

# ASIAN DEVELOPMENT BANK MEMBER FACT SHEET

## Cambodia: 2016 Approved Loans, Grants, and Technical Assistance (\$ million)

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
192.00	3.60	11.18	1.50	208.28

Note: Grants and technical assistance include ADB-administered cofinancing.

## Cambodia: Cumulative Lending, Grant, and Technical Assistance Approvals<sup>a, b, c</sup>

Sector	No.	Total Amount (\$ million) <sup>d</sup>	% <sup>d</sup>
Agriculture, Natural Resources, and Rural Development	75	708.82	24.78
Education	37	300.05	10.49
Energy	22	182.23	6.37
Finance	37	270.60	9.46
Health	17	104.78	3.66
Industry and Trade	13	71.14	2.49
Public Sector Management	71	267.70	9.36
Transport	49	529.70	18.52
Water and Other Urban Infrastructure and Services	29	264.46	9.24
Multisector	9	161.18	5.63
<b>Total</b>	<b>359</b>	<b>2,860.64</b>	<b>100.00</b>

<sup>a</sup> Grants and technical assistance include ADB-administered cofinancing.

<sup>b</sup> Includes sovereign and nonsovereign loans and technical assistance.

<sup>c</sup> Using primary sector in reporting of approvals.

<sup>d</sup> Numbers may not sum precisely because of rounding.

## Cambodia: Cumulative Nonsovereign Financing by Product

No. of Transactions	Amount (\$ million)
Loans	86.60
Equity Investments	-
Guarantees	-
B Loans	3.00
<b>Total</b>	<b>89.60</b>

- = nil.

ADB's assistance to Cambodia rests on deepened rural-urban-regional links, and human and social development as strategic pillars; and enhanced public sector management as a crosscutting pillar.

## CAMBODIA

Over the past 5 years, Cambodia has been one of the fastest-growing economies in Southeast Asia. This economic progress has helped reduce the country's poverty rate from 47.8% in 2007 to 13.5% in 2014, although more than 70% of Cambodians still live on less than \$3 a day. In July 2016, the World Bank officially revised the status of Cambodia's economy to lower middle-income status.

Cambodia's growth model of attracting foreign direct investment through inexpensive, low-skilled, and abundant labor has delivered recent economic expansion, but may not be viable for much longer. Productivity growth has been low, while labor costs and skills shortages are increasing. Sustaining high growth will require revitalization of agriculture, diversification of the economy, and greater value-added production. New industries will require improved logistics and a broader range of advanced skills.

The Asian Development Bank (ADB) has been supporting the Government of Cambodia since 1966

and is the country's largest multilateral development partner. ADB has approved \$2.86 billion in lending, grants, and technical assistance for Cambodia.

Cumulative disbursements to Cambodia for lending and grants financed by ordinary capital resources, the Asian Development Fund, and other special funds amount to \$1.79 billion.

### ADB-SUPPORTED PROJECTS AND PROGRAMS

Between 2010 and 2015, ADB completed projects in Cambodia that produced admirable development results. It helped connect 40,000 new rural households to electricity; construct or upgrade 1,084 kilometers of roads, including 170 kilometers of provincial, district, and rural roads; provide 96,000



new rural households with access to improved water supply; and deliver new or improved sanitation to 71,822 households. In education, 206,340 secondary school students (of whom 97,165 are female) are benefiting from new or improved educational facilities.

In 2016, ADB approved a \$192 million sovereign loan for Cambodia, and catalyzed \$25.5 million in cofinancing funds for investment projects and \$7.2 million in cofinancing for technical assistance projects, for a total of \$228.7 million.

ADB will help fund several projects to improve the management of Cambodia's public revenue and expenditure. It will also support improvements to public service delivery, through support for efficient and accountable subnational administrations. ADB will support improved access, quality, and relevance of upper secondary education as well as enhancing institutional capacity to plan, manage, and deliver quality education. Broader access to rural water supply for an estimated 201,500 rural residents and sanitation for an estimated 172,800 rural residents will improve health outcomes in six provinces around the Tonle Sap Lake (Banteay Meanchey, Battambang, Kampong Chhnang, Kampong Thom, Pursat and Siem Reap).

In health, ADB will enhance responses to emerging infectious diseases and the management of other major public health threats in border areas, impacting on households and communities in 13 provinces in Cambodia.

## NONSOVEREIGN OPERATIONS

As a catalyst for private investments, ADB provides direct financial assistance to nonsovereign public sector and private sector transactions in the form of direct loans, equity investments, guarantees, B loans, and trade finance. Since its inception, ADB has approved three private sector transactions in Cambodia's energy and finance sectors amounting to \$89.6 million. Total outstanding balances and commitments of ADB's private sector transactions in the country as of 31 December 2016 was \$53.9 million, representing 0.6% 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 14,000 transactions supporting over \$26 billion in trade and over 9,300 small and medium-sized enterprises in Asia and the Pacific since 2004. In 2016, the TFP supported \$3.1 billion in trade through over 2,080 transactions.

