

WB

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Cambodia Demobilization and Reintegration Project

Summary of Supervision Mission Findings, and Joint Agreements between World Bank and the Council for the Demobilization of Armed Forces October 2002

I. Background

Demobilization was one of the critical areas identified in the reform program presented by the Government at the Tokyo Consultative Group Meetings in 1999. Since then, the Government, with support from several donors, has developed the Cambodia Demobilization and Reintegration Project which is funded from several sources. The Government, with technical assistance from the World Bank and Japan, conducted a complete registration of all personnel in the armed forces in 1999. The pilot project, in which 1,500 soldiers were demobilized began implementation in 2000, with grant-funding from bilateral donors. Although there was no World Bank funding involved in the pilot, the Bank played a role in coordination and implementation. Several surveys and evaluations were undertaken and the lessons learned were fed into the development of the full-scale project for the demobilization of 30,000 soldiers. The Government has already undertaken the discharge and reinsertion phase for the first 15,000 soldiers using their own budgets and funding from other donors. The second round of food distribution under the reintegration stage, to the already discharged 15,000 soldiers, financed by Japan and implemented by the World Food Program was carried out mid 2002 and is now complete.

The IDA credit for \$18.4 million was signed on October 11th 2001 and the credit became effective on 1st July 2002 once the conditions were met.

III. Progress and Project Status

Project progress

The second round of food distribution has now been completed and the process of procuring the reintegration packages is proceeding well. Three contracts have now been issued and the final contract will be signed shortly. CDAF General Secretariat (GS) has recruited a monitoring and evaluation (M&E) Advisor this month to develop the overall M&E framework and work plan. CDAF has also assigned a GS counterpart to assist the M&E Advisor. The process of updating the computerized database of military personnel continues and more than 90,000 records have now been updated. In the provinces, more than 3,400 veterans have now received assistance in the form of support and services from the concerned provincial institutions, NGOs, and the private sector. The first withdrawal application from the IDA credit has been submitted and funds transferred to the special account.

Disbursement Status

Credit/Grant Number	Credit/Grant Allocated	Credit/Grant Disbursed	Credit/Grant Remaining	% Expenditure (including commitments)
Cr 35640-KH	18,400,000	3,680,000	14,720,000	20%
NETH -50267-KH	2,000,000	0	2,000,000	0%

Fiscal Impact

Figures provided by the Ministry of Finance show that there has been a decrease in the payroll as well as the wage bill since the start of the full scale project.

Changes in Military Payroll and Wage Bill Sept '01 – Sept '02

	Sep '01	Feb '02	Sep '02	Reduction Sep'01 – Sep'02
Number on MND Payroll	130,695	114,605	112,359	18,336
Monthly MND wage bill	12,857,190,000	11,305,890,000	11,598,629,000	1,258,561,000

Overall, defense expenditures have decreased according to the table below. Compared to 1998, the budgeted defense expenditure for 2003 is 1.7 percentage points lower over GDP and 24.8 percentage points lower over recurrent expenditure, a reduction of 39.5% and 51.1%, respectively.

Changes in Defense Expenditure Sept '01 – Sept '02

Defense expenditure	1998	2000	2001	2002	2003
over GDP	4.3%	3.7%	3.2%	2.7%	2.6%
over recurrent expenditure	48.5%	37.1%	30.0%	25.7%	23.7%

IV. First Phase Issues***Reintegration Packages have not yet been delivered to demobilized soldiers***

The first 15,000 soldiers are now waiting to receive their reintegration packages a year after they were demobilized. The procurement process is now nearly complete and plans are being made to complete this phase.

PVC/ES are not sufficiently empowered to be effective implementers of the program

The PVC and ES lack equipment and capacity to undertake the tasks outlined for them. Also the current expectations for what they can do are not realistic given the realities in the field. Agreements were made to i) procure the equipment and transport allowed for, ii) to improve the information reaching the ES, and iii) to hold workshops to develop their capacity and improve their planning

Pensions not yet being paid to the majority of soldiers entitled to them,

Soldiers are still not sure of what they are, and are not, entitled to, and few soldiers are currently receiving pensions. Many soldiers will be reaching the age of retirement in the next few years and the numbers on the pension role will increase quickly and a proper social protection system needs to be put in place. It was agreed to follow up with MWVA, and also to ensure better information reaches the soldiers about their rights.

