

ASIAN DEVELOPMENT BANK

COUNTRY STRATEGY AND PROGRAM UPDATE (2003–2005)

CAMBODIA

August 2002

CURRENCY EQUIVALENTS

(as of 30 June 2002)

Currency Unit	–	Riel (KR)
KR1.00	=	\$0.00026
\$1.00	=	KR3,835

ABBREVIATIONS

ADB	–	Asian Development Bank
AIDS	–	acquired immunodeficiency syndrome
ASEAN	–	Association of Southeast Asian Nations
CSP	–	country strategy and program
GAP	–	Governance Action Plan
GDP	–	gross domestic product
GMS	–	Greater Mekong Subregion
HIV	–	human immunodeficiency virus
IMF	–	International Monetary Fund
JICA	–	Japan International Cooperation Agency
Lao PDR	–	Lao People's Democratic Republic
NBC	–	National Bank of Cambodia
ODA	–	official development assistance
PRPA	–	Poverty Reduction Partnership Agreement
SEDP	–	Socioeconomic Development Plan
SME	–	small and medium-sized enterprise
TA	–	technical assistance
TBD	–	to be determined
UN	–	United Nations
UNDP	–	United Nations Development Programme
WTO	–	World Trade Organization

NOTE

In this report, "\$" refers to US dollars.

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I. CURRENT DEVELOPMENT TRENDS AND ISSUES

A. Recent Political and Social Developments

1. On 3 February 2002, Cambodia held its first ever commune council elections. The elections were held in a relatively peaceful environment. The leading party in the Government coalition, the Cambodian People's Party, won a landslide victory, garnering some 61% of the total vote. The Commune Councils are expected to facilitate a process of decentralization in the country. More than 5 million voters turned out, which is a significant proportion of eligible voters. The opposition Sam Rainsy party came in second place in terms of votes followed by FUNCINPEC. Generally, the political climate remains stable, raising hopes for peaceful National Assembly elections, scheduled for July 2003. The prime ministers of Cambodia, Lao People's Democratic Republic (Lao PDR), and Viet Nam met in January 2002 and confirmed joint commitment to a "development triangle" initiative, which includes seven neighboring provinces in the three countries.¹

2. The United Nations (UN) decided to suspend its support of a tribunal to prosecute surviving Khmer Rouge leaders for crimes against humanity. The UN expressed its concern that the current arrangements for the tribunal do not meet international standards for independence and impartiality. The Government is taking steps to address these concerns. In November 2002, both the Association of Southeast Asian Nations (ASEAN) and the Greater Mekong Subregion (GMS) member countries will hold summits in Phnom Penh, highlighting the country's success in fully integrating itself into the regional and global economies. Negotiations with the World Trade Organization (WTO) are also ongoing, with the possibility of accession to WTO in a few years.

3. The Government prepared the Second Socioeconomic Development Plan, 2001–2005 (SEDP II) through a lengthy and extensive consultation process. The preparation of a nationwide participatory poverty assessment was an important part of this process. The Plan sets out a strategic vision for national economic growth and poverty reduction, and targets (i) economic growth for poverty reduction; (ii) development of the private sector; and (iii) good governance. The Government continued to focus its efforts on improving the governance situation in the country. The Sixth Consultative Group Meeting was held for the first time in country, in June 2002. The Government is now focusing its efforts on formulating the Poverty Reduction Strategy Paper, which will be the implementation plan for SEDP II, including full costings and financing. The Medium-Term Expenditure Framework, being developed with Asian Development Bank (ADB) technical assistance (TA), will form the basis of the financing plan.

B. Economic Assessment and Outlook

4. Despite severe flooding in the last quarter of 2000, Cambodia saw robust growth in 2001. Gross domestic product (GDP) growth was estimated to be 6.3%, slightly ahead of the Government's target of 6.1%. The agriculture sector grew at a rate of 3.9%, in spite of localized flooding and droughts in the north and northwest of the country. The industry sector grew at an impressive rate of 15.5%. The strong growth in industry has been led by the garment subsector, although there are concerns that the subsector will no longer be able to grow as fast as it has in

¹ The "development triangle" includes the provinces of Kon Tum, Gia Lai, and Dac Lac in Viet Nam; Rattanakiri and Stungtreng in Cambodia; and Attapu and Sekong in the Lao PDR. Viet Nam has been asked to coordinate the preparation of a master plan for the development of the area.

the past. The services sector grew at a rate of 2.9%, with tourism playing an increasingly important role.

5. In 2001, the Government had a primary fiscal surplus of 1.2% of GDP and an overall fiscal deficit of 6.0%. Revenues account for 11.4% of GDP, and total expenditures 17.5%. Virtually the entire deficit was financed through grants and concessionary lending. The Government has taken steps to increase the size of its expenditure on the priority sectors (agriculture, education, health, and rural development); however, as in past years, a disproportionate amount of spending is still being exercised in the final quarter of the fiscal year. The overall share of government spending has continued its upward trend.

6. Cambodia's trade deficit continued to improve, to an estimated \$225 million in 2001 compared with \$263 million in 2000. Total exports grew from \$1.26 billion in 2000 to \$1.35 billion in 2001. The current account deficit of 6.4% of GDP is financed through official transfers and capital inflows in the form of concessionary loans and foreign direct investment. The latter was estimated to be \$116 million in 2001. For the third year in a row, prices have remained stable and inflation in 2001 was negligible. The dollar circulates widely in Cambodia and is freely used for many domestic transactions. Given the low inflation rate in recent years, the exchange rate against the dollar has remained stable.

7. ADB estimates that the economy will grow at a rate of 4.5% in 2002 and 6.1% in 2003, though the country faces numerous challenges to maintain this rate of growth. Many of the country's highways and rural roads are still in poor condition. Ongoing and proposed infrastructure development projects should substantially improve the situation and help improve access to market for many rural households and increase the country's attractiveness as a tourist destination. The financial sector is weak and is not effectively serving as an intermediary between savers and potential lenders. The lack of access to credit is a commonly cited limitation to growth for the private sector.

C. Implications for the Country Strategy and Program

8. The three priority areas (rural economic development, human resources development, and private sector development) of the country strategy and program (CSP) and the 10 sectors and subsectors² through which to implement the strategy, remain valid in light of the current development situation. The 2001 and 2002 operational programs constituted a first phase of implementing the strategy. The program of lending and nonlending assistance for 2003–2005 constitutes a second phase, substantially completing considerable work in the 10 sectors. The CSP has been further strengthened by the provision of a sharper focus on the implications of the state reform program—especially public sector management and support to decentralization—and by the enhancement of the poverty impact of sector interventions to support the Government's goal of achieving its poverty reduction targets, in light of the projected GDP growth. The stable macroeconomic environment will continue to facilitate the implementation of the CSP.

² The sectors/subsectors include agriculture, rural development, water resources, environmental management, education, health, water supply, roads, power, and the financial sector.

II. IMPLEMENTATION OF THE COUNTRY STRATEGY AND PROGRAM

A. Progress under the Poverty Partnership Agreement

9. The Poverty Reduction Partnership Agreement (PRPA) was signed in July 2002. The PRPA was written based on SEDP II. The latter was approved by the National Assembly in June 2002, after delays in its preparation due to the need for further consultations called for by civil society and funding agencies. The PRPA itself was also developed through a consultative process involving various rounds of discussions with the Government. Cambodia has made progress in meeting the goals outlined under the Millennium Development Goals, and this has been reflected in the PRPA.

B. Progress in the Country Strategy and Program Focus Areas

1. Poverty Reduction

10. Together with other development partners, ADB has assisted in the formulation of SEDP II, which is the key document for reducing poverty in the country. In formulating the Plan, a participatory poverty assessment (supported by ADB) was undertaken to inform decision makers on the concerns of the poor. SEDP II has three broad goals: (i) long-term, sustainable economic growth of 6–7% a year; (ii) equitable distribution of income at the national level, in the urban and rural areas, and between genders; and (iii) sustainable utilization of natural resources and environmental protection. SEDP II forms the basis for the Poverty Reduction Strategy Paper, which the Government hopes to complete by the end of this year.

2. Rural Economic Development

11. Support to rural development continues to be through interventions in different areas. In late 2001, ADB approved a rural development loan for the northwest of the country. The loan, which will mainly finance rural infrastructure, combines decentralized financing mechanisms developed under a program supported by the United Nations Development Programme, Department for International Development, and the Swedish International Development Cooperation Agency, with innovative decentralized planning methods. Rural finance will benefit from the adoption by the Government of Financial Sector Blueprint, and the recently approved loan to support its implementation.

12. Forestry and fisheries remain vital natural resources for Cambodia's predominantly rural population, with its pervasive poverty. In recent years, pressure on these resources has intensified as Cambodia experiences a long period of political stability, along with a liberalized economy and a rapidly expanding postwar population. Recognizing this pressure, the Government, with external assistance, has taken concrete steps to manage these resources in a sustainable manner. This has included the formulation of policies and legal instruments that will promote sustainable forest and fisheries management. The Government is currently in the advanced stages of formulating fisheries legislation, and the National Assembly is deliberating a draft forestry law. In addition, the passage of the Land Law in 2001 and its implementation will assist in resolving environmental governance problems. The Government is keen to promote community-based natural resources management and, hence, it needs to promote community participation and transparency in both forestry and fisheries.

13. For the forestry sector to play its role in the country's economic and social development, and to maximize its impact on rural employment generation and poverty reduction, the following

four important matters need to be addressed: (i) combined with a rational forestland classification and strategic plan, the remaining natural forest will have to be delineated and demarcated; (ii) the condition and management of the remaining natural forest will need to be improved to conserve watersheds and biodiversity, and to improve wood and nonwood productivity; (iii) natural forest production will have to be complemented and supplemented by wood production from agro-ecosystems and plantations to meet the growing rural energy and wood product needs; and (iv) the processing industry will have to be rationalized and restructured. ADB is undertaking sector work toward this end, and will continue to work on this in the context of the operational program in natural resources management, including the Tonle Sap development framework.

14. The inland fisheries sector underwent an important change in late 2000, when the Government decided to release more than 50% of fishing lots from private holdings, and turned them over to local communities for management. The decision was made following numerous complaints and reports from villagers that fishing lot owners, and in some instances government fisheries officers, prevented them from conducting subsistence fishing, even in areas designated for communal fishing. The Department of Fisheries had to adopt a new approach, involving the engagement of the fishing communities in the management of the fishing lots. The Department established a Community Fishery Development Office, to be responsible for the implementation of the forthcoming Community Fisheries Subdecree, which is expected to receive approval in 2002.

15. Issues relating to rural development, natural resources management, and environmental management go hand in hand, on and around the Tonle Sap, where the majority of the poor live, and which provides up to 80% of the protein consumed by the poor. The proposed Tonle Sap Environmental Management Project (2002) along with ADB's sector work in agriculture, water, and forestry resources will prepare a Tonle Sap basin development framework. Two loan projects have been included in the program in this context. The development framework will identify investment priorities for sustainable land, water, and forestry resource development for improving livelihoods and reducing poverty in the Tonle Sap basin.

3. Human Resources Development

16. Considerable progress has been made with the implementation of the Government's Education Sector Support Program, and ADB's support for this through the Education Sector Development Program, approved in late 2001. This progress was despite some initial delays in the release of government funding through its priority program. The second phase of ADB support is programmed for 2004 or 2005, depending on progress under the first loan. ADB will continue to spearhead reforms in the education sector. Support to the health sector, through a sector-wide intervention supported together with the Department for International Development and the World Bank, builds on the experience gained under the first health project, and is expected to bring substantial improvements in service delivery in the years to come.

17. Recent evidence suggests that the HIV/AIDS epidemic may have reached its peak in Cambodia, with a current estimated prevalence rate of 2.7%, as against 3.3% in 1999. This encouraging development is seen as a direct result of a number of significant government programs supported by aid agencies. Given the nature of the epidemic—which should be seen against the country's development situation, including the poor living conditions of the majority of the population and characterized by low income, low health status, low education, gender discrimination, and limited infrastructure—there is, however, little room for complacency. The Government and its development partners recognize this, and continue to work on an extensive

program that views the epidemic not only as a health issue, but also a social and development issue. The National Aids Authority continues to effectively coordinate and promote this approach. ADB has actively supported these efforts in recent years, through grant-financed interventions and inclusion of HIV/AIDS-specific components in relevant projects. The Health Sector Support Project, proposed for approval in 2002, will have an HIV/AIDS component.

18. The Government approved an urban water supply and sanitation policy in 2001. The policy is currently undergoing revision to include policy elements specific to rural water supply and sanitation. This, in turn, will pave the way for a Rural Water Supply and Sanitation Project, proposed for 2003 or 2004.

4. Private Sector Development

19. Operations continue to support the development of infrastructure and the promotion of an enabling environment, notably through supporting reforms in the financial sector. In August 2001, the Government adopted the Financial Sector Blueprint for 2001–2010 with ADB assistance. ADB has also supported the establishment of the Mekong Enterprises Fund under the Mekong Project Development Facility, which will provide financing to small and medium-sized enterprises (SMEs). ADB will also further explore possibilities to provide lending and nonlending support to the SME sector. Important steps were taken to improve dialogue between the Government and the private sector, including the establishment of a number of thematic working groups.

20. The Electricity Law, promulgated in early 2001, defined the broad institutional restructuring of the electricity sector. Electricité du Cambodge was corporatized in 1997 and has shown improvements in efficiency and financial performance since then. The Law encourages private participation in the sector and has established the Electricity Authority of Cambodia to license and regulate participants. ADB has begun a project to rehabilitate the most run-down electricity supply systems in eight provincial towns to stimulate the local economies and enhance the markets for adjacent rural produce. The upgraded systems will result in lower costs to consumers, and form a sound distribution network to which local entrepreneurs can connect new generating facilities.

5. Governance

21. The Government's firm commitment to governance reform is reflected in its Governance Action Plan, which was approved in 2001. Among the results achieved are the completion of the civil service census and functional reviews, the development of a computerized personnel management and payroll system, the elimination of "ghosts" and redundant workers from the payroll, and the discharge of 16,500 soldiers. The Government has also established an independent National Audit Authority, which is an important step toward controlling widespread corruption. The Government is working on an update of the Governance Action Plan, which will focus more on combating corruption. ADB continues to focus on the four ways in which linkages can be strengthened between state reforms and ADB country program and projects. First, ADB supports activities that are part of the "core" governance reform commitment (support to the Council for Administrative Reform to improve public sector performance, support for the drafting of key legislation governing public access to land and natural resources, and support for public finance reform and audit). The adoption of the Land Law, coupled with the mapping of Phnom Penh and five provinces, has enabled the issuance of around 2,000 land titles to Cambodians. Second, ADB remains committed to supporting the implementation of the Government's decentralization policies. Extensive consultations have taken place, and a 5-year action plan for

the Department of Local Administration in the Ministry of Interior was prepared. The loan proposed for 2002 will continue this process. Third, projects in the lending and TA program are consistent with and reinforce the Government's reform commitments in public administration, financial management and accountability, and gender equity.

22. Fourth, the state reform process has major implications for relations between the state and non-state sectors. State reform policy recognizes the important role of the private sector in public service provision and local economic development, and civil society in the development of pro-poor policies and practices by the state. The role of the non-state sector is already evident, not just in the provision of services and infrastructure for rural development, health, and education, but also in fostering dialogue with the state sector on important laws of fundamental importance in poverty reduction.

6. Gender

23. Cambodia continues to experience serious gender disparities. Women have less access to health and education services, to paid employment, and to land ownership and other property rights. Growing pressures on agriculture are placing increased pressure on poor rural families to seek out alternative sources of livelihood, especially among women. Women have fewer opportunities to ensure that their views are included in the political process. The Government is committed to addressing gender imbalances (as reflected in the National Policy for Women and SEDP II) and aims to ensure that an appropriate gender focus is integrated into the planning and implementation process. ADB will continue to actively support the Government's policy by direct support to the Ministry of Women's and Veterans' Affairs, in particular its endeavors for economic empowerment of women as well as a sharper focus on gender issues in relevant ADB-supported projects.

