministries for the timely delivery of assistance and the achievement of the organizational goals. It hinged on four distinct features:

- The overriding need for the rehabilitation of small-scale infrastructure, particularly social facilities and services;
- The empowerment of communities to plan and manage the implementation of local development projects;
- The development of a network of local contractors and entrepreneurs; and
- The need to contribute to the reconciliation process and a culture of peace.

During Phase I work (1995 to mid-1999), the Social Fund disbursed US\$17.5 million for 1,436 small-scale economic and social infrastructure projects, which benefited 2.4 million people. This three-and-a-half-year operation created more than 31,072 person/months of employment for skilled and unskilled workers. SFKC projects included the construction of 3,756 new classrooms, 2,767 wells, 1,435 latrines, 14,216 square meters of bridges/culverts, 24,525 cubic meters of dikes, irrigation facilities for nearly 2,600 hectares of agricultural land, 78 health centers, 49 bridges, one referral hospital, and the supply of 61,961 pieces of classroom furniture.

In particular, SFKC's contribution to the consolidation of peace and reconciliation in Cambodia was especially important in the conflict-ridden northwestern provinces of the Kingdom, through its rehabilitation of infrastructure facilities.

For Cambodia, the most significant change was the decision of the Khmer Rouge forces, which had been contesting the authority of the Royal Government of Cambodia for more than two decades, to seek peace and a political accommodation with the Government. This gradually took place after late 1996. The integration of these districts, from 1997 onwards, created a great opportunity for the Government to consolidate peace and initiate development activities, and opened up the possibility of a SFKC response to the needs of long-neglected communities in the former Khmer Rouge-controlled areas (also known as reconciliation areas), in partnership with the provincial and local authorities and nongovernment organizations (NGOs).

The rationale for SFKC's involvement in the reconciliation areas was as follows:

- Conflict had persisted in Cambodia for almost eight years after the signing of the 1991 peace accords, despite the desire of most of the remaining people contesting the authority of the Government to lay down their arms and seek peace. Contributing to the spread of peace is part of the development objectives of SFKC, and this reconciliation represented an historic opportunity for SFKC to ensure the commitment of the Royal Government.
- Most parts of the reconciliation areas are poor, covered with land mines and infested with diseases such as malaria. The people living in these areas have suffered from lack of basic services and investment due to the conflict and therefore were eligible for SFKC support.
- The provincial and local authorities approached SFKC to respond to the reconciliation opportunity in the context of SFKC's nationwide role in the rehabilitation of social and economic infrastructure.

- SFKC's capacity to provide rehabilitation assistance, while linking this assistance to integration of the former Khmer Rouge areas with the rest of Cambodia, was unique. No other national agency, at that time, had the capacity to provide rehabilitation assistance in a timely and adequate manner.

In its work, SFKC focused on two sectors: rehabilitation of primary school premises and rehabilitation of essential economic facilities such as road access, e.g., bridges and culverts that opened contact to neighboring centers or the rehabilitation of small-scale irrigation facilities. In the reconciliation areas, where about 15 percent of Cambodia's population lives, school infrastructure and bridges/culverts that facilitate access, like all other facilities, had deteriorated during the civil strife. These core activities in the reconciliation areas have become an integral part of SFKC's mandate.

This historic opportunity fitted in well with SFKC's overall strategy in three aspects:

- It expedited the delivery of rehabilitation assistance to the neediest areas, thus gaining trust of the communities;
- It built up the capacity of local institutions; and
- It promoted social mobilization among communities to work together and find common ground in local development, particularly in partnership with a government agency.

To start with, SFKC staff held discussions with the local authorities and communities in the reconciliation areas and prepared a "priority needs assessment" note. Based on this, SFKC supported rehabilitation of school premises and bridges/culverts, and was the first agency to work in many of the former conflict-ridden areas. To date, SFKC has rehabilitated 53 school premises and 16 bridges/culverts, two irrigation schemes, 700 wells, and a vocational training center with training programs benefiting more than 230,000 people.

Independent assessments also established that SFKC (both in its Phase 1 work and in its work in the post-conflict areas) met its objectives in rehabilitating essential infrastructure facilities, providing nonagriculture public works to create wage labor for short-term support, and developing the capacity of small local contractors. This approach has been seen to contribute to a sense of stability within communities and therefore is instrumental in supporting the culture of peace in the country.

One of the problems identified by these assessments relates to the dissemination of information among the partner agencies and communities that hampered the appropriate maintenance and sustainability of the facilities created. Another important operational problem that hampered the rehabilitation work of SFKC in the conflict-ridden areas, as identified by the assessments, was the limitations of line agencies' technical staff. They were constrained by a number of factors: the uncertain nature of institutional infrastructure and the way they had been trained. Further, the line agencies' staff were usually responsible for giving technical support, not just to SFKC projects but to other projects in the area. All of these circumstances contributed to discouraging field agencies' staff from putting much energy or effort into the implementation of SFKC projects, and inhibited the learning process.

The SFKC's postconflict work in the formerly Khmer Rouge-controlled zones confirms that small-scale projects generally targeted the poorer sections and contributed to raising

living standards, that they by and large met the short- to medium-term requirements of communities, and that they were implemented parallel to other development programs in the area. Independent assessments further confirmed that the key factors responsible for the timely completion of infrastructure rehabilitation in post-conflict areas were effective management and supervision, a transparent ranking process in selecting request applications for appraisal and approval, and efficient financial management.

While many believe that rehabilitation projects tend to maintain very high overhead expenses, SFKC's low overhead expenses (only 8 percent of total project costs), achieved through local partnerships and careful selection of locally produced materials for construction projects, should be seen as a good model. Support and trust from communities, local authorities, and government and private institutions, as well as cooperation with national and international organizations, have also been critical in maintaining the sustainability of SFKC-supported facilities.

Overall, the SFKC's work on the rehabilitation of infrastructure facilities during the postconflict period indicates that assistance provided through the social fund model will be constructive if the subprojects are

- small-scale and particularly targeted at the poor and at groups facing a sharp deterioration in living standards,
- designed to operate in the short to medium term, and
- implemented in parallel with other economic reforms.

As noted earlier, the SFKC subprojects were able to create short-term wage employment and help people through short-term economic stress and have served as a rapid response to mitigate starvation and chronic food insecurity among vulnerable groups.

A major challenge that confronted SFKC is the reconciliation of short-term project objectives with longer-term development issues, such as sustainability and capacity building. While SFKC was able to generate concrete results by directly channeling resources to intended beneficiaries, postconflict rehabilitation work faced formidable challenges in building capacity to better reach the poor and vulnerable and to ensure sustainable use and maintenance of the assets created. In addition, the weak institutional capacity in both the private and public sector in Cambodia made targeted actions more difficult. The SFKC's Phase II (mid-1999 to 2002), with longer-term perspectives, has been designed to address some of these concerns.