The packages may not be effective benefits for the target group

All soldiers are anxiously awaiting their packages. However, it is not known whether these packages will actually bring the expected benefits to the family of the demobilized soldiers. Many soldiers visited intend to sell the motorbikes so they can monetize the benefits. Lessons need to be learned and fed back into the project. Also, during the discharge, education needs to be provided to soldiers in basic bookkeeping and other skills that would help them to use the packages to improve their incomes.

The Government is concerned to ensure equality in terms of value and content between the cycles so at this stage the emphasis should be on finding out what the impact of the packages is and discussing the implications. All parties will try their best to ensure that such a discussions is not a factor that leads to further delay of planned implementation of the second phase of full scale demobilization. While monitoring is necessary to ensure that lessons can be learned and fed back into the project, there is a critical issue of timing so that the next discharge can proceed.. In this respect, it was agreed that the evaluation should be of the impact of the packages received in the pilot project. CDAF/GS has recruited an M&E consultant who will consider the needs and constraints. For further discussion of the M&E components, see Annex C. The framework will continue to be discussed and a final proposal submitted to the Bank.

IV. Preparations for the next Discharge

Widespread reports are that soldiers are paying commanders to get onto the list to be demobilized.

There is a high demand to be demobilized, and many soldiers meet the criteria. The competition to get onto the list is high and has apparently resulted in soldiers paying to be included in the list of soldiers to be demobilized.

Intensive efforts were undertaken by the GS in the first round of demobilization to put in place checks and balances that would reduce the risk of the wrong soldiers getting onto the lists. This list has now been checked randomly on several occasions and the information is found to be mainly accurate. According to interviews in the field, only a very small percentage of those demobilized were either civilians before demobilization, or else could not be traced.

Given the increased risk in the second round as more Category I soldiers are being demobilized, the GS has prepared a proposal for the steps needed to check the list, to be discussed with donors and civil society. The agreed proposal is included in Annex D

Also a communications strategy will be prepared so that soldiers know what their rights are, and what they will and will not have to pay for.

There is insufficient linking between demobilization and military reform

Demobilization is a process that should be feeding into and linked to military reform and yet these processes are being carried out separately. Given that all Category II soldiers will be demobilized in the next phase, a better vision of what the end result should be, and a proper strategy to transition to that end result, should be put in place before further demobilization takes place.

V. Database issues

An unknown number of soldiers registered in 1999 are not, in fact, receiving salaries

A database was created in 1999 to establish the size of the newly integrated RCAF before demobilization and to validate the credentials of all military personnel. Systems and procedures for data collection and verification were well developed and the data are well managed. Extensive steps were taken by CDAF during the registration process to verify the identity of the people that were registered, and as a result 15,551 ghost soldiers and 163,346 ghost children were removed. All of those registered, and whose names are in the database, carry cards that legally identify them as soldiers. However, there is a growing body of evidence, including the findings of several field visits by Bank missions, that suggests that despite the efforts, some of those on the database have never served in the armed forces or received salaries from the military, and others have served in the armed forces but do not receive their whole salaries.

The database contains data that is sensitive information of national security, it is therefore not possible to make any further independent or definitive check of the extent of this issue. Also, as the registration process has been well prepared and appears to have been technically sound, it is unlikely that a second full registration of military personnel will lead to different results as the issues are outside of CDAF/GS control. The CDAF/GS will therefore continue to focus their efforts on compiling accurate lists of demobilized soldiers and of finding ways in which this information can be utilized.

VI. Transparency

Mechanisms for making information available are not clear, this applies to information from the World Bank as well.

The CDAF strongly supports the principle of transparency a joint plan for transparency has been developed together with the World Bank, and is presented in Annex D. A list of documents from both parties was drawn up together with the disclosure policy for each document, and the mechanism by which it would be made available. The documents will be available in the Council of Minister's Library and also at the World Bank Public Information Center. In addition an independent forum will be asked if they can also provide access to the documents at their premises and is considered a starting point. As the project proceeds further information, or different mechanisms for dissemination may be added.

October 24, 2002

Soldiers do not receive sufficient information about the project, their rights, and their entitlements.

