

## DEVELOPMENT COORDINATION

### A. Major Development Partners: Strategic Foci and Key Activities

1. The Asian Development Bank (ADB) is a key development partner in Cambodia's transport sector. The sector has also received assistance from other major development partners, such as the Japan International Cooperation Agency (JICA) and the World Bank, since the 1990s. The People's Republic of China (PRC), the Republic of Korea, Thailand, and Viet Nam have, since 2000, provided assistance in rehabilitating national and provincial roads. Most of this assistance was directed at restoring a basic level of access to these roads. JICA has financed major port projects in Preah Sihanouk province since 2006. The Government of Germany focused its assistance on upgrading rural roads under the tertiary road improvement programs, while ADB is now financing the improvement of about 505 kilometers of rural roads. Yet much remains to be done in improving the provincial and rural road networks. The Table 1 summarizes transport projects financed by major development partners.

2. The government's national strategy for growth is set out in the Rectangular Strategy Phase III (2013–2018). It emphasizes the need for development of physical infrastructure with three other core areas (agriculture promotion, private sector development and employment, and capacity building and human resource development). It includes a strong focus on the road subsector, on which the country's economy is largely dependent. In line with this, ADB's country partnership strategy, 2014–2018 for Cambodia aims to foster inclusive economic growth and social development and equity. ADB's country operations business plan, 2016–2018 included two road projects during this period. The Provincial Roads Improvement Project and Provincial Roads Improvement Project Additional Financing were to improve connectivity in the country and around the border areas with Viet Nam. This will be complemented by the ongoing Second Rural Roads Improvement Project, approved in 2015, to rehabilitate and maintain 1,200 km of rural roads to improve the rural poor's access to markets and social services.

**Table 1. Transport Projects financed by Major Development Partners**

Development Partner	Project Name	Duration	Amount (\$ million)
<b>Road Transport</b>			
ADB	GMS Phnom Penh to Ho Chi Minh City Highway	1998–2006	40.0
ADB	Provincial Roads Improvement Project	2011–2018	79.3
ADB	Provincial Roads Improvement Project Additional Financing	2016–2018	6.0
ADB–Australia	Primary Roads Restoration	1999–2006	68.0
ADB–OFID	GMS Cambodia Road Improvement	2002–2010	77.5
ADB–Australia	GMS Southern Coastal Corridor	2008–2013	18.7
ADB–Australia	Road Asset Management	2009–2013	10.8
ADB–Republic of Korea	GMS Northwest Provincial Roads Improvement	2009–2014	47.9
ADB–Republic of Korea–Norway	Rural Roads Improvement	2010–2016	68.6
ADB–Republic of Korea–France–Australia–Norway	Rural Roads Improvement II	2014–2020	118.2
Germany	Tertiary Roads Improvement	2005–2008	12.0
Germany	Roads Improvement	2008–2011	7.8
Japan	Improvement of NR1, Phnom Penh–Neak Loeung	2003–2012	80.0
Japan	Construction of Neak Loeung Bridge	2011–2015	134.0
Japan	Rehabilitation of NR6, Kampong Cham–Chob	2001–2003	19.0

