

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. The Asian Development Bank (ADB) has been a leading development partner in the transport sector for the last two decades. Apart from ADB, other major development partners, including the World Bank for road infrastructure, and the Japan International Cooperation Agency (JICA) for ports, road infrastructure, have provided technical assistance to the Ministry of Public Works and Transport (MPWT). The People's Republic of China (PRC), Republic of Korea, Thailand, and Viet Nam have, in recent years, provided assistance for the rehabilitation of national and provincial roads. Most assistance has been directed to restoring basic access by rehabilitating national and provincial roads. The PRC recently allocated substantial additional development funds to Cambodia, which will partially be allocated to rehabilitating and upgrading existing infrastructure, and to financing new projects. The Mekong River Commission has assisted a program for improving navigation on the Mekong River, which will help in modernizing inland water transport. JICA and other development partners are providing assistance in addressing the issues of road safety and human trafficking. However, much more support is needed to improve the rural road network. Germany has financed the upgrading and/or rehabilitation of rural roads under the tertiary road improvement programs. ADB, the Export-Import Bank of Korea, and the Nordic Development Fund recently financed the upgrading of rural roads to bitumen pavement under the Rural Roads Improvement Project.¹

2. The government's poverty reduction strategy for 2009–2013 (the Rectangular Strategy for Growth, Employment, Equity, and Efficiency, Phase II) emphasizes generating economic growth through the private sector, with rehabilitation and development of the country's physical infrastructure as a necessary precondition.² This includes a strong focus on roads, on which the country's economy is largely dependent. ADB's country partnership strategy, 2011–2013 for Cambodia focuses on poverty reduction in line with the government's socioeconomic development priorities. The CPS focuses on two strategic objectives: (i) inclusive economic growth by providing physical infrastructure, as well as interventions in other development activities such as vocational training, agriculture, and finance sector development; and (ii) social development and equity. Given the indirect impacts of the global economic crisis, the strategy seeks to do this by diversifying the sources of rural growth and bolstering poverty reduction efforts. The geographic focus of rural livelihood efforts continues to be the Tonle Sap Basin, where most of Cambodia's rural poor live. ADB's country operations business plan, 2013–2015 includes three road projects: (i) the Rural Roads Improvement Project II for 2014, to connect rural roads to the national network and improve access to markets and social services for the rural poor; (ii) Greater Mekong Subregion (GMS) Deepening Connectivity of the Southern Economic Corridor Project planned for 2015; and (iii) Second Road Asset Management Project for 2015.

¹ ADB. 2010. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to the Kingdom of Cambodia for the Rural Roads Improvement Project*. Manila (Loan 2670).

² Samdech Akka Moha Sena Padei Techo Hun Sen, Prime Minister of the Kingdom of Cambodia. 2008. *Rectangular Strategy for Growth, Employment, Equity and Efficiency, Phase II*. Phnom Penh.

Major Development Partners

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Development Partner	Project	Duration	Amount (\$ million)
Roads			
ADB	Rehabilitation of NR33	2009–2011	18.0
	Rehabilitation of NR56	2009–2012	33.0
ADB and OPEC	GMS Improvement of NR5 and NR6	2005–2010	77.5
ADB, World Bank, Australia	Road Asset Management Project	2008–2013	58.8
People's Republic of China	Rehabilitation of NR76	2008–2012	52.0
	Rehabilitation of NR62	2009–2012	52.6
	Rehabilitation of NR57	2008–2012	42.0
	Prek Tamak O Raing Ao–Anlung Chrey Road	2007–2011	77.5
	Rehabilitation of NR62 and provincial road N210	2008–2012	57.0
	Reconstruction of NR78	2008–2011	55.0
JICA	Improvement of NR1	2003–2012	68.0
	Rehabilitation of NR6A, NR6, and NR7	2010–2012	25.0
Republic of Korea	Reconstruction of NR3	2008–2011	37.0
	NR31 and 33, and provincial road N117 Kampot	2009–2012	35.0
Kuwait	Rehabilitation of Thmor Kor–Bavet–Sampov Lun	2010–2012	58.8
RGC	Rehabilitation of NR68	2009–2012	54.0
Thailand	Rehabilitation of NR67	2007–2010	32.5
Viet Nam	Improvement of NR78	2007–2009	25.8
World Bank	Provincial and Rural Infrastructure Project	2004–2009	16.6
Railways			
ADB, OPEC, Malaysia, Cambodia Government	Rehabilitation of the railway in Cambodia	2008–2013	142.0
Major bridges			
People's Republic of China	Construction of Prek Tamak Bridge	2007–2010	43.5
	Construction of Prek Kdam Bridge	2007–2010	29.0
JICA	Construction of Neak Loeung Bridge	2010–2013	74.0
Viet Nam	Construction of Chrey Thom Bridge	2009–2011	22.7
Shipping Ports			
JICA	Sihanoukville port free zone stages 1 and 2	2006–2012	38.0
	Renovation of Sihanoukville quay II	2006–2009	40.0
	Sihanoukville east port for offshore petroleum	2009–2015	67.0