7. Subregional Cooperation

24. A key element of the enabling environment for private sector development is regional and global integration, which is a high priority of the Government. In addition to participation in the GMS Economic Cooperation Program, Cambodia joined ASEAN and applied for membership of the WTO. The Government sees increased regional integration as one of its key priorities. ADB intends to support continued efforts to broaden Cambodia's reintegration into the global economy by assisting its participation in the GMS Program through TAs and selected investments compatible with ADB's overall program in Cambodia. Furthermore, support will be provided for the first GMS heads of state summit, scheduled for Phnom Penh in November 2002.

25. The first regional project under the GMS Program was the 1998 Phnom Penh–Ho Chi Minh City Highway Project, currently being implemented. For 2002, the Road Network Improvement Project is being prepared. The Primary Road Restoration Project indirectly supports the GMS regional transportation program. In addition to investments financed from the Asian Development Fund, Cambodia will continue to benefit from GMS regional TAs designed to enhance regional development opportunities, encourage trade and investment among GMS countries, resolve or mitigate cross-border issues, and meet common resource and policy needs. Investments in the pipeline include GMS projects in telecommunications and road transport.

C. Highlights in Coordination with External Funding and Partnership Arrangements

26. With inadequate domestic revenue mobilization, and expenditure and revenue allocation, Cambodia will remain heavily dependent on official development assistance (ODA) for the provision of basic goods and services for some time yet. During 1992–2001, net disbursements of ODA to Cambodia reached \$4.1 billion, with 34% from multilateral sources, 58% from bilateral sources, and 8% from nongovernment organizations. The bulk of the ODA is grant aid (82%). In 2001, about \$472 million in ODA was disbursed, close to 10% of GDP. This was above the annual average of \$443 million for the 1998–2001 period.

27. While ODA continues to be the principal source of financing for the Government's Public Investment Program, coordination among the partners for the effective utilization of this resource remains weak. A major challenge has been the Government's weak absorptive capacity and poor interagency coordination. Though coordination is the mandate of the Council for the Development of Cambodia, there is a need for procedural harmonization between the Council and other key agencies concerned with ODA, including the Ministry of Economy and Finance and the Ministry of Planning. The annual consultative group meetings between the Government and aid agencies serve as the overall aid coordination framework between agencies and between agencies and the Government.³ This is supplemented by a number of sector working groups, which meet regularly.

28. As the leading international development finance institution and one of the largest official source of funds in Cambodia, ADB continues to work closely with the Government and coordinates its policy dialogue and operations with the development partners, including aid agencies, nongovernment organizations, and the private sector. ADB's Cambodia Resident Mission has facilitated and promoted improved aid agency coordination through thematic/sector working group meetings, including cochairing some with the Government.

III. PORTFOLIO MANAGEMENT ISSUES

A. Portfolio Performance

29. From 1992 to 31 December 2001, ADB approved 20 loans amounting to \$558.8 million, all from Asian Development Fund resources. There are currently 17 active loans with a net loan amount of \$400.1 million, of which \$268.9 million or 67% remains to be disbursed. As of 31 December 2001, ADB's 81 TAs to Cambodia have amounted to about \$61 million.

30. Portfolio ratings of the ongoing ADB-assisted projects have generally been good (Appendix 1, Table 6). Of 17 ongoing projects, four are classified as highly satisfactory in terms of implementation progress. The remaining 13 are rated as satisfactory in both implementation progress and development objectives. Start-up activities such as loan signing have generally been as scheduled, but loan effectiveness has been slipping recently. In 2001, contract awards amounted to \$40.7 million, which was 97% of the year's projection compared with 123% in 2000. Disbursements as of 31 December 2001 reached \$48.7 million or 86% of the year's projection, compared with about 100% in 2000.

31. Overall, the Government has been successful in eliminating many systemic issues that had been hampering efficient project implementation. The Cambodia Resident Mission holds regular meetings with executing agencies on portfolio management issues. In 2001, it also

³ The sixth Consultative Group Meeting took place in Phnom Penh in June 2002.

undertook the first joint portfolio review together with the Government and the World Bank. Areas identified for further attention include (i) use of the project readiness filter; (ii) improving the capacity of project management units; (iii) introduction of standard operating guidelines for project implementation and management units; (iv) harmonization of bidding documents; (v) improved monitoring of portfolio indicators; and (vi) monitoring of audit and budget management, and key sector policy issues. Compliance with loan covenants, particularly the timely submission of audited project accounts and financial statements, has generally been satisfactory.

B. Performance Monitoring and Evaluation

32. Given the limited duration of ADB assistance to Cambodia, it is still too early to systematically assess the impact of its interventions. However, since ADB was the first major funding agency to return to Cambodia, its interventions came at a critical time and undoubtedly have had a positive impact. The Special Rehabilitation Assistance Loan⁴ is the only project that was postevaluated. The project had several components: support for transport, energy, agriculture, and education sectors. The project was rated successful. The performance of both the Government and ADB was rated successful. ADB contributed to smooth project implementation through intensive supervision by review missions, while the Government generally complied with loan covenants, except for two relating to timely provision of counterpart funds and maintenance of project facilities.

IV. COUNTRY PERFORMANCE AND ASSISTANCE LEVELS

A. Lending Level Proposed

33. The lending level for Cambodia is \$64 million, based on the performance-based allocation system. Poor performance would result in a lower indicative planning figure in a given year, up to 20% below the base case allocation. Good performance will indicate achievement of a policy and institutional environment conducive to a higher development impact and a more efficient use of scarce resources, and will result in a higher indicative planning figure, up to 20% higher than the base case allocation. Under the base case scenario, macroeconomic stability is maintained, the execution of budget implementation for each of the four priority sectors is in line with overall budget performance, portfolio performance is in line with the agreed upon targets, and progress is made in the area of forest management and prevention of illegal logging. The triggers for the low and high case scenarios are in Appendix 1, Table A1.12.

B. Summary of Changes to Lending and Nonlending Program

34. The lending program has been further strengthened by the inclusion of a proposed loan to support the SME sector. Activities that were earlier proposed under a second skills development project are now included in the second Education Sector Development Program (2005), in line with the Government's education strategy and the aid agencies' sector-wide approach. There are few substantive changes in the nonlending program. A project preparatory TA earlier proposed for livestock development (2004) was removed as it was deemed not to fit in the program focus. Similarly, a project preparatory TA previously proposed to develop a tourism project was removed. Activities were added to support work in the SME sector, giving ADB a better focus for support to the private sector.

⁴ Loan 1199-CAM (SF): *Special Rehabilitation Assistance Project*, for \$68 million, approved on 26 November 1992.

COUNTRY AND PORTFOLIO INDICATORS, AND ASSISTANCE PIPELINE

Table A1.1: Progress of Millennium Development Goals and Targets

Goals and Targets	Country Status
<p>Goal 1: Eradicate Extreme Poverty and Hunger Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than \$1/ day.</p> <p>Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger.</p>	<p>Poverty has dropped to 36% in 1997 from 39% in 1993. Following current trends, the poverty rate will decline to 25% in 2015, compared with a target rate of 18% to 20%. 15% of children and 21% of women were underweight in 2000.</p>
<p>Goal 2: Achieve Universal Primary Education Target 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.</p>	<p>Net enrollment rate is 78 in 2000, compared with a rate below 50 in 1990. Girls account for 47% of total enrollment.</p>
<p>Goal 3: Promote Gender Equality and Empower Women Target 4: Eliminate gender disparity in primary and secondary education preferably by 2005 and in all levels of education no later than 2015.</p>	<p>Girls are rapidly catching up with boys at the primary level and currently account for 32% of total enrollment in lower secondary school.</p>
<p>Goal 4: Reduce Child Mortality Target 5: Reduce by two thirds, between 1990 and 2015, the under-5 mortality rate.</p>	<p>Infant mortality rates are 95 per 1,000 live births in 1997, compared with an estimated 91 per 1,000 live births in 1992. Child mortality has remained stable at around 120 per 1,000 live births.</p>
<p>Goal 5: Improve Maternal Health Target 6: Reduce by three quarters, between 1990 and 2015, the maternal mortality rate (MMR).</p>	<p>The MMR is estimated to be 437 per 100,000 live births in 2000, from an estimated rate of 550 in 1990.</p>
<p>Goal 6: Combat HIV/AIDS, Malaria, and Other Diseases Target 7: Have halted by 2015, and begun to reverse, the spread of HIV/AIDS</p> <p>Target 8: Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases.</p>	<p>The HIV prevalence rate for adults between the age of 18 to 45 has dropped from 3.7% in 1998 to 2.8% in 2000. Polio has been eradicated in Cambodia and immunization has increased substantially since 1990. Malaria remains a significant health problem.</p>
<p>Goal 7: Ensure Environmental Sustainability Target 9: Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources.</p> <p>Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water.</p> <p>Target 11: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers.</p>	<p>Cambodia has a serious problem with unsustainable, illegal logging and fishing. The Government is taking actions to reform laws and to protect natural resources. In 2000, 26% of the population had access to safe drinking water. In 2015, the Government's target is 80%. Economic growth is significantly higher in urban areas and urban poverty rates (excluding Phnom Penh) have dropped from 36.6% in 1993 to 29.9% in 1997, representing 80,000 people escaping poverty.</p>

HIV/AIDS= human immunodeficiency virus/acquired immunodeficiency syndrome.

Table A1.2: Country Economic Indicators

Item	Fiscal Year					
	1996	1997	1998	1999	2000	2001 ^a
A. Income and Growth						
1. GDP per capita (\$, current)	305	281	247	264	261	259
2. GDP Growth (% , in constant prices)	4.6	4.3	2.1	6.9	7.7	6.3
Agriculture	2.3	5.5	3.0	0.0	(0.3)	3.9
Industry	9.9	21.3	7.3	13.2	34.6	15.5
Services	3.6	(2.6)	0.7	7.1	5.8	2.9
B. Saving and Investment (current and market prices)						
	(% of GDP)					
1. Gross Domestic Investment (% of GDP)	13.6	14.3	11.3	15.9	13.5	17.9
2. Gross National Saving (% of GDP)	10.8	9.0	9.5	11.8	6.9	9.6
C. Money and Inflation						
	(annual % change)					
1. Consumer Price Index	9.0	9.1	12.6	0.0	0.5	(0.5)
2. Money Supply (M2)	40.4	16.6	15.7	17.3	26.9	20.4
D. Government Finance						
	(% of GDP)					
1. Revenue and Grants	8.4	9.0	8.3	10.6	11.0	11.4
2. Expenditure and Onlending	15.1	13.0	13.8	14.5	16.3	17.5
3. Overall Fiscal Surplus/(Deficit)	(6.7)	(4.0)	(5.5)	(3.9)	(5.3)	(6.0)
E. Balance of Payments						
1. Merchandise Trade Balance (% of GDP)	(12.7)	(7.1)	(5.8)	(8.3)	(7.8)	(6.6)
2. Current Account Balance (% of GDP) ^b	(16.2)	(8.2)	(6.9)	(7.8)	(7.6)	(6.4)
3. Merchandise Export (\$) Growth (annual % change), % ^c	10.1	81.0	13.0	17.9	53.2	9.9
4. Merchandise Imports (\$) Growth (annual % change) ^c	20.3	5.8	1.6	27.0	37.1	5.2
F. External Payments Indicators						
1. Gross Official Reserves (including gold, \$ million)	234	262	390	422	485	548
(in weeks of current year's imports of goods)	9.5	10.6	16.2	16.1	14.2	15.3
2. External Debt Service (% of exports of goods and services)	—	1.2	2.1	1.6	4.0	4.0
3. Total External Debt (% of GDP)	—	62.9	71.3	67.4	65.5	64.2
G. Memorandum Items						
1. GDP (current prices, KR billion)	8,886	9,778	11,364	12,587	12,932	13,365
2. Exchange Rate (KR/\$, average)	2,640	2,991	3,774	3,814	3,859	3,924
3. Population (million)	11.0	11.6	12.2	12.5	12.8	13.1

— = not available, GDP = gross domestic product.

^a Provisional.^b Excluding official transfers.^c Some imports are reexported to neighboring countries, e.g., Viet Nam.

Sources: Ministry of Economy and Finance, National Institute of Statistics, National Bank of Cambodia, International Monetary Fund, ADB staff estimates.

Table A1.3: Country Poverty and Social Indicators

Item	Period		
	1985	1990	Latest Year
A. Population Indicators			
1. Total Population (million)	7.5	8.6	13.1 (2001)
2. Annual Population Growth Rate (% change)	3.2	2.7	2.5 (2001)
B. Social Indicators			
1. Total Fertility Rate (births/woman)	4.6 (1987)	4.5 (1992)	5.3 (2000)
2. Maternal Mortality Rate (per 100,000 live births)	—	900	437 (2000)
3. Infant Mortality Rate (below 1 year/1,000 live births)	145	91 (1992)	95 (2000)
4. Life Expectancy at Birth (years)	46	50 (1992)	56.4 (1999)
Female	—	—	58.6 (1999)
Male	—	—	54.1 (1999)
5. Adult Literacy (%)	29 (1980–1985)	35	68.2 (1999)
Female			
Male			
6. Primary School Gross Enrollment Rate (%) ^a	42 (1970–1975)	—	90.0 (2000)
Female	35 (1970–1975)	—	84.0 (2000)
7. Secondary School Gross Enrollment Rate (%) ^a	10 (1970–1975)	—	23.0 (1999–2000)
Female	6 (1970–1975)	—	7.0 (1999–2000)
8. Child Malnutrition (% below age 5)	20 (1980–1985)	38	52 (2000)
9. Population Below Poverty Line (National, %)	—	39 (1993)	36.1 (1997)
10. Population with Access to Safe Water (%)	—	36 (1988–1991)	30 (1999)
11. Population with Access to Sanitation (%)	—	14 (1988–1991)	18 (1999)
12. Public Education Expenditure (% of GDP)	—	0.70 (1991)	1.3 (1999)
13. Human Development Index		0.186	0.541 (2001) ^b
Rank		148	121 (2001) ^b
14. Gender-Related Development Index		—	0.534 (2001) ^b
Rank		—	109 (2001) ^b
C. Poverty Indicators			
1. Poverty Incidence		39.0 (1993)	36.1 (1997)
2. Percent of Poor to Total Population			
Phnom Penh		11.4 (1993)	11.1 (1997)
Other Urban		36.0 (1993)	29.9 (1997)
Rural		43.1 (1993)	40.1 (1997)
3. Poverty Gap		9.2 (1993)	8.7 (1997)
4. Poverty Severity Index		3.1 (1993)	3.1 (1997)
5. Inequality (Theil L Index)		0.33 (1993)	0.48 (1997)
6. Human Poverty Index		—	45.0 (2001) ^b
Rank		—	78 (2001) ^b

— = not available, GDP = gross domestic product, HIV/AIDS = human immunodeficiency virus/acquired immunodeficiency syndrome.

^a Gross enrollment ratio is defined as the number enrolled in a level of education, whether or not they belong in the relevant age group for that level, expressed as a percentage of the population in the age group 6–10 years for primary school, 11–13 years for lower secondary school, and 14–16 years for upper secondary school.

^b Based on *Human Development Report 2001*.

Sources: National Institute of Statistics, various surveys; Ministry of Economy and Finance; Ministry of Planning; Ministry of Health, Youth and Sports; Ministry of Planning. 1998. *Cambodia Human Development Report 1998*; UNDP. *Human Development Report*, various issues; World Bank. *World Development Report*, various issues; World Bank. *World Development Indicators*, various issues; FAO *Production Yearbook*, various issues; Cambodian Authorities; UNAIDS; Cambodia Demographic and Health Survey 2000; ADB staff estimates.