<b>Development Partner</b>	<b>Project Name</b>	<b>Duration</b>	<b>Amount (\$ million)</b>
PRC	Rehabilitation of NR76	2008–2012	52.0
PRC	Rehabilitation of NR62	2009–2012	52.6
PRC	Rehabilitation of NR57	2008–2012	42.0
PRC	Rehabilitation of NR62 and PR210	2009–2012	57.0
PRC	Construction of NR8	2007–2011	77.5
PRC	Reconstruction of NR78	2008–2011	55.0
PRC	Construction of Prek Tamaek Bridge	2007–2010	43.5
PRC	Construction of Prek Kdam Bridge	2007–2010	29.0
Republic of Korea	Reconstruction of NR78	2008–2011	37.0
Republic of Korea	Rehabilitation of NR31, NR33, and PR117	2009–2012	35.0
Thailand	Rehabilitation of NR57	2007–2010	32.5
Viet Nam	Improvement of NR78	2007–2009	25.8
Viet Nam	Construction of Chrey Thom Bridge	2009–2011	22.7
World Bank	Provincial and Rural Infrastructure	2004–2011	16.6
World Bank	Road Asset Management	2009–2013	30.0
World Bank	Ketsana Emergency Reconstruction and Rehabilitation	2010–2014	40.0
World Bank	Road Asset Management II	2016–2022	60.0
<b>Rail Transport</b>			
ADB–OFID– Australia– Malaysia	GMS Rehabilitation of the Railway in Cambodia	2006–2013	141.6
<b>Air Transport</b>			
ADB	Siem Reap Airport	1996–2003	15.0
<b>Water Transport</b>			
Japan	Sihanoukville Port, Stage 1 and 2	2006–2012	38.0
Japan	Renovation of Sihanoukville Quay II	2006–2009	40.0
Japan	Sihanoukville East Port for Offshore Petroleum	2009–2015	67.0

ADB = Asian Development Bank, GMS = Greater Mekong Subregion, NR = national road, OFID = OPEC Fund for International Development, PR = provincial road, PRC = People's Republic of China.

Source: Asian Development Bank.

## **B. Institutional Arrangements and Processes for Development Coordination**

3. ADB, the World Bank, and bilateral development partners regularly participate in the Infrastructure and Regional Integration Technical Working Group (IRITWG) meetings that commenced in 2006. The IRITWG provides a forum in which the government and development partners can establish and sustain a consensus on aid effectiveness principles. Through the IRITWG, arrangements for implementation of related policy initiatives can be identified, facilitated, and reviewed. Discussions and performance monitoring are also undertaken in the context of this working group, which is chaired by the minister of public works and transport. 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.

4. Stakeholder participation and consultation was undertaken during the feasibility study and project processing. Further discussions and consultations with relevant agencies and affected communities is being undertaken during project implementation.

### **C. Achievements and Issues**

5. ADB and other development partners have substantially contributed to improvements in Cambodia's transport sector. Progress has been made in increasing transport efficiency by reducing vehicle operating costs and travel times, and enabling robust economic growth. Technical assistance projects have contributed to better transport planning and policy making, aimed at improving efficiency and resource allocation, although the policies remain drafts. The sustainability of the road subsector is being improved through the mechanism and initiatives introduced under the Road Asset Management Project, cofinanced by ADB, Australia, and the World Bank. Traffic safety has improved as a result of a better regulatory environment and through loan funding to support the government's National Road Safety Action Plan. Enforcement of the law is now essential.

6. Despite these achievements, the transport sector still needs more institutional and sector development support, which is evident in (i) an incomplete national and regional transport policy and incomplete regulatory frameworks, as well as low institutional capacity; (ii) low private sector participation; (iii) incomplete and inefficient transport infrastructure networks, especially for provincial and rural roads, and railways; and (iv) lack of transport network sustainability caused by low maintenance capability, vehicle overloading, low climate change resilience, and poor traffic safety. This project and other proposed ADB-financed road projects will tackle these issues in a systematic way, in coordination with the technical assistance and transport projects financed by other key development partners.

### **D. Summary and Recommendations**

7. ADB missions discussed the project with the Agence Française de Développement, the Government of Australia's Department of Foreign Affairs and Trade, JICA, the Export-Import Bank of Korea, and the World Bank to ensure that it was consistent with the government strategy and that it did not overlap with the programs of other development partners. The IRITWG has highlighted the need for all development partners to align their sector development programs and projects with the government's ongoing programs of decentralization and deconcentration, and public financial management initiatives to ensure strong interdisciplinary links, and to support the development of institutional capacity and human resources. ADB was the IRITWG cofacilitator, with JICA, until 2007. Since this is a strategic role in the sector, it is recommended that ADB increase its involvement in the activities of the IRITWG and its Land Transport Sub-Technical Working Group. This has not been achieved yet.