ADB = Asian Development Bank, GMS = Greater Mekong Subregion, JICA = Japan International Cooperation Agency, NR = national road, OPEC = Organization of Petroleum Exporting Countries, RGC = Royal Government of Cambodia.

Source: Asian Development Bank.

B. Institutional Arrangements and Processes for Development Coordination

3. The Government–Development Partners Committee provides a forum for the government and development partners to establish and sustain a consensus on aid effectiveness principles. Arrangements for implementation of related policy initiatives are identified, facilitated, and reviewed. The committee has 19 technical working groups, including the Infrastructure and Regional Integration Technical Working Group (IRITWG). Cooperation discussions and performance monitoring in the transport sector are undertaken in the context of IRITWG chaired by MPWT and co-chaired by JICA. Other relevant ministries that manage infrastructure programs, including the Ministry of Rural Development (MRD), and key development partners in the sector participate in the quarterly IRITWG meetings. As a member of the IRITWG, ADB has played an effective role as catalyst and coordinator, creating platforms for coordination and cofinancing, mobilizing resources, and bringing together different stakeholders to achieve a consensus on policies and programs in the transport sector.

C. Achievements and Issues

4. Experience from ADB-financed projects indicates that MRD is strongly committed to implementing rural infrastructure projects. Good progress has been made in rehabilitating about 505 kilometers (km) of rural roads in seven provinces mainly around Tonle Sap Basin under the Rural Roads Improvement Project, financed by ADB, Export-Import Bank of Korea, and Nordic Development Fund. Completed projects in the roads subsector have been successful in raising the general efficiency of the transport sector through reduced vehicle operating costs, shorter travel times, and achievement of robust economic rates of return. However, much remains to be done as most of the approximately 40,000 km of rural roads are still in poor condition and impassable during the wet season. The project will improve about 729 km of rural roads in nine provinces to bituminous and concrete paved condition.

5. Several issues need to be addressed to ensure sustainability and minimize adverse environmental and social impacts. Road maintenance funds are not adequate and a comprehensive road maintenance management system is lacking. The road asset management component under the project will improve road asset management in a sustainable manner through a strong capacity-building program. The program will continue interventions initiated under the Rural Roads Improvement Project, including the overloading prevention program for rural roads to efficiently manage road assets. The road safety and safeguard program of the project will address the adverse impacts of rural road projects, including poor road safety and transmission of HIV/AIDS and human trafficking. The project will also strengthen MRD capacity to provide efficient support for project management and will promote employment and gender impacts in rural communities.

D. Summary and Recommendations

6. The Rural Roads Improvement Project improved the condition of 500 km of rural laterite roads by paving them with double bituminous surface treatment and ensuring climate change adaptation. For the sustainable development of rural roads and reduction of poverty in rural areas, ADB should continue to support improvement of the rural road network. The provision of paved rural roads is an essential part of Cambodia's strategy for poverty reduction through better access to economic opportunities and services. The expansion of paving of about 729 km of priority rural roads will contribute to Cambodia's economic growth and poverty reduction by providing all-year, all-weather access to rural communities.