In Cambodia, the TFP works with two banks and has supported \$17.6 million in trade between 45 transactions. In addition to filling market gaps, the TFP's objective is to mobilize private sector capital/involvement in developing Asia. In Cambodia, 33.5% of the \$18 million in trade supported through the TFP was cofinanced by the private sector.

## COFINANCING

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

From 1970 to the end of 2016, cumulative direct value-added (DVA) official cofinancing for Cambodia amounted to \$515.0 million for 43 investment projects, and \$56.6 million for 51 technical assistance projects. Cumulative DVA commercial cofinancing for Cambodia amounted to \$28.88 million for 3 investment projects.

### Cambodia: Project Success Rates

Year	Success Rate (%)	No. of Independently Evaluated Projects and Programs
2007	100.0	1
2008	50.0	2
2009	50.0	4
2010	33.3	3
2011	100.0	1
2012	100.0	2
2013	50.0	2
2015	0.0	2
2016	100.0	2
<b>Total</b>	<b>57.9</b>	<b>19</b>

Note: "Year" refers to the circulation year of the project completion report (PCR). 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 2016.

### Cambodia: Projects Cofinanced, 1 January 2012–31 December 2016

Cofinancing	No. of Projects	Amount (\$ million)
Projects <sup>a</sup>	20	301.75
Grants	14	128.62
Official loans	9	144.25
Commercial cofinancing	3	28.88
Technical Assistance Grants	12	21.45

<sup>a</sup> A project with more than one source of cofinancing is counted once.

### Cambodia: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2015–2016

No. Ongoing Loans (as of 31 Dec 2016)	2015 (\$ million)		2016 (\$ million)	
Contract Awards/Commitments <sup>a,b</sup>	90.40	94.81		
Disbursements <sup>a</sup>	96.49	141.48		
No. of Ongoing Grants (as of 31 Dec 2016)	7		7	
Contract Awards/Commitments <sup>a,b</sup>	16.60	9.99		
Disbursements <sup>a,c</sup>	18.18	7.13		
Actual Problem Projects (%) (as of 31 Dec 2016)	4		4	

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

<sup>b</sup> Excludes policy-based lending/grants.

<sup>c</sup> Includes only Asian Development Fund and other ADB special funds.

### Cambodia: Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

Item	2015		2016		Cumulative (as of 31 Dec 2016)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	88.55	0.80	123.09	1.08	1,236.89	0.78
Consulting Services	4.40	0.67	4.57	0.75	53.98	0.48
<b>Total Procurement</b>	<b>92.95</b>	<b>0.79</b>	<b>127.67</b>	<b>1.06</b>	<b>1,290.87</b>	<b>0.76</b>

### Top 5 Contractors/Suppliers from Cambodia Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2012–31 December 2016

Contractor/Supplier	Sector	Contract Amount (\$ million)
Ung Sim Sia Construction Co., Ltd.	ANR, TRA	40.21
SBPH Engineering and Construction Co., Ltd.	ANR, PSM, TRA	14.60
Heng Sambat Co., Ltd.	ANR, TRA	12.78
TSO & AS Cambodia; NWT (JV)	TRA	12.14
Seaboard Cambodia Development Construction Co., Ltd. (The)	ANR, TRA	8.22
Others		409.72
<b>Total</b>		<b>497.66</b>

ANR = agriculture, natural resources, and rural development; PSM = public sector management; TRA = transport.

### Top 5 Consultants from Cambodia Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2012–31 December 2016

Consultant	Sector	Contract Amount (\$ million)
Plan International Cambodia	ANR	3.93
Social Business and Khmer Research and Development	ANR, EDU, HLT, TRA	2.81
Key Consultant (Cambodia) Ltd.	ANR	1.85
Sawac Consultants for Development Co. Ltd. & Cadtis Consultant Co., Ltd. (JV)	ANR	1.57
Cadtis-Consultant Co. Ltd.	ANR	0.91
Individual Consultants		9.85
Others		4.09
<b>Total</b>		<b>25.01</b>

ANR = agriculture, natural resources, and rural development; EDU = education; HLT = health; TRA = transport.

In 2016, Cambodia received \$27.3 million loan cofinancing from the governments of Canada and France for three investment projects; and \$1.5 million grant cofinancing from the [Sanitation Financing Partnership Trust Fund](#) under the [Water Financing Partnership Facility](#) for one investment project.

A summary of projects with cofinancing from 1 January 2012 to 31 December 2016 is available at [www.adb.org/countries/cambodia/cofinancing](http://www.adb.org/countries/cambodia/cofinancing)

### PARTNERSHIPS

ADB actively consults with development partners, civil society organizations (CSOs), and the private sector in Cambodia. Areas of consultation include country programming, policy initiatives supported by ADB, and project preparation and implementation.