Table A1.4: Country Environment Indicators

Indicator	1980	Latest Year	
A. Energy Efficiency of Emissions			
1. GDP/Unit of Energy Use (PPP \$/kg oil equivalent)	—	—	
2. Traditional Fuel Use (% of total energy use)	100	89.3	(1997)
3. Carbon Dioxide Emissions (total metric tons)			
Tons	0.3	0.7	(1998)
Tons per capita	0.0	0.1	(1998)
B. Water Pollution: Water and Sanitation			
1. % Urban Population with Access to Safe Water	—	—	
2. % Rural Population with Access to Safe Water	—	—	
3. % Urban Population with Access to Sanitation	—		
C. Land Use and Deforestation			
1. Forest Area ('000 km ²)	—	5.8	(1999)
2. Average Annual Deforestation Square Kilometers (km ²)	—	561	(1990–2000)
% change	—	0.6	(1990–2000)
3. Rural Population Density (people/km ² of arable land)	—	268	(1999)
4. Arable Land (% of total land)	11.3	21	(1999)
5. Permanent Cropland (% of total land)	0.4	0.6	(1999)
D. Biodiversity and Protected Areas			
1. Nationally Protected Areas Thousand square kilometers	—	32.7	(2000)
% of total land	—	18.1	(2000)
2. Mammals (number of threatened species)	—	21	(2000)
3. Birds (number of threatened species)	—	19	(2000)
4. Higher plants (number of threatened species)	—	0	(2000)
5. Reptiles (number of threatened species)	—	9	(2000)
6. Amphibians (number of threatened species)	—	0	(2000)
E. Urban Areas			
1. Urban Population (millions)			
Million	0.8	1.9	(2000)
% of total population	12	16	(2000)
2. Per Capita Water Use (liters/day)	—	—	
3. Wastewater Treated (%)	—	—	
4. Solid Waste Generated Per Capita (kg/day)	—	—	

— = not available, GDP = gross domestic product, km² = square kilometer, PPP = purchasing power parity.

Sources: ASEAN Regional Center for Biodiversity Conservation (ARCBC); World Resources Institute (WRI); World Bank. *World Development Indicators 2002*.

Table A1.5: Development Coordination Matrix

Sector/ Thematic Focus ^a	ADB Strategy/Activities	Other Development Partners' Strategies/Activities			
		Multilateral Institutions/United Nations System		Bilateral	
Agriculture and Rural Development	Sector Development, Infrastructure Development, Smallholder Development	FAO	Agricultural Institutional Development, Pest Control	Australia	Agricultural Extension Services to Rural Areas, Rural Infrastructure
		UNDP	Rural Development, Rural Livelihood Improvement	Germany	Rural Enterprise Development, Food Security
		EU	Agricultural Extension Services	Japan	Rural Infrastructure, Irrigation Upgrading
		World Bank	Agriculture Productivity Improvement, Village Development	France	Smallholder Development, Rural Credit for Agro-Enterprises, Rural Agro Irrigation
Natural Resources	Land Policy and Forest Management	FAO	Forestry, Fisheries, Biodiversity Management and Conservation	Denmark	Biodiversity Conservation Protected Area Management, Forestry and Fisheries
		UNDP	Forest Crime Monitoring	Germany	Land Management, Capacity Building
		EU	Aquaculture Development	Sweden	Capacity Building/ Institutional Strengthening, Fisheries
		GEF	Biodiversity Management	Japan	Land Use Mapping, Fishery Conservation
		World Bank	Fisheries, Forestry	Finland	Land Tenure Security
Education	Primary Education, Sector Development, Secondary Education Textbooks	UNESCO	Informal Education through Cultural/Religious Institutions	Australia	Higher Education, Vocational Training
		UNDP	Nonformal Education	Belgium	Technical Skills Development, Institutional Construction at All Levels
		UNHCR	Schools Reconstruction	France	Higher education, French Language-Teacher Training
		World Bank	Education Quality Improvement	Germany/ Netherlands	Vocational Skills Training
		UNICEF through Swedish fund	Higher Education, Leadership Development, Basic education Cluster Schools Program, Technical Skills Development at All Levels, Scholarships	Japan/Russian Federation	Education Infrastructure Development, Scholarships
		EU	Teacher Training, School Inspectors Training, Capacity Building of Teachers	United Kingdom	Teacher Training, Technical Skills Development

Table A1.5: Development Coordination Matrix (continued)

Sector/ Thematic Focus ^a	ADB Strategy/Activities	Other Development Partners' Strategies/Activities				
		Multilateral Institutions/United Nations System		Bilateral		
Health	Basic Health Services Sector Development	WHO	Health Care Reform, Institutional Development, Water Analyses	Australia	Primary Health Service Delivery, Public Health Expenditure Management Drug Delivery	
		UNICEF	Health Care Institutional Development, Child Health Emergency Health Care	Germany		
		UNHCR		United Kingdom		
		UNAIDS	HIV/AIDS Controls	Japan		Health Sector Reform, HIV/AIDS
		World Bank	Disease Control, Health Care Support	Belgium		Maternal and Child health, Tuberculosis Control, Immunization
		IOM	Mental Health Development	USA		Basic Health Service Delivery
Urban Development Water Supply	Urban Development, Water Supplies, Environment Management	UNHCR	Water Supply and Sanitation	Australia	Water Supply	
		WFP	Rural Water Infrastructure Water Supply and Sanitation Urban Poverty Reduction Program	France	Rural Water Supply Rural Water Supply Groundwater Mapping, Water Supply, Drainage and Flood Control Urban Poverty Reduction	
		EU		Sweden		
		UNCHS/UNDP		Japan		
World Bank	Urban Water Supply and Sanitation, Rural and Provincial Infrastructure Development	United Kingdom				
Energy Transport	Power Rehabilitation	World Bank	Power Rehabilitation, Rural Electrification, Rural and Provincial Infrastructure Development	France	Electricity Development and Technical Support to Electricité de Cambodge Bridge Rehabilitation/Upgrade Tertiary Road Improvement	
	Primary Roads Restoration,	ILO	Road Rehabilitation	Australia		
	Road Network Improvement, Capacity Building, Port Upgrading	World Bank	Road Rehabilitation and Plans, Rural and Provincial Roads	Germany		
		UNHCR	Bridge Repairs	Japan		Transport Infrastructure Rehabilitation, Roads and Bridges
		UNWFP	Food for Roadworks	France New Zealand		Road Testing Capacity Building for Rural Road Construction and Maintenance
Macroeconomic Management	Capacity Building, Development Planning (SEDP II)	IMF	ESAF/PRGF, Fiscal Management, Banking and Macroeconomic Support	France	Value-Added Tax and Public Accounting Support	

Table A1.5: Development Coordination Matrix (continued)

Sector/ Thematic Focus ^a	ADB Strategy/Activities	Other Development Partners' Strategies/Activities			
		Multilateral Institutions/United Nations System		Bilateral	
		UNDP through Swedish Fund World Bank	Social Surveys Socioeconomic Surveys, SAC, PRSP, Capacity Building, Public Sector Reform	Japan Germany	Capacity Building Capacity Building
Finance	Sector Development, Sector Program, Rural Credit and Savings	IMF World Bank	Supervisory and Enforcement Capacity Building (Bank of Cambodia) Medium Term Expenditure Framework, Public Expenditure Review	France	Rural Credit Program (support for Microfinance)
Tourism	Capacity Building and Support through the GMS Program	UNIDO/UNDP ILO	Tourism Promotion and marketing Support to SME for Tourism	France Germany/Japan	Tourism Infrastructure Development Support to SME for Tourism
Telecommunications				Germany (KfW)	Rural Telecommunications Infrastructure Development
Private Sector	Capacity Building in Tourism	EU UNDP/UNIDO World Bank IFC/FIAS/MIGA	Support for SMEs Support for Siem Reap Tourism Development Cultural Heritage, Framework Report for Public-Private Investments Investments, Capacity Building	Germany Japan	Support to SME for Tourism Support to SME for Tourism
Governance	Capacity Building, Policy Development, Legal Framework	UNICEF ILO EU UNESCO IPEC World Vision	Policy Development, Legal Framework, Law Enforcement and Public Security, Corruption Prevention, Capacity Building, Civil Society Participation Policy Development, Legal Framework Institutional and Capacity Building Civil Society Participation Policy Development, Legal Framework Law Enforcement and Public Security	Australia Japan France Germany USA Norway	Policy Development, Institutional and Capacity Building Legal Framework, Law Enforcement and Public Security, Institutional and Capacity Building Legal Framework, Capacity Building, Civil Society Participation Civil Society Participation Civil Society Participation Legal Framework

Table A1.5: Development Coordination Matrix (continued)

Sector/ Thematic Focus ^a	ADB Strategy/Activities	Other Development Partners' Strategies/Activities			
		Multilateral Institutions/United Nations System		Bilateral	
Environment	Capacity Building and Institutional Development	FAO	Participatory Resources Management	United Kingdom	Environmental Conservation Capacity Building Protected Area Management
		World Bank	Biodiversity	Denmark	
		EU	Environmental Management, Environ. Impact Assessment		
		UNDP/UNESCO	Environmental Management		
Other		EU	Cultural Heritage restoration, De-mining	Japan	Community Empowerment, Capacity Building for Regional Cooperation, De-mining Upgrading Siem Reap Airport Capacity Building for Regional Cooperation De-mining
				China	
				France	
				Australia	

EU = European Union, FAO = Food and Agriculture Organization of the United Nations, FIAS = Foreign Investment Advisory Service, GEF = Global Environment Facility, IFC = International Finance Corporation, ILO = International Labour Organization, IOM = International Organization for Migration, IPEC = International Programme on the Elimination of Child Labour, KfW = Kreditanstalt für Wiederaufbau, MIGA = Multilateral Investment Guarantee Agency, UNCHS = United Nations Centre for Human Settlements, UNDP = United Nations Development Programme, UNESCO = United Nations Educational, Scientific and Cultural Organization, UNHCR = United Nations High Commission for Refugees, UNICEF = United Nations Children's Fund, UNIDO = United Nations Industrial Development Organization, WFP = World Food Programme

Note: The matrix reflects the key areas of agency operations and may not necessarily portray a complete involvement of each one in the given sectors.

^a Sectors are categorized according to ADB's sector classification system.

Sources: Government of Cambodia, Development Cooperation Reports, 1998, 2000; Council for the Development of Cambodia, Working Documents for the 2002 Consultative Group Meeting; Government of Cambodia, Socioeconomic Development Requirements and Proposals, 2000.

Table A1.6: Portfolio Indicators—Portfolio Amounts and Ratings
(public sector loans, as of 31 December 2001)

Sector	Net Loan Amount		Total		Rating ^a											
					Highly Satisfactory		Satisfactory		Partly Satisfactory		Unsatisfactory		Potential Problem ^b		At Risk ^c	
	\$ million	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Agriculture and Natural Resources	82.5	20.5	4	23.5	—	—	4	100.0	—	—	—	—	—	—	—	—
Energy	18.1	4.5	1	5.9	—	—	1	100.0	—	—	—	—	—	—	—	—
Finance	9.7	2.4	1	5.9	—	—	1	100.0	—	—	—	—	—	—	—	—
Industry and Nonfuel Minerals	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Multisector	53.9	13.4	1	5.9	—	—	1	100.0	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Social Infrastructure	126.5	31.4	7	41.2	—	—	7	100.0	—	—	—	—	—	—	—	—
Transport and Communications	112.5	27.9	3	17.6	—	—	3	100.0	—	—	—	—	—	—	—	—
Total	403.2	100.0	17	100.0	—	—	17	100.0	—	—	—	—	—	—	—	—

— = not applicable

^a One rating for implementation progress and development objectives.

^b Potential problem loans are satisfactory loans with four or more potential problem flags.

^c At risk = partly satisfactory, unsatisfactory, and potential problem. If overall rating for implementation progress or development objectives is partly satisfactory or unsatisfactory, the loan is automatically "at risk" and flags are not counted in determining a potential problem but will be flagged to indicate problem areas.

Source: Asian Development Bank estimates.

Table A1.7: Portfolio Indicators—Disbursements and Net Transfers of Resources
(public sector loans, as of 31 December 2001)

Disbursements and Transfers	OCR	ADF	Total
Disbursements^a			
Total Funds Available for Withdrawal (\$ million)	—	329.3	329.3
Disbursed Amount (\$ million, cumulative)	—	127.8	127.8
Percentage Disbursed (disbursed amount/total available)	—	38.8	38.8
Disbursements (\$ million, latest year)	—	48.3	48.3
Disbursement Ratio (%) ^b	—	18.7	18.7
Net Transfer of Resources (\$ million)^c			
1997	—	9.7	9.7
1998	—	28.4	28.4
1999	—	24.9	24.9
2000	—	49.3	49.3
2001	—	46.4	46.4

— = not applicable.

ADF=Asian Development Fund, OCR=ordinary capital resources.

^a Includes loans closed during the year with disbursements (including negative disbursements).

^b Ratio of disbursements during the year over the undisbursed net loan balance less cancellations at the beginning of the year. Effective loans during the year have also been added to the beginning balance of undisbursed loans.

^c Includes private sector projects.

Source: Asian Development Bank estimates.

**Table A1.8: Portfolio Indicators—Evaluation Rating by Sector,
1997–2001**

Sector	Highly Successful		Successful		Partly Successful		Unsuccessful		No Rating		Total	
	(No.)	%	(No.)	%	(No.)	%	(No.)	%	(No.)	%	(No.)	%
Agriculture and Natural Resources	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Energy	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Finance	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Industry and Nonfuel Minerals	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Multisector	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	1	100.0
Others	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Social Infrastructure	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transport and Communications	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	1	100.0

PPAR = project or program performance audit report.

Sources: Asian Development Bank project or program performance audit reports.

Table A1.9: Portfolio Implementation Status
(public sector loans, as of 31 December 2001)

No.	Sector	Loan No.	Seg	Title	Net Loan Amount		Approval Date	Effective Date	Closing Date		Progress (% complete)
					OCR (\$ million)	ADF (\$ million)			Original (dd/mm/yy)	Revised (dd/mm/yy)	
1	AGR	1385		Rural Infrastructure Improvement Project		21.8	28/Sep/95	10/Jan/96	30/Jun/02	30/Jun/02	94.0
2	AGR	1741		Rural Credit and Savings		18.7	27/Apr/00	29/Mar/01	29/Mar/06	29/Mar/06	8.0
3	AGR	1753		Stung Chinit Irrigation and Rural Infrastructure Project		15.3	5/Sep/00	28/Feb/01	30/Jun/07	30/Jun/07	10.0
4	AGR	1862		Northwestern Rural Development		26.7	27/Nov/01	n.e.	31/Dec/07	31/Dec/07	0
5	ENE	1794		Provincial Power Supply		18.1	05/Dec/00	01/Aug/01	31/Dec/04	31/Dec/04	4.0
6	FIN	1859		Financial Sector Program Loan (Cluster)		9.7	15/Nov/01	n.e.	31/Dec/03	31/Dec/03	0
7	MUL	1824	1	Emergency Flood Rehabilitation		29.4	21/Dec/00	22/Dec/00	30/Jun/04	30/Jun/04	5.0
	MUL	1824	2	Emergency Flood Rehabilitation		7.0	21/Dec/00	22/Dec/00	30/Jun/04	30/Jun/04	30.0
	MUL	1824	3	Emergency Flood Rehabilitation		6.1	21/Dec/00	22/Dec/00	30/Jun/04	30/Jun/04	19.0
	MUL	1824	4	Emergency Flood Rehabilitation		10.6	21/Dec/00	22/Dec/00	30/Jun/04	30/Jun/04	43.0
	MUL	1824	5	Emergency Flood Rehabilitation		0.9	21/Dec/00	22/Dec/00	30/Jun/04	30/Jun/04	17.0
8	SOC	1368		Basic Skills		16.5	30/Aug/95	20/Nov/95	31/May/01	31/May/02	95.0
9	SOC	1446		Basic Education Textbook		18.4	20/Jun/96	28/Oct/96	30/Apr/02	30/Apr/02	95.0
10	SOC	1447		Basic Health Services		18.3	20/Jun/96	27/Sep/96	30/Jun/02	31/Dec/02	93.0
11	SOC	1468		Phnom Penh Water Supply and Drainage		17.6	26/Sep/96	08/Sep/97	30/Jun/03	30/Jun/03	72.0
12	SOC	1725		Provincial Towns Improvement		18.3	17/Dec/99	11/Apr/00	31/Dec/05	31/Dec/05	30.0
13	SOC	1864		Education Sector Development		19.7	04/Dec/01	n.e.	31/Aug/04	31/Aug/04	0
14	SOC	1865		Education Sector Development		17.7	04/Dec/01	n.e.	30/Jun/07	30/Jun/07	0
15	T&C	1503		Siem Reap Airport		13.7	12/Dec/96	13/Jun/97	30/Jun/00	31/Mar/03	75.0
16	T&C	1659		GMS: Phnom Penh to Ho Chi Minh City Highway		36.0	15/Dec/98	09/Nov/99	30/Jun/03	30/Jun/03	23.0
17	T&C	1697		Primary Roads Restoration		62.8	21/Sep/99	30/Jun/00	31/Jan/04	31/Jan/04	20.0
Total						403.3					

n.e. = not effective

ADF = Asian Development Fund, AGR = agriculture and natural resources, ENE = energy, FIN = finance, IND = industry and nonfuel minerals, MUL = multisector, n.e. = not effective, No. = number, OCR = ordinary capital resources, OTH = other, Seg = segment (pertaining to loans with more than one withdrawal authority), SOC = social infrastructure, T&C = transport and communications.

