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ECONOMIC AND SOCIAL IMPACT ASSESSMENT OF COVID-19 IN CAMBODIA RELEASED



Phnom Penh, 08 October 2020 – A policy brief that assesses the socioeconomic impacts of COVID-19 in Cambodia was launched today by the UN Development Programme (UNDP) through careful consultation with the Ministry of Economy and Finance (MEF) and other partners.

The impact assessment uses three-models - a static general equilibrium model (CGE), a social accounting matrix (SAM) and a global trade analysis model (GTAP) – to measure impact and model scenarios that can mitigate further risks resulting from the pandemic.

The SAM allowed for the measurement of the social and distributional impacts of the pandemic, including on poverty and employment. Key findings of the assessment include the CGE model estimate that economic growth could contract from an original 6.5 percent for 2020 to –4.1 percent.

Under this scenario, the poverty rate could nearly double to 17.6 percent and unemployment could rise to 4.8 percent. A social protection stimulus of 3.5 percent of GDP, would limit GDP contraction to –3.3 percent and lessen the impact on unemployment and poverty to 4.4 percent and 14.2 percent, respectively. This social protection stimulus would prevent 570,000 people from sliding back into poverty.

“The modelling of economic and social impacts can help us better understand the impact of this global pandemic on Cambodia and how we can best design stimulus packages in response. The model has made clear that social protection is better seen as an investment than a cost – acting to both stimulate growth and alleviate poverty,” commented **Nick Beresford**, UNDP Resident Representative.

UNDP has contributed to the training of Government officials from MEF and other line ministries on a range of key modelling tools to build data, improve risk assessments through modelling and scenario building, and in turn to promote evidence-based policies that can mitigate those risks.

UNDP has also supported the rollout of the Government's COVID-19 IDPoor cash transfer programme, and later this year will trial a graduation-based scheme that delivers a combination of assets and cash to around 3,000 households.

Ends

For media inquiries, contact Mr. Im Samruol, UNDP Cambodia's Communications Analyst, at samruol.im@undp.org.

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