Just as important as information received by other stakeholders, is to ensure that the soldiers themselves have full access to information about the project, their rights, and their entitlements. A communications strategy needs to be developed. As this is an election year, the communications strategy should also include a campaign to explain that the project is funded by donors for the people of Cambodia and is not linked to any political party.

managers for the 1997 Socio-Economic Survey of Cambodia as well as the 1998 Census of Population, so finding persons with the right mix of skills should not be too difficult. As in the case of the 2001 LIDEE Khmer survey, however, they may need help in preparing the questionnaire, analyzing and presenting the data).

For the independent monitoring, it is advised that a network of NGOs led by one focal NGO be formed. Given the national scope of the demobilization exercise, a network of provincial NGOs will be needed with more NGOs concentrated in Regions 4 and 5 where the majority of demobilized soldiers are located. However, the exact mechanism and structure of the independent monitoring should be discussed within the greater NGO community.

Within their Terms of Reference, the network of monitoring NGOs could also undertake more qualitative research. They can write up case studies and document lessons learned and best practices in the field. This qualitative work will complement the quantitative survey results as well as provide rich, descriptive information regarding the changes occurring in the lives of the demobilized soldiers, their families, and the surrounding communities. Budget permitting, the NGOs may also want to undertake studies centered around specific themes such as the impact of the demobilization on female members of the household or some of the productive (or non-productive) uses of the household reintegration packages.

Grievance Procedures – The Project's grievance or complaints handling mechanism should be strengthened so that soldiers or members of the community have an outlet to air their grievances. In order for the grievance mechanism to be effective, a greater public information campaign must be launched prior to the second phase. This information campaign should include clear information regarding the criteria for selection as well as the rights of the demobilized soldiers. There is no point in putting in place a grievance mechanism if the soldiers do not know their rights. Thus, the public information campaign is a necessary prerequisite for a grievance mechanism to be effective.

Table 1: M&E Activities Based Upon Project Cycle

PROJECT EVENTS	ESTIMATED DATES	M&E ACTIVITY	M&E ACTIVITY DATE	PERFORMED BY:
		Socio-economic survey for baseline/imp act work	Baseline work as soon as possible @ Dec 2002), then periodically during project, and 6 months to 1 year after project conclusion.	NGO with skills in performing quantitative surveys.
Distribution of reintegration packages from pilot phase	2002- June 2002	Evaluation of the impact of the reintegration packages from the pilot phase	TOR/Selection of NGO by Nov 2002 Implement survey by Dec 2002	NGO will skills in performing surveys/ or NGO monitoring network

Distribution of 1 st phase reintegration packages	Dec 2002 – Jan 2003	Evaluation of use of reintegration packages	2 months after distribution, @Feb 2003	GS, PVCs, NGO monitoring network
Compilation of 15,000 list for 2 nd phase	Nov 2002- Feb 2003	Verification in the villages of sample	Dec 2002 – Feb 2003	NGO monitoring network
Discharge	March - April 2003	Verify and participate in the discharge Follow-up on use of packages	March-April 2003	PVCs, NGO monitoring network
Distribution of 2 nd phase reintegration packages	Oct – Nov 2003	Verify distribution of packages Follow-up on use of packages Writing case studies	October 2003 →	NGO monitoring network
Grievances and Handling complaints	Present ->	Receiving and investigating complaints	Present →	PVCs, GS, NGO monitoring network

The Mission recommends that the grievance mechanism be strengthened for the GS and PVCs as well as through the monitoring NGOs. The following steps are suggested:

- (a) Prior to the second phase of demobilization, CDAF launch a major public information campaign regarding the Project. Contact information regarding the handling of grievances should be included in the information packages.
- (b) The discharge orientation should include information regarding complaints/grievance mechanisms including the person(s) to contact if soldiers have problems. The discharge papers for demobilized soldiers should also include simple one-page instructions to the soldiers advising them who to contact in the future if there are problems.
- (c) PVCs and the monitoring NGOs are trained on how to handle complaints and grievances and to manage and report the information.
- (d) Both the PVCs and the monitoring NGOs should publicize their contact information (telephone and address) and assign staff members to be the "Grievance Officers". These persons will be responsible for recording the complaints and following up with the community on the complaints. The NGOs will provide a copy of the complaints to the PVC as well (and vice versa). Each month, the PVCs and NGOs will report on the complaints received and follow up action taken.
- (e) A focal person for grievances should also be assigned in the GS so that there is a focal point for the NGOs in the GS.