No.	Sector	Loan No.	Seg	Title	Cumulative Contracts/ Commitments (\$ million)	Cumulative Disbursements (\$ million)	Rating		Potential Problem ^a	At Risk ^b
							IP	DO		
1	AGR	1385		Rural Infrastructure Improvement Project	17.25	18.39	S	S	No	No
2	AGR	1741		Rural Credit and Savings	0.00	1.00	S	S	No	No
3	AGR	1753		Stung Chinit Irrigation and Rural Infrastructure Project	2.45	1.71	S	S	No	No
4	AGR	1862		Northwestern Rural Development	0.00	0.00	S	S	No	No
5	ENE	1794		Provincial Power Supply	0.69	0.00	S	S	No	No
6	FIN	1859		Financial Sector Program Loan (Cluster)	0.00	0.00	S	S	No	No
7	MUL	1824	1	Emergency Flood Rehabilitation	9.51	1.73	S	S	No	No
	MUL	1824	2	Emergency Flood Rehabilitation	3.165	2.623	HS	S	No	No
	MUL	1824	3	Emergency Flood Rehabilitation	0.53	1.51	S	S	No	No
	MUL	1824	4	Emergency Flood Rehabilitation	4.01	4.10	S	S	No	No
	MUL	1824	5	Emergency Flood Rehabilitation	0.73	0.34	S	S	No	No
8	SOC	1368		Basic Skills	15.93	15.26	HS	S	No	No
9	SOC	1446		Basic Education Textbook	17.82	17.74	HS	S	No	No
10	SOC	1447		Basic Health Services	17.55	17.08	S	S	No	No
11	SOC	1468		Phnom Penh Water Supply and Drainage	16.20	11.54	S	S	No	No
12	SOC	1725		Provincial Towns Improvement	3.42	2.30	HS	S	No	No
13	SOC	1864		Education Sector Development	0.00	0.00	S	S	No	No
14	SOC	1865		Education Sector Development	0.00	0.00	S	S	No	No
15	T&C	1503		Siem Reap Airport	13.54	10.18	S	S	No	No
16	T&C	1659		GMS: Phnom Penh to Ho Chi Minh City Highway	22.17	8.79	S	S	No	No
17	T&C	1697		Primary Roads Restoration	53.24	13.55	S	S	No	No
Total					198.20	127.84				

DO = development objectives, HS = highly satisfactory, IP = implementation progress, PS = partly satisfactory, S = satisfactory, U = unsatisfactory.

^a "Yes" for loans with four or more risk factors associated with partly satisfactory or unsatisfactory performance.

^b A loan is considered "at risk" if it is rated as "PS" or "U" in either implementation progress or development objectives, or if it is a potential problem loan.

Table A1.10: Assistance Pipeline for Lending Products, 2002–2005

Sector Project/Program Name	Poverty Classifi- cation	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (\$million)				
						ADB			Gov't	Co- financing
						OCR	ADF	Total		
2002 Firm Loans										
Agriculture and Natural Resources										
Tonle Sap Environmental Management	CPI	ENV/GG	MKAE	1998	19.0		10.5	10.5	4.0	4.5
Subtotal					19.0		10.5	10.5	4.0	4.5
Financial Sector										
Commune Council Development Project	PI	GG	MKGF	2002	17.0		10.0	10.0	2.0	5.0
Financial Sector Program (Subloan II)	Other	PSD/GG	MKGF	2000	10.0		10.0	10.0	—	—
Subtotal					27.0		20.0	20.0	2.0	5.0
Social Infrastructure										
Health Sector Support	PI	HD/GD	MKSS	2001	35.0		20.0	20.0	5.0	10.0
Subtotal					35.0		20.0	20.0	5.0	10.0
Transport										
Road Improvement	PI	PSD	MKID	2002	39.0		25.0	25.0	7.0	7.0
Subtotal					39.0		25.0	25.0	7.0	7.0
Subregional										
GMS: Road Improvement	PI	RC	MKID	2002	38.0		25.0	25.0	10.0	3.0
GMS: Mekong Tourism Development	Other	RC/PSD	MKSS	1999	22.5		17.5	17.5	5.0	—
Subtotal					60.5		42.5	42.5	15.0	3.0
Total					180.5		118.0	118.0	33.0	29.5
2003 Firm Loans										
Agriculture and Natural Resources										
Agriculture Sector Development	CPI	GG/GD	MKAE	2001	50.0	-	36.0	36.0	9.0	5.0
Northwest Irrigation Sector	PI	HD	MKAE	2001	27.0	-	18.0	18.0	5.0	4.0
Subtotal					77.0		54.0	54.0	14.0	9.0
Financial Sector										
Financial Sector Program (Subloan III)	Other	PSD/GG	MKGF	2001	10.0	-	10.0	10.0	—	—
Subtotal					10.0	-	10.0	10.0	—	—
Total					87.0	-	64.0	64.0	14.0	7.0
2003 Standby Loans										
Social Infrastructure										
Rural Water Supply and Sanitation	PI	GG/GD	MKSS	2001	29.0	-	18.0	18.0	5.0	6.0
Subtotal					29.0	-	18.0	18.0	5.0	6.0
Total					29.0	-	18.0	18.0	5.0	6.0

ADB = Asian Development Bank, ADF = Asian Development Fund, CPI = core poverty intervention, ENV = environmental protection, GD = gender and development, GG = good governance, HD = human development, MKAE = Mekong Agriculture, Environment and Natural Resources Division, MKGF = Mekong Governance, Finance & Trade Division, MKID = Mekong Infrastructure Division, MKSS = Mekong Social Sectors Division, NC = not classified, OCR = ordinary capital resources, PI = poverty intervention, PSD = private sector development, TBD = to be determined.

Table A1.10: Assistance Pipeline for Lending Products, 2002-2005 (continued)

Sector Project/Program Name	Poverty Classifi- cation	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (\$million)				
						ADB			Gov't	Co- financing
						OCR	ADF	Total		
2004 Firm Loans										
Social Infrastructure										
Rural Water Supply and Sanitation	PI	GG/GD	MKSS	2001	29.0	-	18.0	18.0	5.0	6.0
Subtotal					29.0		18.0	18.0	5.0	6.0
Energy Sector										
Provincial Power Transmission and Distribution	Other	PSD	MKID	2003	32.0	-	26.0	26.0	6.0	TBD
Subtotal					32.0		26.0	26.0	6.0	
Others										
SME Sector Development	Other	PSD	MKGF	2003	17.0	-	15.0	15.0	2.0	TBD
Chong Kneas Environmental Improvement	PI	ENV/HD	MKAE	2002	17.0	-	5.0	5.0	2.0	10.0
Subtotal					34.0		20.0	20.0	4.0	10.0
Subregional										
GMS Railway Development	Other	RC/PSD	MKID	2003	45.0	-	40.0	40.0	5.0	TBD
GMS Telecommunications Backbone Phase I	Other	RC/PSD	MKID	2000	20.0	-	20.0	20.0	—	—
Subtotal					65.0		60.0	60.0	5.0	
Total					160.0		124.0	124.0	20.0	
2004 Standby Loans										
Social Infrastructure										
Education Sector Development Program II	CPI	HD/GD	MKSS	2003	39.0	-	31.0	31.0	8.0	TBD
Subtotal					39.0		31.0	31.0	8.0	
Total					39.0		31.0	31.0	8.0	
2005 Firm Loans										
Agriculture and Natural Resources										
Tonle Sap Natural Resources Management II	CPI	ENV/HD	MKAE	2003	41.0	-	32.0	32.0	9.0	TBD
Subtotal					41.0		32.0	32.0	9.0	
Financial Sector										
Financial Sector Program Loan II, Subloan I	Other	PSD/GG	MKGF	2004	10.0	-	10.0	10.0	—	—
Subtotal					10.0		10.0	10.0	—	
Social Infrastructure										
Education Sector Development Program II	CPI	HD/GD	MKSS	2003	39.0	-	31.0	31.0	8.0	TBD
Subtotal					39.0		31.0	31.0	8.0	
Subregional										
GMS Southern Coastal Road Project	Other	RC	MKID	2003	32.0	-	25.0	25.0	7.0	TBD
Subtotal					32.0		25.0	25.0	7.0	
Total					122.0		98.0	98.0	24.0	

ADB = Asian Development Bank, ADF = Asian Development Fund, CPI = core poverty intervention, ENV = environmental protection, GD = gender and development, GG = good governance, HD = human development, MKAE = Mekong Agriculture, Environment and Natural Resources Division, MKGF = Mekong Governance, Finance & Trade Division, MKID= Mekong Infrastructure Division, MKSS = Mekong Social Sectors Division, NC = not classified, OCR=ordinary capital resources, PI = poverty intervention, PSD = private sector development, RC = regional cooperation, TBD = to be determined.

Source: Asian Development Bank

Table A1.11: Assistance Pipeline for Nonlending Products and Services, 2003–2005

Sector Assistance Name	Responsible Division	Assistance Type	Source	Sources of Funding		Total (\$'000)
				ADB Amount (\$'000)	Others Amount (\$'000)	
2003						
Agriculture and Natural Resources						
1. Tonle Sap Environmental Management II	MKAE	PPTA	TBD	600.0	200.0	800.0
2. Agriculture Sector Reform Support	MKAE	ADTA	TASF	700.0	200.0	900.0
Subtotal				1,300.0	400.0	1,700.0
Social Infrastructure						
1. Education Sector Development II	MKSS	PPTA	TBD	600.0	200.0	800.0
2. Decentralized Management of Small-Scale Water Supply and Sanitation	MKSS	ADTA	TASF	600.0	0.0	600.0
Subtotal				1,200.0	200.0	1,400.0
Energy						
1. Provincial Power Transmission and Distribution	MKID	PPTA	TBD	600.0	0.0	600.0
Subtotal				600.0	0.0	600.0
Others/Multisector						
1. SME Sector Development	MKGF	PPTA	TBD	500.0	0.0	500.0
2. Review of Communes/Sangkat Boundaries	MKGF/RSDD	ADTA	TASF	300.0	100.0	400.0
3. Capacity Building in Policy Monitoring and Implementation	MKOC	ADTA	TASF	500.0	0.0	500.0
4. Capacity Building in Portfolio Management	COPP/CARM	ADTA	TBD	500.0	0.0	500.0
5. Capacity Building in Land Management	OGC	ADTA	TASF	400.0	0.0	400.0
6. Social Protection Study	MKOC	SC	IAE	50.0	0.0	50.0
7. Women in Cambodia	MKOC	SC	IAE	50.0	0.0	50.0
8. Private Sector Assessment	MKGF	SC	IAE			
9. Governance Update	MKGF	SC	IAE			
10. Environment Assessment	MKAE	SC	IAE			
11. CSP Consultations	MKOC	SC	IAE			
Subtotal				2,300.0	100.0	2,300.0
Total				5,400.0	700.0	6,100.0
2004						
Agriculture and Natural Resources						
1. Rural Income Enhancement	MKAE	PPTA	TBD	700.0	0.0	700.0
2. Water Resources Sector Development	MAKE	PPTA	TBD	800.0	0.0	800.0
Subtotal				1,500.0	0.0	1,500.0

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, ETSW = Economic, Thematic and Sector Work, IAE = Internal Administrative Expense, MKAE = Mekong Agriculture, Environment and Natural Resources Division, MKGF = Mekong Governance, Finance & Trade Division, MKID= Mekong Infrastructure Division, MKOC = Mekong Operations Coordination Division, MKSS = Mekong Social Sectors Division, PPTA = project preparatory technical assistance, SC = staff consultant, TASF = technical assistance special fund.

Table A1.11: Assistance Pipeline for Nonlending Products and Services, 2003-2005 (continued)

Sector Assistance Name	Responsible Division	Assistance Type	Source	Sources of Funding		Total (\$'000)
				ADB Amount (\$'000)	Others Source Amount (\$'000)	
Transport						
1. GMS Southern Coastal Road	MKID	PPTA	TBD	800.0	0.0	800.0
Subtotal				800.0	0.0	800.0
Social Infrastructure						
1. Institutional Strengthening of the National AIDS Authority	MKSS	ADTA	TBD	400.0	0.0	400.0
2. Strengthening of Education Sector Management	MKSS	ADTA	TASF	600.0	0.0	600.0
Subtotal				1,000.0	0.0	1,000.0
Finance and Industry						
1. Financial Sector Development Program II	MKGF	PPTA	TBD	500.0	0.0	500.0
Subtotal				500.0	0.0	500.0
Others/Multisector						
1. SME Sector Development	MKGF	ADTA	TASF	500.0	0.0	500.0
2. Strengthening Decentralized Public Financial Management	MKGF	ADTA	TASF	1,000.0	0.0	1,000.0
Subtotal				1,500.0	0.0	1,500.0
Total				4,800.0	0.0	4,800.0
2005						
Agriculture and Natural Resources						
1. Tonle Sap Capacity Building	MKAE	ADTA	TASF	1,000.0	0.0	1,000.0
Subtotal				1,000.0	0.0	1,000.0
Transport						
1. Transport Infrastructure Development	MKID	PPTA	TBD	700.0	0.0	700.0
Subtotal				700.0	0.0	700.0
Social Infrastructure						
1. Health Sector Support II	MKSS	PPTA	TBD	600.0	0.0	600.0
Subtotal				600.0	0.0	600.0
Finance and Industry						
1. Financial Sector Program Implementation	MKGF	ADTA	TASF	600.0	0.0	600.0
Subtotal				600.0	0.0	600.0

ADB = Asian Development Bank, ADTA = advisory technical assistance, ETSW = Economic, Thematic and Sector Work, IAE = Internal Administrative Expense, MKAE = Mekong Agriculture, Environment and Natural Resources Division, MKGF = Mekong Governance, Finance & Trade Division, MKID= Mekong Infrastructure Division, MKSS = Mekong Social Sectors Division, PPTA = project preparatory technical assistance, TASF = technical assistance special fund.

Sector Assistance Name	Responsible Division	Assistance Type	Source	Sources of Funding		Total (\$'000)
				ADB Amount (\$'000)	Others Amount (\$'000)	
Others/Multisector						
1. Capacity Building in Public Sector Management	MKGF	ADTA	TASF	400.0	0.0	400.0
2. Strengthening of National Audit Authority	MKGF	ADTA	TASF	600.0	0.0	600.0
3. Capacity Building in Economic Policy Management	MKOC	ADTA	TASF	800.0	0.0	800.0
Subtotal				1,800.0	0.0	1,800.0
Total				4,700.0	0.0	4,700.0

ADB = Asian Development Bank, ADTA = advisory assistance, ETSW = Economic, Thematic and Sector Work, IAE = Internal Administrative Expense, MKGF = Mekong Governance, Finance & Trade Division, MKOC = Mekong Operations Coordination Division, PPTA = project preparatory technical assistance, TASF = technical assistance special fund.