ADB regards CSOs, including nongovernment organizations (NGOs), as major partners in addressing poverty and other issues that affect the lives of Cambodians. ADB has provided contracts to CSOs such as Plan International, which administers small grants to local NGOs for projects on climate change adaptation, as well as to social enterprises such as Pour un Sourire d'Enfant and Don Bosco. These social enterprises deliver skills-bridging courses to high school dropouts, enabling them to enroll in formal technical and vocational education and training. ADB has also partnered with prominent international and national NGOs on environmental conservation and on awareness and prevention

programs addressing HIV and human trafficking.

### PROCUREMENT

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 are awarded on the basis of international competition, which is open to firms and individuals from any ADB member, regional or nonregional.

#### Share of ADB's Procurement Contracts

##### Goods, Works, and Related Services

ADB's procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant operations totaled \$11.09 billion in 2015 and \$11.42 billion in 2016. Cumulative procurement since 1966 was \$158.68 billion covering 206,915 contracts.

In Cambodia, 3,279 contracts worth \$1.24 billion were awarded to contractors and suppliers within the same period.

##### Consulting Services

ADB's procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations totaled \$655.31 million in 2015 and \$612.46 million in 2016. Cumulative procurement since 1966 was \$11.26 billion covering 52,232 contracts.

In Cambodia, 748 contracts worth \$53.98 million were awarded to consultants within the same period.

### OPERATIONAL CHALLENGES

Annual country portfolio performance reviews, carried out with the Japan International Cooperation Agency and the World Bank, have identified various implementation challenges for Cambodia. There have been improvements in the capacity of executing and implementing agencies in Cambodia to manage externally funded projects, but the progress is uneven and is particularly limited among agencies that have not had previous engagement with development partners and those at the subnational level.

To ensure efficient, effective, and sustainable outcomes, ADB has taken measures including the delegation of projects to the ADB Cambodia Resident Mission. The aim is to foster more intensive cooperation with clients, greater delegation of authority to project management units, and improved project preparation and readiness. ADB is also working with the government and other development partners to implement standard operational procedures with executing and implementing agency staff in procurement, financial management, and project management.

The long-term impact and sustainability of ADB infrastructure projects need to be ensured through compliance with social and environmental safeguards during implementation and after project completion. Government

asset management needs to improve, and expenditure for operation and maintenance needs to increase. Through targeted technical assistance, ADB is helping the government's line ministries and agencies improve their capacity to effectively manage projects and programs. ADB is also engaging with the government to ensure that sufficient resources are earmarked for operation and maintenance.

## FUTURE DIRECTIONS

ADB will continue to help Cambodia achieve more broadly based, sustainable,

and inclusive growth through its country partnership strategy (CPS), 2014–2018. The CPS is aligned with the government's Rectangular Strategy for Growth, Employment, Equity, and Efficiency, Phase III, as well as with the National Strategic Development Plan, 2014–2018. The CPS identifies three strategic pillars for ADB activity in Cambodia: (i) deepened rural–urban–regional linkages, (ii) targeted human and social development, and (iii) enhanced public sector management (as a crosscutting strategic pillar).

Availability of concessional funds to Cambodia is expected to increase to \$200 million annually in 2017–2020, up from about \$150 million annually during 2013–2016. This will enable ADB to scale up key investments in physical infrastructure and human capital development. Cambodia will continue to receive technical assistance for project preparation and capacity building.

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## ABOUT CAMBODIA AND ADB

### ADB Membership

Joined 1966

### Shareholding and Voting Power

Number of shares held:	5,250 (0.049% of total shares)
Votes:	44,857 (0.338% of total membership, 0.519% of total regional membership)
Overall capital subscription:	\$70.58 million
Paid-in capital subscription:	\$5.89 million

**Mathew Fox** is the Director and **Scott Dawson** is the Alternate Director representing Cambodia on the ADB Board of Directors.

**Samiuela Tukuafu** 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 organizations, 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. In 2016, lending volume was \$16.35 billion (126 projects), with technical assistance at \$169.03 million (225 projects) and grant-financed projects at \$526.75 million (31 projects). In addition, \$14.06 billion was generated in direct value-added cofinancing in the form of official loans and grants, other concessional cofinancing, 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 2012 to 31 December 2016, ADB's annual lending volume averaged \$13.74 billion. In addition, investment grants and technical assistance funded by ADB and special funds resources averaged \$562.24 million and \$154.91 million in technical assistance over the same period. As of 31 December 2016, the cumulative totals excluding cofinancing were \$247.28 billion in loans for 2,935 projects in 44 countries, \$7.75 billion in 296 grants, and \$4.06 billion in technical assistance grants, including regional technical assistance grants.

## CONTACTS

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[www.mef.gov.kh](http://www.mef.gov.kh)

### Useful ADB websites

Asian Development Bank  
[www.adb.org](http://www.adb.org)

Asian Development Outlook  
[www.adb.org/publications/series/asian-development-outlook](http://www.adb.org/publications/series/asian-development-outlook)

Annual Report  
[www.adb.org/documents/series/adb-annual-reports](http://www.adb.org/documents/series/adb-annual-reports)

Depository Libraries  
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Statistics and Databases  
[www.adb.org/data/statistics](http://www.adb.org/data/statistics)