

Asian Development Bank & Cambodia

FACT SHEET

Table 1. Cambodia: 2014 Approved Loans, Grants, and Technical Assistance (\$ million)

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
226.00	–	7.40	21.25	254.65

– = nil.
Note: Grants and technical assistance include cofinancing.

Table 2. Cambodia: Cumulative Lending, Grant, and Technical Assistance Approvals^{a, b}

Sector	No.	Total Amount (\$ million) ^c	% ^c
Agriculture, Natural Resources, and Rural Development	70	628.85	25.34
Education	33	253.05	10.20
Energy	20	177.63	7.16
Finance	35	230.00	9.27
Health	15	79.78	3.21
Industry and Trade	13	71.14	2.87
Multisector	10	168.18	6.78
Public Sector Management	65	201.30	8.11
Transport	47	502.50	20.25
Water and Other Urban Infrastructure and Services	21	169.21	6.82
Total	329	2,481.61	100.00

^a Grants and technical assistance include cofinancing.

^b Includes sovereign and nonsovereign loans and technical assistance.

^c Total may not add up because of rounding.

Table 3. Cambodia: Cumulative Nonsovereign Financing by Product

Number of Projects	Amount (\$ million)
Loans	83.00
Equity Investments	–
Guarantees	–
B Loans	–
Total	83.00

– = nil.

The Asian Development Bank (ADB) has been supporting the Government of Cambodia since 1966, with greater development assistance being exerted from 1992. After 2 decades of conflict and international isolation for Cambodia, the 1991 Paris Peace Agreements reestablished public order and political stability.

As of 31 December 2014, Cambodia has received \$2.11 billion in ADB lending, grants, and technical assistance.

Cambodia has moved closer to lower middle-income status via resounding economic growth driven by solid performances in garment manufacture, tourism, paddy and milled rice, and construction. While this growth is expected to continue through 2015–2016, the economy remains vulnerable to exogenous shocks and natural disasters. The Cambodia Socio-Economic Survey indicated that poverty in Cambodia fell dramatically between 2007 and 2012, from about 50% to below 20%.

The 2014 Cambodia country diagnostic study identified five critical constraints to more inclusive growth. These included education and training; power supply in rural areas; roads, ports, and waterways; corruption and governance; and health services, water, and sanitation, especially outside Phnom Penh.

Cumulative disbursements to Cambodia for lending and grants financed by ordinary capital resources, the Asian Development Fund, and other special funds amounted to \$1.53 billion.

ADB-Supported Projects and Programs

ADB is Cambodia's largest multilateral development partner. In recent years, efforts have focused on the development of physical infrastructure, education, public sector management, the private and finance sectors, and the management of agriculture and natural resources.

Between 2010 and 2013, ADB-supported operations in Cambodia have produced solid development results, with 40,000 new rural households connected to electricity; 330 kilometers (km) of power transmission lines installed or upgraded; 621 km of roads constructed or upgraded, of which 268 km are rural roads; 96,000 rural households provided with access to new or improved water supply; and almost 50,000 households afforded new or improved sanitation. In education, over 205,000 students in secondary school—97,165 of whom were female students—have benefited from new or improved educational facilities, with 243 teachers trained to higher quality and competency standards.

In 2014, ADB projects totaling \$295.7 million, including \$62.3 million under cofinancing for investment projects and \$3.0 million for technical assistance cofinancing, were approved for Cambodia. Funding will be used to rehabilitate about 1,000 km of rural roads in nine provinces, providing safer, cost-effective, year-round access to markets and other social services. ADB, through partnerships

Table 4. Cambodia: Project Success Rates

Year	Success Rate (%)	No. of Independently Evaluated Projects and Programs
2006	100.00	1
2007	–	1
2008	50.00	4
2009	50.00	4
2010	100.00	1
2011	100.00	1
2012	66.67	3
Total	60.00	15

– = nil.

Note: “Year” refers to the circulation year of the project completion report (PCR). Compared with the numbers in previous years’ fact sheets, the success rates reported here are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and do not include self-evaluations. With small sample size, the success rate does not necessarily represent country operations performance.

Source: PCR validation reports and project/program performance evaluation reports ratings database as of 31 December 2014.

Table 5. Cambodia: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2013–2014

Number of Ongoing Loans (as of 31 Dec 2014)	2013 (\$ million)		2014 (\$ million)
	Contract Awards/Commitments ^{a,b}	39.6	79.2
Disbursements ^a	127.1	70.4	
Number of Ongoing Grants (as of 31 Dec 2014) ^c	2013 (\$ million)		2014 (\$ million)
	Contract Awards/Commitments ^{a,b}	28.4	28.3
Disbursements ^a	39.1	28.3	
Actual Problem Projects (%)			7

Note: Totals may not add up because of rounding.

^a Includes closed loans/grants that had contract awards or disbursements during the year.

^b Excludes policy-based lending/grants.