Source: Asian Development Bank

Table A1.12: Lending Scenarios and Performance Triggers

Low Case Scenario	Base Case	High Case Scenario
<ul style="list-style-type: none"> • Macroeconomic environment deteriorated, with inflation above 5% and a deterioration in economic growth. 	<ul style="list-style-type: none"> • Macroeconomic stability maintained, with moderate inflation and economic growth as projected in the Second Socioeconomic Development Plan, 2001–2005. 	<ul style="list-style-type: none"> • Macroeconomic performance sustainable and strong, with revenues increasing by at least 12% in real terms.
<ul style="list-style-type: none"> • Execution of budget implementation for each of the four priority sectors is significantly below overall budget performance. 	<ul style="list-style-type: none"> • Execution of budget implementation for each of the four priority sectors is in line with overall budget performance. 	<ul style="list-style-type: none"> • Increase in the share of spending in four priority areas as a percentage of total government spending.
<ul style="list-style-type: none"> • Portfolio performance is significantly below the targets agreed upon with the Asian Development Bank (ADB). 	<ul style="list-style-type: none"> • Portfolio performance is in line with the targets agreed upon with ADB. 	<ul style="list-style-type: none"> • Cambodia portfolio performance is substantially above average for ADB's developing member countries.
<ul style="list-style-type: none"> • No progress in implementing reforms outlined in the Governance Action Plan 	<ul style="list-style-type: none"> • Steps have been taken to effectively implement priority measures outlined in the Governance Action Plan • Launching the Priority Mission Group (PMG) Program including the establishment of a number of PMGs in critical areas of the reform program. 	<ul style="list-style-type: none"> • Measures outlined in the Governance Action Plan have been substantially implemented. • Effective implementation of the PMG Program in line with the published timetable.

Source: Asian Development Bank

CONCEPT PAPERS FOR LENDING PRODUCTS

This appendix contains the concept papers for the following lending products.

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Table A2.1: Agriculture Sector Development Program

Date: 31 May 2002

1. Type/modality of assistance <input checked="" type="checkbox"/> Lending <input type="checkbox"/> Project loan <input type="checkbox"/> Program loan <input type="checkbox"/> Sector loan <input checked="" type="checkbox"/> Sector development program loan <input type="checkbox"/> Other: <input type="checkbox"/> Nonlending <input type="checkbox"/> Project preparatory <input type="checkbox"/> Other than project preparatory <input type="checkbox"/> Economic, thematic, and sector work <input type="checkbox"/> Institutional development <input type="checkbox"/> Other:	
2. Assistance focus a. If assistance focuses on a particular sector or subsector, specify the Sector: Agriculture Subsector: Crop Production b. For project preparatory and lending, classification <input type="checkbox"/> Core poverty intervention <input checked="" type="checkbox"/> Poverty intervention c. Key thematic area(s) <input checked="" type="checkbox"/> Economic growth <input checked="" type="checkbox"/> Gender and development <input type="checkbox"/> Environmental protection <input type="checkbox"/> Regional cooperation <input type="checkbox"/> Other: <input checked="" type="checkbox"/> Human development <input type="checkbox"/> Good governance <input checked="" type="checkbox"/> Private sector development <input type="checkbox"/> Social protection	
3. Coverage <input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional <input type="checkbox"/> Internal policy development	
4. Responsible division/department: MKAE	
5. Responsible ADB officer(s): M. Otsuka	
6. Description of assistance(s) <p>a. Background/linkage to country/regional strategy: Cambodia is one of the lowest-income countries in the world. Its gross domestic product (GDP) per capita is estimated at \$255 (provisional estimate for 2000). In terms of social capacity for human development, Cambodia is in the lowest tier of the medium human development category and ranked 136th, with its human development index estimated at 0.512.¹ At present, it is estimated that 36% of the country's population is below the poverty line,² and about 90% of the poor population live in rural areas. It is also believed that a large proportion of the rural population live near the poverty line, and poverty is most prevalent among the vulnerable groups of people affected by the long civil conflict: internally displaced peoples, returned refugees, and war widows. Given the high incidence of rural poverty, agriculture has an important role to play in reducing poverty and improving the capacity for human development.</p> <p>In Cambodia, agriculture accounts for about 40% of the national GDP, and employs about 80% of the total workforce. Rural income is primarily generated from agriculture, which is dominated by rice production. About</p>	

¹ United Nations Development Programme. 2000. *Human Development Report 2000*. New York.

² Based on a consumption-based poverty line defined as adequate income to purchase a daily 2,100-calorie food basket plus an allowance for nonfood expenditure. *Country Assistance Plan (2001–2003)* for Cambodia.

2.16 million hectares (ha) or about 90% of the total cropped area of 2.42 million ha is planted to rice. Other major agricultural crops are maize (60,000 ha), soybean (35,000 ha), vegetables (31,000 ha), and mung bean (27,000 ha). Despite the importance and potential of agriculture, its growth during the 1990s has been rather sluggish and has widely fluctuated due to its heavy dependence on rain-fed rice cultivation and irregular weather conditions. Crop yields have not shown significant increases. The country's average paddy yield was estimated at 1.9 tons per ha in 1999, the lowest in Southeast Asia. Agriculture in Cambodia is generally subsistence-oriented and continues to be characterized by a large number of small farm holdings without secure access to productive resources. During the First Socioeconomic Development Plan (1996–2000),³ the average growth of agriculture was about 2.0% per annum, which was far below the plan target of 5.2% per annum, and had no substantial impact on poverty reduction in rural areas.

The first Agriculture Sector Program (Loan 1445: 1996–2000) introduced a number of reform measures to establish a policy and institutional framework for market-based agricultural growth, including (i) revising the 1992 Land Law for improved security in land tenure and ownership; (ii) using the mass media to provide better access to agricultural technology and market information; (iii) reorganizing a public corporation for agricultural inputs and establishing an office to regulate the quality of such inputs in the market; (iv) implementing a divestment plan for state-owned rubber estates; (v) formulating a rural finance policy and strategy to provide a basis for rural finance development; and (vi) decentralizing development activities and funding effective use of budgetary resources. Except for the revision of the Land Law, these measures were mostly implemented by the end of 1998. The program completion report was circulated to the ADB Board on 11 December 2001.

Although the first Agriculture Sector Program was successfully implemented, the Government recognizes that the reform measures needed deepening to accelerate agricultural growth. The Land Law was revised in July 2000, and approved by the National Assembly in July 2001. Subsequently, implementing regulations and guidelines need to be prepared under the law. To address the knowledge and technology constraints to higher agricultural productivity, the Government must continue its efforts to update the contents of broadcasting programs for agricultural technology and market information. In keeping with the goals of reorienting public agencies and promoting private sector roles, further restructuring of state corporations and estates is warranted, while regulations and regulatory capacity must be developed to control the quality and safety of agricultural inputs. Further efforts are also needed to develop an institutional environment and administrative capacities that will promote private sector participation in the delivery of training, education, marketing, and financial services.

Under the Second Socioeconomic Development Plan (SEDP II, 2001–2005), the Government aims to transform agriculture into a driving force to achieve higher economic growth for the national economy and reduce the incidence of rural poverty. The public investment program of the Government covering the period 2001–2003 is expected to allocate to agriculture \$210.2 million or about 13% of the total program amount. Major objectives of this plan are to (i) maintain a liberal and market-oriented trade environment; (ii) deregulate the exportation of agricultural products by removing unnecessary internal regulatory constraints and introducing effective licensing and registration; (iii) develop agricultural quality standards by encouraging investment in appropriate infrastructure and facilities for postharvest handling, storage, and processing; and (iv) establish appropriate commercial laws and institutional arrangements for efficient and cost-effective market transactions.⁴ To further promote agricultural growth within a market-oriented policy framework, the Government wishes to continue, with ADB's assistance, its policy and institutional reform measures introduced under the first Agriculture Sector Program, and address critical issues restricting the sector's performance: lack of effective agricultural research and extension services for promoting commercial agriculture, lack of consistent regulations for land administration, lack of quality standardization of agricultural inputs and outputs in the market, and the weak capacity and resources at central- and local-level institutions in agriculture.

ADB's sector strategy is to help achieve the Government's development objectives through enhanced agricultural productivity in line with SEDP II of the Government. ADB's strategy also aims to promote private sector participation in agriculture, and increase awareness and knowledge among the rural poor, women, and vulnerable groups to participate in agricultural development and to gain better access to productive opportunities. The proposed Agriculture Sector Development Program (ASDP) is essential to promote market-oriented agricultural growth in Cambodia in line with ADB's operational strategy. Complementarity and synergy with projects and programs of ADB and other external funding agencies will be fully considered during the

³ The Royal Government of Cambodia. 1997. *First Five-Year Socioeconomic Development Plan 1996-2000*. Phnom Penh.

⁴ The Ministry of Planning, the Royal Government of Cambodia. March 2001. *The Second Five-Year Socioeconomic Development Plan 2001-2005 (Draft)*. Phnom Penh.

⁵ Loan 1385-CAM(SF): *Rural Infrastructure Improvement Project*, for \$25.1 million, approved on 28 September 1995. This covers six provinces in the country's southern and southwestern regions.

⁶ There are 1,609 communes in the country. The population in one commune varies widely depending on the location, but is considered to be in the range of 5,000-9,000.

formulation of ASDP.

b. Goal and purpose: The proposed ASDP will promote market-based agriculture sector development and improve agricultural productivity, thereby contributing to faster agricultural growth and reduction in rural poverty.

c. Components and outputs: The proposed ASDP will be a combination of policy- and investment-based assistance, and will aim at (i) facilitating the policy and institutional reform measures introduced under the first Agriculture Sector Program; (ii) developing domestic and external markets for agrobased products through establishment of comparative and competitive advantages, and through removal of internal regulatory constraints; (iii) building the capacities of agriculture institutions with clear demarcation of responsibilities in service delivery; (iv) assessing the potential for crop diversification and intensification based on agroclimatic, economic, and market considerations for domestic consumption and exports, and recommending measures to overcome constraints; and (v) promoting gender-differentiated approaches to agriculture and enhancing women's participation.

The investment component of ASDP will complement the efforts being made by other external funding agencies, and help build the capacity of public service delivery systems; assist in the formation and strengthening of farmer groups, including the existing savings and credit groups, water user groups, and women and youth groups; promote private service providers in agricultural research and extension; and improve agricultural marketing infrastructure and postharvest technology. The project area to be covered under the investment component will be in southern Cambodia, and determined during the formulation of ASDP, in consultation with the central and local governments, other external funding agencies, and other stakeholders. The criteria for the selection of ASDP provinces will include (i) the expected impact of agricultural growth on poverty reduction, (ii) growth potential and accessibility, (iii) capability of local institutions, and (iv) possible linkages and complementarity with other development activities, particularly ADB's ongoing Rural Infrastructure Improvement Project.⁵

The tentative scope of the proposed TA includes: (i) capacity building of local and central agriculture institutions in implementing new policies and regulations introduced under the first Agriculture Sector Program and with clear demarcation of responsibilities; (ii) improvement of the agricultural marketing and technology information systems to be disseminated through mass media; (iii) promotion of effective agricultural research and extension services for crop diversification and commercialization; (iv) promotion of gender-differentiated approaches to agriculture and enhancing women's participation; and (v) strengthening of managerial capacity for implementing field-based projects and programs in line with enhanced decentralization in Cambodia.

Further decentralization of administrative responsibilities to local communes⁶ is being practiced after the local commune election at the end of March 2002 according to the approved Bill on the Administration and Management of Communes, which broadly defines the nature, functions, and powers of commune councils. Local communes will become increasingly important in facilitating the delivery of agricultural support services, and in promoting the participation of local communities in planning and implementing development activities. The implications of enhanced decentralization will be fully taken into account.

d. Expected results and deliverables: At completion, ASDP will have substantially contributed to the enhancement of the policy and institutional environment favorable for market-oriented agriculture development, and to the provision of improved access to productive opportunities for poor farmers in southern Cambodia.

e. Social or environmental issues or concerns: Social and environmental issues to be considered under ASDP include its impact on: (i) the poor and vulnerable people in the rural area; (ii) women's role in agriculture development; (iii) supply and use of agrochemicals; and (iv) efficiency in the utilization of natural resources. A nongovernment organization (NGO) project proposal is being considered by ADB for grant financing under the Japan Fund for Poverty Reduction (JFPR) to enhance the impact of ASDP on rural poverty reduction. This proposed JFPR project will be implemented in conjunction with ASDP.

f. Plans for disseminating results/deliverables: The results and deliverables will be disseminated through the performance and impact monitoring reports for ASDP, and seminars and workshops to be organized under technical assistance (TA) for policy reform support to be proposed for grant financing.

7. Proposed executing/implementing agencies: The Executing Agency for ASDP will be the Ministry of Agriculture, Forestry and Fisheries (MAFF), which will have overall responsibility for ASDP implementation through the interministerial program secretariat. MAFF will appoint a program director and a full-time counterpart staff attached to the secretariat. The Government has already reestablished the secretariat⁷ to ensure effective interactions and coordination among the relevant ministries. The program director will head the program secretariat.

⁷ The composition of the present program secretariat established under the first Agriculture Sector Program will be revised, and include at least MAFF; the Ministry of Economy and Finance; the Ministry of Rural Development; the Ministry of Land Management, Urban Planning and Construction; the Ministry of Water Resources and Meteorology; the Ministry of Commerce; the Ministry of Interior; and the Ministry of Women's and Veterans' Affairs.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:

Based on ADB's operational experience in Cambodia, it is essential to involve a wide range of stakeholders, including external funding agencies, civil society organizations, and prospective beneficiaries in formulating and implementing development activities. Stakeholder participation in planning and implementation is an integral part of ADB's operations for agriculture and rural development. The recently established subgroup of external funding agencies in agriculture and food security, which is cochaired by ADB and the Food and Agriculture Organization of the United Nations, will also facilitate the formulation and implementation of ASDP.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2000
- b. Expected date of submission for approval
 - Lending: 6 March 2003
 - Nonlending (project preparatory):
 - Nonlending (other than project preparatory):
- c. Period and duration of assistance
 - Lending: Five years from May 2003
 - Nonlending:

10. Financing plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
 - Ordinary capital resources:
 - Asian Development Fund: \$36 million
 - Other:

If cofinancing is required indicate sources, and amount sought: Yes. Sources not yet identified.

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
 - No resources required, other than ADB staff
 - ADB's administrative budget:
 - Grant TA funds: \$700,000
 - Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

Table A2.2: Northwest Irrigation Sector

Date: 31 May 2002

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input checked="" type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p>										
<p>2. Assistance focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Agriculture Subsector: Water Resources</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p>4. Responsible division/department: MKAE /MKRD</p>										
<p>5. Responsible ADB officer(s): P. Logan</p>										
<p>6. Description of assistance(s)</p> <p>a. Background/linkage to country/regional strategy: Cambodia remains one of the lowest-income countries in Asia and the world, with nearly 37% of the population living below the national poverty line of about \$0.40 per day. Although urban poverty gradually declined in the late 1990s, there was no improvement in poverty incidence in rural areas, where 80% of the population lives. An alarming 75% of people living below the poverty line are reliant on agriculture as their main or sole source of income.</p> <p>ADB's overall strategic objective in Cambodia is poverty reduction. This is supported by an operational strategy in the water sector focusing on capacity building, and development of a national water policy. Lessons learned from ADB involvement in the sector emphasize the importance of planning investments within the context of integrated water resources management in line with ADB's water policy and ensuring long-term sustainability. The Government's Second Socioeconomic Development Plan (2001–2005) also supports poverty reduction through participatory rural development.</p> <p>Although agriculture dominates the economy, accounting for 43% of GDP and 80% of employment, productivity is low. Many constraints contribute to low yields and a lack of crop diversification: poor roads, limited agricultural extension services, and lack of irrigation. Less than 12% of rice lands receive irrigation, the remainder rely on unpredictable seasonal rains. The incentives to develop irrigated agriculture are twofold: (i) it can contribute to economic growth by targeting crop diversification and commercially oriented agriculture on the best soils, and (ii) it can provide poverty reduction and food security through low-cost development for supplementary irrigation of rice in poorer areas. Irrigation infrastructure is needed. Many irrigation systems were destroyed by the Khmer Rouge in the late 1970s, or replaced by inappropriate large-scale systems that were poorly designed or impossible to maintain. Other systems broke down after years of neglect.</p>										

b. Goal and purpose: The project goal is to contribute to economic growth and poverty reduction through improved agricultural production to provide improved food security and increase farmers' incomes. The purpose is to develop water resources infrastructure comprising a mix of small- and medium-scale irrigation systems utilizing surface water, and possibly groundwater, to be developed in conjunction with agricultural services and supporting infrastructure. The emphasis of the Project will be on crop diversification and commercial agricultural systems where feasible, and increased rice production for poverty reduction in areas less suited to crop diversification.

c. Components and outputs: The Project will focus on priority basins of northwest Cambodia and apply the strategy of integrated water resources management for basin development. The major components are expected to include (i) development of existing and new infrastructure for irrigation and drainage and (ii) institutional support for sustainable system management and agricultural extension. (Others are to be decided during the PPTA.)

d. Expected results and deliverables: The Project will implement a number of irrigation subprojects in the four target provinces of northwest Cambodia. It will commence with implementation of core subprojects studied under the PPTA and will undertake feasibility studies of a long list of potential subprojects for approval and implementation. In parallel with infrastructure development, there will be assistance to provide institutional development of local communities to manage and maintain the irrigation systems, and development of complete marketing systems through agricultural extension.

e. Social or environmental issues or concerns: The Project will aim to limit the scale of the infrastructure development to minimize adverse environmental and social impacts. (To be identified during the PPTA.)

f. Plans for disseminating results/deliverables: Quarterly progress reports will be prepared during project implementation and a completion report at the conclusion.

7. Proposed executing/implementing agencies: Ministry of Water Resources and Meteorology (MOWRAM)

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:

There will be a participatory approach to preparation and implementation of subprojects involving the established Provincial Rural Development Committee prioritization process, the views of beneficiaries as assessed by simple field rapid rural appraisal exercises, and the views of other ministries such as the Ministry of Agriculture, Forestry and Fisheries (MAFF). This will be integrated with the provision of the necessary agricultural support services through simultaneous strengthening of the Department of Agricultural Extension of MAFF at the provincial and district levels. Staff of the Ministry of Environment will provide environmental impact assessment and management inputs to subproject developments. The Project will include provision for further capacity building within MOWRAM with emphasis on provincial and district staff.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2001
- b. Expected date of submission for approval: Lending: 2003
- c. Period and duration of assistance: Lending: 2003–2009

10. Financing plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
 - Ordinary capital resources:
 - Asian Development Fund: \$21 million
 - Other: cofinancing not yet decided

Total Cost: \$25 million (preliminary estimate only)

If cofinancing is required indicate sources, and amount sought: Yes. Sources not yet identified.

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
 - No resources required, other than ADB staff
 - ADB's administrative budget:
 - Grant TA funds:
 - Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required indicate sources, and amount sought:
If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

Table A2.3: Rural Water Supply and Sanitation

Date: 16 June 2002

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input checked="" type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other</p>										
<p>2. Assistance focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Social Sectors Subsector: Water Supply and Sanitation</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input checked="" type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other</td> <td></td> </tr> </table>	<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other	
<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other										
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p>4. Responsible division/department: MKSS</p>										
<p>5. Responsible ADB officer(s): X. Ye</p>										
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: Rural development and water supply and sanitation are both included in ADB's CSP for Cambodia, given relatively high concentration of poverty in the rural areas and adverse impact of lack of access to safe water and sanitation facilities on the health and living conditions of the rural population. In 2001, ADB provided TA 3688-CAM: <i>Rural Water Supply and Sanitation Project</i> to assist the Government in preparing an investment project suitable for ADB financing. To assist the Government in setting up a proper legal and policy environment, the TA has helped the Government prepare the rural water supply and sanitation policy and the rural water supply and sanitation sector investment plan.</p> <p>b. Goal and purpose: The Project aims to contribute to the Government's poverty reduction objective by providing investment funding for the development of rural water supply and sanitation facilities in three selected provinces of Pursat, Kampong Thom, and Kampot. It also intends to strengthen the institutional capacity of the key sector institutions at the provincial level to ensure more demand-responsive development and sustainability.</p> <p>c. Components and outputs: The envisaged key components will include: (i) community sanitation and health program; (ii) water supply systems and facilities; (iii) sanitation facilities; (iv) provision of training</p>										

programs; and (v) design and capacity building.

d. Expected results and deliverables: These include (i) enhanced community awareness of linkages of safe water, sanitation, and health; (ii) greater willingness by communities to contribute to capital investment and to pay for operation and maintenance; (iii) well-designed, well-functioning, and well-operated and maintained water supply and sanitation systems; and (iv) improved health profiles of the people in the project areas.

e. Social or environmental issues or concerns: Social and environmental concerns involved in the rural water supply and sanitation development, as well as operation and maintenance, have been discussed with stakeholders over the TA study period, and will continue over the project implementation period. The understandings and agreements reached will be incorporated in the project design and implementation arrangements.

f. Plans for disseminating results/deliverables: Key lessons learned and successful practices will be disseminated through workshops, seminars, and circulation of these findings to stakeholders.

7. Proposed executing/implementing agencies: Ministry of Rural Development/provincial departments of rural development.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The preparation of the Rural Water Supply and Sanitation Project has been carried out with extensive stakeholder consultations, including central and provincial governments, NGOs, and communities. The process will continue over the subproject selection and evaluation process.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update: 2002
- b. Expected date of submission for approval
 - Lending: 1st quarter 2003
 - Nonlending (project preparatory):
 - Nonlending (other than project preparatory):
- c. Period and duration of assistance
 - Lending: 2004–2009
 - Nonlending:

10. Financing plan

- a. For lending
 - Ordinary capital resources:
 - Asian Development Fund: \$21 million
 - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
 - No resources required, other than ADB staff
 - ADB's administrative budget:
 - Grant TA funds:
 - Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

Table A2.4: Provincial Power Transmission and Distribution

Date: 31 May 2002

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p><input checked="" type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other</p> <p><input type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>										
<p>2. Assistance focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Energy Subsector: Electric Power</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p>4. Responsible division/department: MKRD/MKID</p>										
<p>5. Responsible ADB officer(s): M. Bristol</p>										
<p>6. Description of assistance(s)</p> <p>a. Background/linkage to country/regional strategy: Cambodia has two proven indigenous sources of energy, i.e., biomass and hydropower. Exploration is currently being undertaken to discover natural gas offshore. The national electrification ratio is about 15%. The electricity supply to Phnom Penh has been brought up to a reasonable standard through bilateral and multilateral assistance, and the supplies in eight provincial towns are being rehabilitated under Loan 1794: Provincial Power Supply. There is no transmission grid between any of the towns. All generation is powered by diesel engines using imported fuel, and, in spite of reasonably efficient operation by Electricité du Cambodge (EDC), electricity prices to all consumers are the highest in the region. This is a disincentive for new investment in garment manufacturing and other industries. Construction of a 220-kilovolt (kV) transmission line from Viet Nam to import cheaper electricity is being processed by the World Bank.</p> <p>b. Goal and purpose: The Government has requested ADB for assistance to extend the coverage of a reasonable quality electricity service, and to develop cheaper sources of supply.</p> <p>c. Components and outputs:</p> <p>(i) Coverage will be increased by rehabilitating and extending the dilapidated service in the remaining five provincial capital towns, in which the private sector has shown no interest.</p>										

<p>(ii) Construction of a transmission line west from Takeo to the proposed build-operate-transfer (BOT) Kam Chay hydropower project, including rural electrification en route. This component is conditional on the World Bank-funded connection from Viet Nam to Phnom Penh being implemented.</p> <p>(iii) Under the loan, conduct feasibility studies and prepare bidding documents for BOT development of small hydro projects to serve the provincial market to the west of Tonle Sap.</p> <p>(iv) Capacity building in the provincial offices of EDC in technical and financial disciplines.</p> <p>d. Expected results and deliverables: Renewed electricity generation and distribution systems in five provincial towns supplying power at costs lower than at present. This will stimulate the urban economy, which, being the market for local agricultural produce, will enhance economic activity in the local hinterland. The transmission line from Kam Chay hydropower project will bring cheaper power to the main load center in the country (Phnom Penh). The bidding documents for the small hydropower projects will encourage private sector participation and ensure a transparent competitive bidding process.</p> <p>e. Social or environmental issues or concerns: The social impacts will be almost entirely positive. A small amount of resettlement can be expected. Environmental impacts will generally be small.</p> <p>f. Plans for disseminating results/deliverables: To be determined during PPTA</p>
<p>7. Proposed executing/implementing agencies: Electricité du Cambodge (EDC)</p>
<p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: To date: Ministry of Industry Mines and Energy (MIME) and EDC</p>
<p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2000</p> <p>b. Expected date of submission for approval Lending: Mid-2004 Nonlending (project preparatory) Nonlending (other than project preparatory)</p> <p>c. Period and duration of assistances Lending: 2005–2009 Nonlending:</p>
<p>10. Financing plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending <input type="checkbox"/> Ordinary capital resources: <input checked="" type="checkbox"/> Asian Development Fund: \$26 million <input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought: Possibly from Kreditanstalt für Wiederaufbau (KfW), Agence française de Développement (Afd), or Scandinavian sources. If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending <input type="checkbox"/> No resources required, other than ADB staff <input type="checkbox"/> ADB's administrative budget: <input checked="" type="checkbox"/> Grant TA funds: \$600,000 <input type="checkbox"/> Other (specify, e.g., bilateral and multilateral trust funds):</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

Table A2.5: SME Sector Development Program

Date: 9 May 2002

1. Type/modality of assistance <input checked="" type="checkbox"/> Lending <input type="checkbox"/> Project loan <input type="checkbox"/> Program loan <input type="checkbox"/> Sector loan <input checked="" type="checkbox"/> Sector development program loan <input type="checkbox"/> Other <input checked="" type="checkbox"/> Nonlending <input checked="" type="checkbox"/> Project preparatory <input checked="" type="checkbox"/> Other than project preparatory <input type="checkbox"/> Economic, thematic, and sector work <input checked="" type="checkbox"/> Institutional development <input type="checkbox"/> Other:			
2. Assistance focus a. If assistance focuses on a particular sector or subsector, specify the Sector: Private Sector Subsector: SME Sector b. For project preparatory and lending, classification <input type="checkbox"/> Core poverty intervention <input checked="" type="checkbox"/> Poverty intervention c. Key thematic area(s) <input type="checkbox"/> Economic growth <input type="checkbox"/> Gender and development <input type="checkbox"/> Environmental protection <input type="checkbox"/> Regional cooperation <input type="checkbox"/> Other: <input type="checkbox"/> Human development <input type="checkbox"/> Good governance <input checked="" type="checkbox"/> Private sector development <input type="checkbox"/> Social protection			
3. Coverage <input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional <input type="checkbox"/> Internal policy development			
4. Responsible division/department: MKGF / MKRD			
5. Responsible ADB officer(s): B.J. Chun			
6. Description of assistance(s) a. Background/linkage to country/regional strategy: <p>Background: The SME sector (which includes micro-enterprises in rural areas) dominates Cambodia's real sector economy in terms of the number of firms (99%) and employment (45%). This assistance is timely since the Government is committed to developing the SME/private sector, and has recently created an SME department within the Ministry of Industry, Mines, and Energy. Yet, although the sector is the main source for employment opportunities for much of the population, there has been no concerted effort (by domestic and foreign institutions) for its promotion. The Government has issued its "integrated framework" on export development as an important component for SME promotion but an implementation action plan has not been developed. This gap in SME promotion is an important contrast to larger, foreign-affiliated firms, which are promoted by the foreign investment law and apparatus; and to micro-enterprises, which have been supported by a large number of NGOs.</p> <p>Furthermore, development of the SME sector has been limited by rudimentary financial sector, legal and governance systems, and capacity-building mechanisms, as well as a lack of commercial orientation and market access. The lack of financial instruments, including start-up funds, working capital, and equity investments, has led to significant market failures for SMEs. As Cambodia also lacks comprehensive and transparent legal and</p>			

governance systems, the SME sector is working in a high-risk environment. The limited mechanisms and apparatus for capacity building, including market access and technology information, continue to hinder SMEs' potential for export and commercial orientation. For these, there is no policy/institutional framework or public private partnership for development of the sector, especially rural SMEs, despite their significance to economic and employment growth. The overall objective of the sector development program loan (SDPL) is to address these concerns and build a foundation for export competitiveness and sustainable development for the Cambodian SME sector.

This SDPL will have both investment and policy components. Based on the findings of the PPTA (to be initiated in 2003), the policy components are geared toward establishing a foundation for SME promotion as well as commercial and export development. They include the development of: (i) a legal and governance basis for SMEs; (ii) a policy coordination framework for various government institutions regarding the SME sector; (iii) private sector involvement based on establishing and strengthening business associations; and (iv) an institutional framework for promoting linkages among domestic and foreign SMEs. Other policy components are to establish and support the investment components, which emphasize establishing financial instruments and capacity-building institutions. They include: (i) SME financing facilities, including SME refinancing to support working capital; (ii) SME investment facilities, offering equity investments and term loans for start-ups; and (iii) a SME technical support center, providing information for use of appropriate (and foreign) technologies as well as developing technical standards and assistance for SMEs. For SME financing, the SDPL will aim to restructure and reengineer the Rural Development Bank to serve as a major SME financing/promotion bank.

Linkage to country strategy: In the CSP Update and recent Country Assistance Plan (2000), the promotion of the SME sector is recognized as a core element of the private sector development strategy for Cambodia. The SDPL will establish the foundation for grass-root private sector development, building on the financial sector program loan.

b. Goal and purpose: The major goal of the SDPL is to promote broad-based economic growth and thus to create job opportunities through the development of a vibrant private sector led by SME promotion in both urban and rural areas. The SDPL aims at, among others (i) developing a policy framework to effectively promote the SME sector; (ii) establishing financial and technological support mechanisms for SMEs; and (iii) developing the basis for export-oriented industry through strategic linkages between domestic and foreign SMEs.

c. Components and outputs: From both the SDPL's policy and investment components, the major outputs are: (i) a comprehensive policy and legal framework for sustainable SME promotion, including greater participation from the private sector; (ii) an institutional framework for enhancing SME competitiveness and linkages to (overseas) markets; and (iii) development of supporting institutions for enhancing SME access to finance and technological standards.

The PPTA will identify specific policy actions and investment components with a detailed investment plan.

The ADTA will assist the executing/implementing agencies in implementing policy actions and operating investment components.

d. Expected results and deliverables: The SDPL should lead to an active development of the SMEs, benefiting the private sector and overall economic development. The employment generation and export competitiveness should be important for poverty reduction.

e. Social or environmental issues or concerns: As the SME sector provides employment opportunities to many disadvantaged people, including women, attempts will be made to identify its social benefits. The environmental concerns do not represent a main focus of the SDPL.

f. Plans for disseminating results/deliverables: In the progress of designing the SDPL (PPTA in 2003), ADB will engage in close consultation with the Government and private sector to exchange views and disseminate information to ensure the effectiveness of the Project.