^c Includes only Asian Development Fund and other ADB special funds.

with the private sector, will also assist Cambodia to achieve a formal technical and vocational education and training system that is market responsive. Resources have been allocated to make Cambodia’s finance sector more market oriented, and to enhance the mobilization of financial resources. Meanwhile, ADB will help to improve and expand urban water supply services in selected provinces, restore infrastructure damaged by the 2013 floods, and improve Cambodia’s ability to respond to natural disasters. A focus has also been directed toward generating employment in the tourism industry in underdeveloped areas such as Kampot, Kep, and Koh Kong.

ADB’s gender work across all sectors continues to build women’s capacity for better livelihoods, and on creating opportunities beyond low-productivity agriculture.

Nonsovereign Operations

As a catalyst for private investments, ADB provides direct financial assistance to nonsovereign public sector and private sector projects in the form of direct loans, equity investments, guarantees, B loans, and trade finance. Since its inception, ADB has approved two private sector projects in Cambodia’s energy and finance sectors amounting to \$83 million. Total outstanding balances and commitments of ADB’s private sector transactions in the country as of 31 December 2014 were \$75.43 million, representing 0.95% of ADB’s total nonsovereign portfolio.

ADB’s Trade Finance Program (TFP) fills market gaps by providing guarantees and loans through partner banks in support of trade. The TFP has done over 10,300 transactions supporting over \$20.5 billion in trade and over 6,000 small and medium-sized enterprises since 2004. In 2014, the TFP supported \$3.8 billion in trade through over 1,900 transactions. In Cambodia, the TFP works with one bank and has supported over \$2.6 million in trade between eight transactions. In addition to filling market gaps, the TFP’s objective is to mobilize private sector capital/involvement in developing Asia.

Cofinancing

Cofinancing operations enable ADB’s financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations, to participate in financing ADB projects. The additional funds are provided in the form of official loans and grants, other concessional financing, and commercial financing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB’s TFP.

By the end of 2014, cumulative direct value-added (DVA) official cofinancing for Cambodia amounted to \$394.4 million for 36 investment projects, and \$47.9 million for 46 technical assistance projects. Cumulative DVA commercial cofinancing for Cambodia amounted to \$16.46 million for one investment project.

In 2014, Cambodia received \$41.0 million loan cofinancing from the Government of the Republic of Korea; and \$21.3 million grant cofinancing from the governments of Australia and Japan, and the Nordic Development Fund.

Table 6. Cambodia: Projects Cofinanced, 1 January 2010–31 December 2014

Cofinancing	No. of Projects	Amount (\$ million)
Projects ^a	15	225.98
Grants	12	103.17
Official loans	8	106.35
Commercial cofinancing	1	16.46
Technical Assistance Grants	10	22.00

^a A project with more than one source of cofinancing is counted once.

A summary of projects with cofinancing from 1 January 2010 to 31 December 2014 is available at www.adb.org/countries/cambodia/cofinancing

Partnerships

Partnership with civil society organizations (CSOs) is an important commitment in ADB’s long-term strategic framework, Strategy 2020, and in its Midterm Review. ADB works with a broad range of CSOs in Cambodia to strengthen its efforts to reduce poverty, and to increase the effectiveness, quality, and sustainability of the assistance it provides.

ADB has experienced strong cooperation with nongovernment organizations (NGOs) in social protection, education, public sector management, and decentralization and deconcentration. Engagement with NGOs on advocacy issues is also increasing. ADB will seek to engage more actively with NGOs on project design and implementation.

The ADB country partnership strategy (CPS), 2014–2018 for Cambodia, approved on 28 November 2014, reflects extensive consultations with many stakeholders, including national and local government officials, representatives of CSOs, the private sector, development partners, and research institutions.

Procurement

Share of ADB's Procurement Contracts

Each year, ADB provides loans, grants, and technical assistance to fund projects and activities in its developing member countries, and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts were awarded on the basis of international competition, which is open to firms and individuals from any ADB member, regional or nonregional.

Procurement contracts for goods, works, and related services under loan and grant operations totaled \$6.59 billion in 2013 and \$8.58 billion in 2014. Cumulative procurement, as of 31 December 2014, was \$135.21 billion.

Procurement contracts for consulting services under loan, grant, and technical assistance operations totaled \$511.13 million in 2013 and \$555.30 million in 2014. Cumulative procurement, as of 31 December 2014, was \$9.98 billion.

Table 7. Cambodia's Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

Item	2013		2014		Cumulative (as of 31 Dec 2014)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	93.06	1.41	62.84	0.73	782.59	0.58
Consulting Services	6.45	1.26	5.41	0.97	45.46	0.46
Total Procurement	99.51	1.40	68.25	0.75	828.04	0.57

Goods, Works, and Related Services

From 1 January 1966 to 31 December 2014, contractors and suppliers were involved in 194,667 contracts for goods, works, and related services under ADB loan and grant projects worth \$135.21 billion. During the same period, 2,766 contracts were awarded to contractors and suppliers from Cambodia worth \$782.59 million.

Table 8. Top 5 Contractors/Suppliers from Cambodia Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2010–31 December 2014

Contractor/Supplier	Sector	Contract Amount (\$ million)
Ung Sim Sia Construction Co., Ltd.	ANR, TRA	20.29
Sok Sokha Co., Ltd.	ANR, TRA	12.88
Tan Kim Eng Construction Co., Ltd.	ANR, TRA	12.32
Smart Dragons Group Ltd.	TRA	8.63
The Seaboard Cambodia Development Construction Co., Ltd.	ANR	8.46
Others		269.38
Total		331.96

ANR = Agriculture, Natural Resources, and Rural Development; TRA = Transport.

Consulting Services

From 1 January 1966 to 31 December 2014, consultants were involved in 45,584 contracts for consulting services under ADB loan, grant, and technical assistance projects worth \$9.98 billion. During the same period, 641 contracts were awarded to consultants from Cambodia worth \$45.46 million.

Table 9. Top 5 Consultants from Cambodia Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2010–31 December 2014

Consultant	Sector	Contract Amount (\$ million)
Plan International Cambodia	ANR	3.96
Social Business Khmer Research & Development	ANR, EDU, HLT, TRA	1.57
Cadtis Consultant Co., Ltd.	ANR	0.81
The Peace and Development Aid Organization	WUS	0.75
Green Goal Ltd. (GG)	WUS	0.62
Individual consultant/s		8.21
Others		3.79
Total		19.72

ANR = Agriculture, Natural Resources, and Rural Development; EDU = Education; HLT = Health; TRA = Transport; WUS = Water and Other Urban Infrastructure and Services.

Operational Challenges

Annual country portfolio performance reviews, carried out with the Japanese International Cooperation Agency and the World Bank, have identified various implementation challenges for Cambodia. Executing and implementing agencies have limited implementing capacity, particularly in project management, procurement, and financial management. Authority is not being delegated to project management units. Project preparation is generally poor, with delays in project implementation start-ups.

The long-term impact and sustainability of ADB infrastructure projects need to be safeguarded by effective operations after completion. Government asset management needs to improve, and expenditure on operation and maintenance needs to increase. Through targeted technical assistance, ADB is assisting government line ministries and agencies in institutional and capacity development for projects and programs. ADB is also engaged in dialogue with the government to ensure that sufficient resources are earmarked for operation and maintenance.

In coordination with other development partners, ADB's Cambodia Resident Mission has actively and substantively engaged in the formulation of key strategic policies and priorities of the government, including the National Strategic Development Plan (NSDP), 2014–2018.

Future Directions

The CPS, 2014–2018 is aligned with the government's Rectangular Strategy for Growth, Employment, Equity, and Efficiency, Phase III, and with the NSDP, 2014–2018.

The CPS builds on the two strategic pillars of rural–urban–regional links, and human and social development, with one facilitating and overarching pillar of public sector management.

Expanding rural–urban–regional connectivity is an integrated approach to developing the areas in which most poor people live. This pillar supports higher agricultural productivity and commercialization. It aims to build rural and urban infrastructure, improve natural resource management, and support trade and transport facilitation. The second pillar, targeted human and social development,

supports access to, and the quality of, secondary education, and targeted skills development through technical vocational education and training linked to the evolving demands of the labor market.

The facilitating pillar of public sector management covers decentralization and deconcentration, as well as reforms to public financial management. ADB will also take further steps to improve the environment for public–private partnerships and private sector development, and continue to support the deepening of the finance sector.

About Cambodia and ADB

ADB Membership

Joined 1966

Shareholding and Voting Power

Number of shares held:	5,250 (0.050% of total shares)
Votes:	44,680 (0.338% of total membership, 0.519% of total regional membership)
Overall capital subscription:	\$76.04 million
Paid-in capital subscription:	\$6.34 million

Anthony Baker is the Director and **Richard Sisson** is the Alternate Director representing Cambodia on the ADB Board of Directors.

Eric Sidgwick is the ADB Country Director for Cambodia. The Cambodia Resident Mission was opened in 1996, and provides the primary operational link for activities between ADB and the government, the private sector, civil society stakeholders, and development partners. The resident mission engages in policy dialogue, country partnership strategy development and programming, and portfolio management, while also acting as a knowledge base on development issues in Cambodia.

The Cambodia government agency handling ADB affairs is the Ministry of Economy and Finance.

About the Asian Development Bank

ADB is a multilateral development bank owned by 67 members, 48 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance (TA). In 2014, lending volume was \$12.92 billion (113 projects), with TA at \$158.88 million (256 projects) and grant-financed projects at \$405.34 million (17 projects). In addition, \$9.24 billion was generated in direct value-added cofinancing in the form of official loans and grants, other concessional financing, and commercial cofinancing such as B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade Finance Program. From 1 January 2010 to 31 December 2014, ADB's annual lending volume averaged \$12.10 billion. In addition, investment grants and TA funded by ADB and special funds resources averaged \$697.97 million and \$156.69 million in TA over the same period. As of 31 December 2014, the cumulative totals excluding cofinancing were \$216.21 billion in loans for 2,729 projects in 44 countries, \$6.87 billion in 256 grants, and \$3.75 billion in TA grants, including regional TA grants.

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