7. Proposed executing/implementing agencies: A high-level working group will be established to facilitate the SDPL. The executing/implementing agencies include: Ministry of Industry, Mines, and Energy; Ministry of Economy and Finance; Ministry of Commerce; Cambodia Development Council; and other government agencies as well as private sector representatives.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The Government will fully participate in the process to ensure proper ownership of the SDPL. There will be a number of workshops held during the PPTA process. The private sector, including the Chamber of Commerce, will be contacted in the near future.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002
- b. Expected date of submission for approval
 Lending: 2004
 Nonlending (project preparatory): 2003
 Nonlending (other than project preparatory): 2004
- c. Period and duration of assistance
 Lending: 2004–2006 (3 years)
 Nonlending: 2003–2006

10. Financing plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
- Ordinary capital resources:
 - Asian Development Fund: \$15 million
 - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
- No resources required, other than ADB staff
 - ADB's administrative budget:
 - Grant TA funds: \$500,000
 - Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

Table A2.6: Chong Kneas Port Development and Environmental Improvement

Date: 14 June 2002

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p> <input checked="" type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input checked="" type="checkbox"/> Project preparatory</p> <p> <input type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>										
<p>2. Assistance focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Agriculture and Natural Resources Subsector: Rural Development</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention</p> <p> <input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input checked="" type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input checked="" type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input checked="" type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p>4. Responsible division/department: MKAE/MKRD</p>										
<p>5. Responsible ADB officer(s): I.B. Fox</p>										
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: The Project will promote environmental protection as part of the overall strategy for environmental management of Tonle Sap, building on the enhanced systems for natural resources management coordination and planning, which are to be developed under the Tonle Sap Environmental Management Project (2002 project).</p> <p>b. Goal and purpose: The goal of the Project is sustainable management and conservation of natural resources and biodiversity in the Tonle Sap basin. Its purpose is to improve the environmental management of Tonle Sap by upgrading the existing infrastructure at Chong Kneas (boat landing and related facilities), providing communal services (water supply, sanitation, waste collection and disposal), and eliminating threats to the environment resulting from the chaotic exercise of competing claims by residents, fishers, tourists, vendors, and boat operators to access via the currently inadequate port facilities at Chong Kneas. The Project will improve living conditions for residents of Chong Kneas and surrounding areas of Tonle Sap, remove health hazards, and provide increased opportunities for employment and development of new livelihoods and small enterprises.</p> <p>c. Components and outputs: The TA will be implemented in two phases, the first comprising studies to identify and elaborate the range of feasible technical solutions available to the Government for overcoming, in an</p>										

environmentally sensitive and socially acceptable manner, the constraints presented by the current port and related facilities at Chong Kneas. Paramount in this study will be considerations of the acceptability of any proposed solutions to the affected communities and their sustainability within the overall context of the Siem Reap River basin. Interrelationships between urban development plans for Siem Reap and natural resources management plans for Tonle Sap will therefore be explored. The second phase will assist the Government to undertake a feasibility study for the selected solution and formulate an investment project for possible funding by ADB.

The Project will assist the Government to implement the most appropriate short-term solution (10-year development horizon) for provision of port facilities and environmental improvement at Chong Kneas. Its major components will be (i) port development and related facilities; (ii) establishment of a port management and environmental safeguard authority; and (iii) alternative livelihood assistance for residents of Chong Kneas and other nearby floating villages.

d. Expected results and deliverables: The major outputs of the TA comprise the midterm and final reports, presenting (i) results of all studies undertaken; (ii) assessments of the options available; (iii) recommendations for the optimum combination of investment, improvement of social services and safety nets, and institutional capacity building; (iv) means of ensuring community participation in the conception, planning, design, implementation, and management of the facilities; and (v) a financing proposal.

Expected results and deliverables of the Project include:

- efficient, clean, and well-managed port and cargo-handling facilities;
- access roads, water supply, waste water collection and treatment, solid waste collection and disposal, fish handling facilities and markets, fuel storage, electricity supply, and small enterprise park;
- provision of safe anchorage and adequate navigation channels for floating house communities;
- safe and attractive tourist transit and boat access facilities;
- institutional strengthening and training for port management staff; and
- skills development training for alternative income generation.

e. Social or environmental issues or concerns: The present landing facilities at Chong Kneas have grown out of small-scale initiatives aimed at providing permanent boat landing facilities near Phnom Kraom, about 6 km from the edge of the low-water level of the lake. Under present conditions, rudimentary landing sites have been set up at various points for passenger, cargo, and fish transfer. These sites move closer to Phnom Kraom as the lake rises and in the reverse direction as the lake recedes. Regular boat traffic shares a narrow waterway with floating houses, fish cages being towed from one location to another, and tourist boats in a chaotic free-for-all. The discharge of all manner of wastes to the surrounding area and lake presents major environmental and health risks. The explosive growth in tourist traffic in recent years exacerbates the problem.

In the dry season, the floating village of Chong Kneas (about 6,500 inhabitants) anchors in a small inlet near the perimeter of the lake where it retains access to fishing grounds and gains protection from storms and waves. As the water level of the lake rises, the community moves further inland toward Phnom Kraom. These fishers are among the poorest in the Tonle Sap basin. Extensive and detailed socioeconomic studies would be needed to determine the range of possible solutions, the likely impacts of these on the way of life of the floating villages, and the need or otherwise to provide more permanent housing and other social services and infrastructure for these communities.

The current situation limits the opportunities for value-added fish-based activities and is not conducive to tourism development, a major new source of income for the local community. Development of urban services, particularly water supply and sanitation, has not kept pace with the influx of tourists. In addition, untreated sewage from Siem Reap is discharged into the Stung Reap River and makes its way to Tonle Sap adjacent to Chong Kneas.

f. Plans for disseminating results/deliverables: NGOs will be engaged to assist communities to express their preferences during the TA, and their networks will assure wide distribution of results. National and provincial workshops will be held at decision points during both the TA and the ensuing project.

7. Proposed executing/implementing agencies: The Executing Agency will be the Ministry of Public Works and Transport (MPWT). MPWT will coordinate the participation of other relevant agencies at national and provincial levels. A project management office will be established for the duration of TA and project implementation, consisting of a Project Director appointed by MPWT, and representatives of the Siem Reap provincial government, including the provincial Departments of Fisheries and Forestry and the provincial Department of Environment, among others.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: A natural resource-based development strategy for the Tonle Sap area was prepared in 1998 by the Mekong River

Commission Secretariat in cooperation with UNDP. Included were prefeasibility studies for port developments at Chong Kneas (Siem Reap Province) and Chhnok Trou (Kompong Chhnang Province). Under REG-5822: *Protection and Management of Critical Wetlands in the Lower Mekong Basin*, approved on 22 December 1998, ADB supported socioeconomic surveys and extensive consultations with local communities and government representatives in relation to port development and environmental improvement. Many NGOs are actively involved in the improvement of social services in the project area.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002
- b. Expected date of submission for approval
 - Lending: 2004
 - Nonlending (project preparatory): October 2002
 - Nonlending (other than project preparatory): Not applicable
- c. Period and duration of assistance
 - Lending: 2004–2006
 - Nonlending: 9 months (April–December 2003)

10. Financing plan

- a. For lending
 - Ordinary capital resources:
 - Asian Development Fund: \$5 million
 - Other: \$17 million

If cofinancing is required indicate sources, and amount sought: \$10 million (source not yet known)
If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
 - No resources required, other than ADB staff
 - ADB's administrative budget:
 - Grant TA funds: \$250,000
 - Other: Financing amounting to \$965,000 by bilateral agency (in place of the TASF financing shown above) will be sought during preparation of the TA.

If cofinancing is required indicate sources, and amount sought: Up to \$965,000 (possibly from FINNIDA).

Cost estimates and financing arrangements:

Total cost: \$17 million
ADB financing: \$5 million
Government financing: \$2 million

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance, TASF = technical assistance special fund.

Telecommunications Backbone Network covering the following connections: (i) optimization/upgrade of the existing East Loop; (ii) Vientiane–Luang Prabang–Luang Namtha–Mengla; (iii) Pakse–Phnom Penh; (iv) Phnom Penh–Siem Reap–Sisophon; and (v) Savannakhet, Lao PDR to Dong Ha, Viet Nam.

d. Expected results and deliverables: Fiber optic transmission links among Cambodia, Lao PDR, and Viet Nam.

e. Social or environmental issues or concerns: Provision of universal telecommunications services, environmental classification (B). To be identified during fact-finding of PPTA and TA implementation.

f. Plans for disseminating results/deliverables: To be identified during fact-finding of PPTA and TA implementation.

7. Proposed executing/implementing agencies: Ministry of Communications, Transport, Posts and Construction (Lao PDR), Ministry of Posts and Telecommunications (Cambodia).

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The Project will complete the backbone telecoms network connecting the four GMS countries of Cambodia, Lao PDR, Thailand, and Viet Nam, by fiber optic, which will provide unhindered and the most cost-effective communication network in the region. Further to be identified during fact-finding of PPTA and TA implementation.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2003

b. Expected date of submission for approval
 Lending: 4th quarter 2003
 Nonlending (project preparatory):
 Nonlending (other than project preparatory):

c. Period and duration of assistance
 Lending: To be determined during PPTA implementation
 Nonlending:

10. Financing plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
- Ordinary capital resources:
 - Asian Development Fund: \$35 million (Cambodia, \$15 million; Lao PDR, \$20 million)
 - Other:

If cofinancing is required indicate sources, and amount sought: To be determined

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
- No resources required, other than ADB staff
 - ADB's administrative budget:
 - Grant TA funds:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

Table A2.8: Education Sector Development Program II

Date: 14 June 2002

1. Type/modality of assistance <input checked="" type="checkbox"/> Lending <input type="checkbox"/> Project loan <input checked="" type="checkbox"/> Program loan <input type="checkbox"/> Sector loan <input type="checkbox"/> Sector development program loan <input type="checkbox"/> Other: <input checked="" type="checkbox"/> Nonlending <input checked="" type="checkbox"/> Project preparatory <input type="checkbox"/> Other than project preparatory <input type="checkbox"/> Economic, thematic, and sector work <input checked="" type="checkbox"/> Institutional development <input type="checkbox"/> Other:	
2. Assistance focus a. If assistance focuses on a particular sector or subsector, specify the Sector: Education Subsector: Sectorwide b. For project preparatory and lending, classification <input type="checkbox"/> Core poverty intervention <input checked="" type="checkbox"/> Poverty intervention c. Key thematic area(s) <input type="checkbox"/> Economic growth <input type="checkbox"/> Gender and development <input type="checkbox"/> Environmental protection <input type="checkbox"/> Regional cooperation <input type="checkbox"/> Other: <input checked="" type="checkbox"/> Human development <input type="checkbox"/> Good governance <input type="checkbox"/> Private sector development <input type="checkbox"/> Social protection	
3. Coverage <input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional <input type="checkbox"/> Internal policy development	
4. Responsible division/department: MKSS/MKRD	
5. Responsible ADB officer(s): P. Chang	
6. Description of assistance(s) a. Background/linkage to country/regional strategy: In support of the Government's Education Strategic Plan (ESP) 2002–2005 and the Education Sector Support Program (ESSP), ADB provided assistance through the Education Sector Development Program (ESDP) that was approved in 2001 for \$38 million. The Government is committed to administrative, political, and administrative reforms, particularly to deconcentration and decentralization of functional responsibilities and resources to subnational authorities. In support of sectorwide education policy reforms, such as provision of basic education services in underserved areas, public-private partnerships in upper secondary, technical and vocational education and training (TVET), and higher education, ESDP provided a program loan for policy reform, an investment loan for primary and secondary schools facilities, and a capacity-building TA. ADB's CSP for Cambodia targets assistance in support of human development as one of the areas to address poverty reduction. The low adult literacy rate (68%) and low basic education enrollment rates (90% net primary and 23% net lower secondary) inhibit economic growth. There is a need to follow up on the work of ESDP and provide a long-term program of assistance to sustain the gains made under ESP. The PPTA for ESDP II will assess the status of the policy reforms, and the achievements of the investment loan and the capacity-building TA. ESDP II will fill in the gaps in strategic plans where no other	

external funding agencies are committed, and extend the program and investment loan activities.

b. Goal and purpose: The goal of ESDP II is to contribute to poverty reduction through better education services focusing on underserved areas. The purpose is to strengthen the capacity of the Ministry of Education, Youth and Sports (MOEYS) to manage and operationalize education reforms, improve the quality of education, and expand access, especially at the provincial and commune levels. As a follow-up to the Performance Management in the Education Sector TA (TA 3858), an advisory TA will complement ESDP to further help MOEYS in monitoring agency performance against clearly defined outputs, responsibilities, and systems for planning, financing, and delivering educational services, and monitoring compliance of public and private providers of services under ESP.

c. Components and outputs: ESDP will provide a program loan to continue the support for policy reform, an investment loan in support of improvements to primary and secondary schools facilities in places not covered by ESDP, and a capacity-building TA to continue and extend assistance to MOEYS and provincial departments following TA 3858.

d. Expected results and deliverables: The program will build on the achievements of ESDP and TA 3858 and continue ADB's support for the implementation of the Government's poverty reduction strategy paper and its Second Socioeconomic Development Plan, as well as ESP and ESSP. Expected results include (i) early establishment of policy reforms, e.g., increased resource allocation to the sector; (ii) increased equitable access to education services; (iii) improved quality and efficiency of the sector; (iv) enhanced managerial capacity; (v) increased deconcentration of service delivery; and (vi) institutionalization of a policy monitoring and strategy adjustment system.

e. Social or environmental issues or concerns: Equitable access to education and participation for the rural poor and girls, ethnic minorities, service quality improvement, and capacity building at decentralized level. Assistance will continue to be provided to the National AIDS Authority to contribute to the prevention of the spread of HIV/AIDS in coordination with other projects and aid agencies.

f. Plans for disseminating results/deliverables: ESDP II will continue the joint annual sector performance review that was initiated by ESDP. This forum brings together the Government, ADB, other funding agencies, and NGOs to review implementation and assess the impact of reforms in the sector. The review focuses on the audit of the agreed-upon sector performance targets and indicators.

7. Proposed executing/implementing agencies: Ministry of Education, Youth and Sports

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: ESP and ESSP were approved by the Government, aid agencies, and NGOs during the appraisal of ESDP in 2001 and the round table organized at the time. Through the twice-yearly loan and TA reviews of ADB, the joint annual sector performance reviews, and midterm review, the Government and beneficiaries, as well as other funding agencies and NGOs, are being involved in the conceptualization of ESDP II and its accompanying advisory TA.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2001
- b. Expected date of submission for approval
 - Lending: 2004
 - Nonlending (project preparatory): 2003
 - Nonlending (other than project preparatory): 2004
- c. Period and duration of assistance
 - Lending: 3 years
 - Nonlending: 3 years

10. Financing plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
 - Ordinary capital resources:
 - Asian Development Fund: \$28 million
 - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and

government financing):

b. For nonlending

- No resources required, other than ADB staff
- ADB's administrative budget:
- Grant TA funds:
- Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

Table A2.9: Tonle Sap Rural Development

Date: 29 May 2002

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p><input checked="" type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input checked="" type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>										
<p>2. Assistance focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Agriculture and Natural Resources Management Subsector: Rural Development</p> <p>b. For project preparatory and lending, classification</p> <p><input checked="" type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input checked="" type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input checked="" type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input checked="" type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input checked="" type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input checked="" type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p>4. Responsible division/department: MKAE/MKRD</p>										
<p>5. Responsible ADB officer(s): To be determined</p>										
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: The Project will complement and build on the enhanced capacity at the community level for natural resources management, which is to be developed under the Tonle Sap Environmental Management Project (2002 project).</p> <p>b. Goal and purpose: The goal of the Project is sustainable management and conservation of natural resources and biodiversity in the Tonle Sap basin. Its purpose is to reduce poverty in poor communities living within the flooded area of Tonle Sap, through decentralized and participatory rural development support (RDS) activities. The Project will support community mobilization for formulation of development plans and implementation of small-scale infrastructure to enhance rural incomes and thereby relieve pressures on the natural resource base of the Tonle Sap basin. In a complementary manner, the Project will also research and develop alternative livelihood activities and further develop capacity for natural resources management. The Project will adopt a process approach that strengthens community ownership and capacity through participatory planning, implementation, and monitoring and evaluation.</p> <p>c. Components and outputs: The Project will comprise three components: (i) community mobilization and</p>										

strategic planning; (ii) design and implementation of small-scale infrastructure; and (iii) support for alternative livelihood initiatives.

d. Expected results and deliverables: Expected results and deliverables include:

- community-based reforestation in degraded forests in and above the flooded area;
- provision of small-scale community infrastructure such as rural access roads, foot bridges, small irrigation pumps, and community wells and ponds for safe water supply;
- improvement of local extension services for water distribution, participatory irrigation management, agriculture, livestock, forestry, and tree crops;
- support services for credit utilization (e.g., information dissemination on available credit, training on how to utilize credit services);
- skills development training for alternative income generation; and
- research on market availability and price information.

e. Social or environmental issues or concerns: The release in 2000 of about 500,000 ha of fishing lots of Tonle Sap to communities for self-management resulted in unprecedented, uncontrolled exploitation. In the immediate aftermath, additional pressure was also brought to bear on fish stocks by nearby communities that had not traditionally been involved in fishing. Order is being brought to the management of fishing lots and other natural resources in the flooded areas (with assistance under the Tonle Sap Environmental Management Project), but there are concerns that improvement of access roads and other infrastructure could facilitate ever-greater exploitation of natural resources and impact negatively on efforts to conserve biodiversity.

Any increase in agricultural activity, particularly irrigated agriculture, in the zone bordering the flooded area could engender excessive use of pesticides and agro-chemicals. There is also the risk that improved agricultural productivity in the peripheral areas would encourage further cutting of forest for conversion to agriculture.

Poverty is acute in the project area with about 38% of the population below the official poverty line. Women constitute about 51% of the population and head from 15% to 30% of households. Female-headed households are among the poorest and most disenfranchised. In addition, there are many displaced persons, repatriated refugees, internal migrants, and demobilized soldiers. Two distinct ethnic minorities live on and around Tonle Sap: the Vietnamese, making up about 100,000 nationwide and concentrating on fishing; and the Muslim Cham, who number about 300,000–400,000. Social cohesion is not strong and the more powerful groups tend to restrict access by members of these minorities, particularly the Vietnamese, to resources.

f. Plans for disseminating results/deliverables: NGOs will be engaged to mobilize communities during the PPTA and project implementation, and their networks will assure wide distribution of results. National workshops will be held to mark milestone events and decision points.

7. Proposed executing/implementing agencies: The Ministry of Rural Development (MRD) will be the Executing Agency. Provincial rural development committees will be the implementing agencies.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Since 1995, FAO has pioneered participatory natural resources management in the Tonle Sap region, including socioeconomic studies of fishing and border zone communities, development and implementation of forest resources management by local communities, and community-based natural resources management of fisheries. A natural resources-based development strategy for the Tonle Sap area was prepared in 1998 by the Mekong River Commission Secretariat in cooperation with UNDP. Under REG-5822: *Protection and Management of Critical Wetlands in the Lower Mekong Basin*, approved on 22 December 1998, ADB supported socioeconomic surveys and extensive consultations with local communities and government representatives in relation to rural development needs for poverty alleviation. Many NGOs are actively involved in improving social services in the project area.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002
- b. Expected date of submission for approval
 - Lending: 2005
 - Nonlending (project preparatory): 2003
 - Nonlending (other than project preparatory): Not applicable
- c. Period and duration of assistance
 - Lending: 2005–2008

Nonlending: 6 months

10. Financing plan

a. For lending

- Ordinary capital resources:
- Asian Development Fund: \$20 million
- Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

- No resources required, other than ADB staff
- ADB's administrative budget:
- Grant TA funds:
- Other (specify, e.g., bilateral and multilateral trust funds)

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

Table A2.10: Financial Sector Program II, Subloan I**Date:** 2 May 2002

1. Type/modality of assistance <input checked="" type="checkbox"/> Lending <input type="checkbox"/> Project loan <input checked="" type="checkbox"/> Program loan <input type="checkbox"/> Sector loan <input type="checkbox"/> Sector development program loan <input type="checkbox"/> Other: <input checked="" type="checkbox"/> Nonlending <input checked="" type="checkbox"/> Project preparatory <input checked="" type="checkbox"/> Other than project preparatory <input type="checkbox"/> Economic, thematic, and sector work <input checked="" type="checkbox"/> Institutional development <input type="checkbox"/> Other:			
2. Assistance focus a. If assistance focuses on a particular sector or subsector, specify the Sector: Financial Sector Subsector: b. For project preparatory and lending, classification <input type="checkbox"/> Core poverty intervention <input checked="" type="checkbox"/> Poverty intervention c. Key thematic area(s) <input checked="" type="checkbox"/> Economic growth <input type="checkbox"/> Gender and development <input type="checkbox"/> Environmental protection <input type="checkbox"/> Regional cooperation <input type="checkbox"/> Other: <input checked="" type="checkbox"/> Human development <input checked="" type="checkbox"/> Good governance <input checked="" type="checkbox"/> Private sector development <input type="checkbox"/> Social protection			
3. Coverage <input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional <input type="checkbox"/> Internal policy development			
4. Responsible division/department: MKGF/MKRD			
5. Responsible ADB officer(s): B.J. Chun, Financial Economist			
6. Description of assistance(s) a. Background/linkage to country/regional strategy: <p>Background: Cambodia suffers from limited financial intermediation and low public confidence in the financial sector. An underdeveloped financial system is one of the most significant constraints to achieving broad-based sustainable economic growth or the Government's socioeconomic development objectives, including poverty reduction. Financial sector development has been hampered by numerous constraints such as (i) high risk related to uncertainties regarding law/contract enforcement due to the insufficient rule of law; (ii) high information costs stemming from lack of common accounting and audit standards and other information infrastructure; (iii) high operating costs due to the absence or weakness of liquidity management mechanisms and other market infrastructure; and (iv) weak supervisory system and capacity.</p> <p>ADB has made solid efforts in assisting the Government in building public confidence through the Financial Sector Blueprint for 2001–2010, and the Financial Sector Program Loan (FSPL). The Blueprint, adopted by the Government in August 2001, proposed a long-term vision and policy reform agenda for all areas in the financial sector over the 10-year period. FSPL I aimed at supporting the implementation of the first phase of the Blueprint with a focus on banking, insurance, interbank/money markets, and financial infrastructure. IMF initiated the Poverty Reduction and Growth Facility (PRGF) in 1999, and its operation in the financial sector focuses on bank</p>			

supervision and restructuring of the banking industry.

Linkage to country/regional strategy: Financial sector development is one of the three key strategic thrusts of private sector development in Cambodia (see Country Strategy and Program, 2000). ADB provided the Financial Sector Blueprint, and FSPL II is ADB's policy assistance program to help implement the second phase of the Blueprint. (The Blueprint is available at http://www.adb.org/Documents/Reports/CAM_Blueprint/default.asp.)

b. Goal and Purpose: Building on the achievements under FSPL, FSPL II will continue to promote a sound and efficient financial system to support enhanced resource mobilization and sustainable economic growth. FSPL II will aim, among others, at: (i) enhancing financial intermediation through competition; (ii) promoting the insurance market through private sector development; (iii) establishing the foundation of nonbank financial institutions; (iv) strengthening the interbank/money market; and (v) establishing a financial market safety net and law enforcement.

c. Components and outputs: FSPL II will focus on the following areas:

(i) Enhancing banking intermediation by improving the enforcement of prudential regulations, diversifying the scope of business, improving efficiency of the payment system, and strengthening the organizational structure of the National Bank of Cambodia (NBC).

(ii) Promoting the insurance market through private sector development. This includes strengthening the insurance regulatory and supervisory framework, promoting a competitive private sector insurance market, and establishing a training institute and an actuarial professional body.

(iii) Establishing the foundation for nonbank financial institutions by developing the leasing business and money market intermediaries.

(iv) Strengthening the interbank markets by expanding their scope and establishing regulations.

(v) Strengthening legal enforcement and establishing a safety net by establishment of a public registry for secured transactions, enforcement of accounting and auditing standards, expanding the scope of credit information sharing, and introducing a deposit insurance system.

The PPTA will identify specific policy actions to achieve the reform agenda (above) set in the second phase of the Financial Sector Blueprint. The PPTA will also update and refine the Blueprint based on the Government's reform progress and changes in the socioeconomic environment.

The ADTA will provide the executing/implementing agencies with (i) technical training to operate investment components and (ii) technical inputs to implement policy components, which will include draft manuals, draft laws, and decrees.

d. Expected results and deliverables: The successful implementation of FSPL II will produce:

(i) Full on-site inspection by NBC staff; streamlined exit procedures for banks; a regulation to protect bank supervisors against lawsuits for actions taken in fulfilling official duties; banks with nonbank financial institutions; an automated clearinghouse; a central bank wire system; a new NBC job description; a new NBC recruitment system; and a performance-based compensation and promotion system.

(ii) Refined insurance regulations to cover diverse insurance products; a reinforced insurance supervisory unit; an insurance monitoring and enforcement system; reinsurance institutions; a comprehensive insurance training institute; and an actuarial professional body.

(iii) A leasing law; a leasing regulation; a legal and regulatory framework for money market brokers/dealers.

(iv) Interbank markets with expanded scope; and procedures and regulations for negotiable certificates of deposit, repurchase agreements, and banker's acceptances.

(v) A public registry for secured transactions; regulations to promote competition in the local accounting industry; increased participation in credit information sharing; and a deposit insurance system.

e. Social or environmental issues or concerns: None

f. Plans for disseminating results/deliverables:

7. Proposed executing/implementing agencies: National Bank of Cambodia, Ministry of Economy and Finance, Ministry of Commerce

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The Government and private sector stakeholders will participate in designing the Project. The government agencies

will include the Ministry of Economy and Finance, Ministry of Commerce, Council for the Development of Cambodia, and National Bank of Cambodia. The private sector stakeholders will include the Association of Banks of Cambodia, and the Association of Accountants and Auditors (when formed).

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002
- b. Expected date of submission for approval
 - Lending: December 2004
 - Nonlending (project preparatory): 2004
 - Nonlending (other than project preparatory): 2005
- c. Period and duration of assistance
 - Lending: 2004–2006
 - Nonlending: 2004–2006

10. Financing plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
 - Ordinary capital resources:
 - Asian Development Fund: \$10 million for Subprogram I
 - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
 - No resources required, other than ADB staff
 - ADB's administrative budget:
 - Grant TA funds: \$500,000
 - Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

Table A2.11: GMS Southern Coastal Road

Date: 14 June 2002

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p><input checked="" type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other</p> <p><input type="checkbox"/> Nonlending</p> <p><input checked="" type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>
<p>2. Assistance focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport and Communications Subsector: Road and Road Sector</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <p><input checked="" type="checkbox"/> Economic growth</p> <p><input type="checkbox"/> Gender and development</p> <p><input type="checkbox"/> Environmental protection</p> <p><input type="checkbox"/> Regional cooperation</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Human development</p> <p><input type="checkbox"/> Good governance</p> <p><input type="checkbox"/> Private sector development</p> <p><input type="checkbox"/> Social protection</p>
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input checked="" type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>
<p>4. Responsible division/department: MKID/MKRD</p>
<p>5. Responsible ADB officer(s): A. Akanda</p>
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: The proposed Project would promote subregional cooperation, foster economic and social integration, and support increased trade and investment along the southern coastal corridor involving Thailand, Cambodia, and Viet Nam. It aims to link Trat Province in Thailand, Koh Kong and Kampot in Cambodia, and Ha Tien in Viet Nam.</p> <p>b. Goal and purpose: The goal of the Project is to improve the road network to provide safe, efficient, and reliable access in the coastal provinces. The proposed Project will develop the road network in the project area to all-weather levels, and thereby (i) establish the final link in the coastal corridor through Thailand, Cambodia, and Viet Nam, and (ii) encourage regional economic development through access to social services, and income and employment opportunities.</p> <p>c. Components and outputs: The Project will improve a section of the road network identified and analyzed from social, economic, environmental, and technical aspects under PPTA. The project outputs will be (i) an all-weather network that will provide access and mobility within the southern provinces, (ii) an important trade facilitation route connecting Thailand, Cambodia, and Viet Nam, and (iii) policy recommendations to strengthen road sector institutions, primarily at provincial level, promote private sector involvement in small-scale</p>

contracting and road transport services, and road maintenance planning and implementation mechanisms.

d. Expected results and deliverables: An investment project that includes associated components to improve road sector efficiencies and institutional capabilities, and ensure social inclusion of poor and disadvantaged groups.

e. Social or environmental issues or concerns: The PPTA will examine social and environmental issues related to the Project, especially coastal zone impacts.

f. Plans for disseminating results/deliverables: The Project will produce technical reports covering engineering, social (poverty, resettlement, indigenous peoples), environmental, and economic analyses that will be publicly available as part of project documentation.

7. Proposed executing/implementing agencies: Ministry of Public Works and Transport

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The Project will include consultation with the borrower countries, namely, Cambodia and Viet Nam, and other GMS and ASEAN countries as well as potential funding agencies and financiers. Consultation with affected people, NGOs, and other stakeholders will be undertaken. Public consultation meetings will be held within the immediate project-influenced area.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002
- b. Expected date of submission for approval
 - Lending: 2005
 - Nonlending (project preparatory): 2003
 - Nonlending (other than project preparatory):
- c. Period and duration of assistance
 - Lending: 3 years
 - Nonlending: 8 months/2005

10. Financing plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
 - Ordinary capital resources:
 - Asian Development Fund: \$25.0 million
 - Other:

If cofinancing is required indicate sources, and amount sought: \$7 million

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
 - No resources required, other than ADB staff
 - ADB's administrative budget:
 - Grant TA funds:
 - Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

CONCEPT PAPERS FOR NONLENDING PRODUCTS AND SERVICES

This appendix contains the concept papers for projected nonlending products.

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Table A3.1: Review of Communes/Sangkat Boundaries

Date: 29 May 2002

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input checked="" type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>										
<p>2. Assistance focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p>4. Responsible division/department: MKGF</p>										
<p>5. Responsible ADB officer(s):</p>										
<p>6. Description of assistance(s)</p> <p>a. Background/linkage to country/regional strategy: ADB will be directly supporting the decentralization area of the Governance Action Plan with a 2003–2005 investment loan to help the Ministry of Interior (MOI) and National Committee for the Support of Commune Councils (NCSC) in provision of commune facilities and equipment, capacity building for decentralization, and production of commune photomaps.</p> <p>The NCSC's Boundaries and Urbanization Subcommittee will have a major role during the first mandate in defining councils' land use planning and management role, and in defining commune boundaries ready for the second mandate elections in 2007. The Boundary Review will be the opportunity for Cambodia to decide what kind of communes and <i>sangkats</i> it wants for the future, followed by a procedure to implement the desired changes in a fair and transparent manner.</p> <p>b. Goal and purpose: The goal is that: the NCSC Review of Commune and Sangkat Boundaries is completed and actioned by end-2005, in time for the second mandate elections in early 2007.</p> <p>The purpose is that: NCSC/Cabinet agree on two papers setting out (i) the target criteria for future, post-Boundary Review communes and sangkats, and (ii) the methodology for implementing the Review and demarcating the new boundaries.</p>										

<p>c. Components and outputs: These include:</p> <p>(i) Future Commune/Sangkat Options Paper. A research/policy paper setting out the present situation and future options for the characteristics of communes and sangkats, including strengths and weaknesses of each option, and the implications of each option for the future role and functions of Commune/Sangkat councils and other governance and service delivery institutions.</p> <p>(ii) Consultation Process. Stakeholder meetings and high-level seminars to discuss the options paper.</p> <p>(iii) Criteria Paper. A draft paper for NCSC/Cabinet, based on the options paper and subsequent discussion, defining criteria for post-Boundary Review communes and sangkats</p> <p>(iv) Methodology Paper. Drafting and consultation on a methodology paper for implementing boundary changes to meet the target criteria, and defining the new boundaries.</p> <p>d. Expected results and deliverables: These include:</p> <p>(i) a thorough options paper, with a short summary for translation;</p> <p>(ii) the options paper to be thoroughly discussed and internalized at a high level;</p> <p>(iii) a draft paper for NCSC/Cabinet, setting out clear target criteria for post-Boundary Review communes and sangkats; and</p> <p>(iv) a draft paper for NCSC/Cabinet, setting out the most appropriate methodology, with timescale, responsibilities, costs and financing, for implementing the boundary changes.</p> <p>e. Social or environmental issues or concerns: None significant</p> <p>f. Plans for disseminating results/deliverables: The criteria and methodology papers will be presented to NCSC/Cabinet by Ministry of Interior and Ministry of Land Management, Urban Planning and Construction.</p>
<p>7. Proposed executing/implementing agencies: Executing: Ministry of Interior (as chair of NCSC). Implementing: Ministry of Land Management, Urban Planning and Construction (as chair of the NCSC Boundaries and Urbanization Subcommittee).</p>
<p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</p> <ul style="list-style-type: none"> • Completing the Commune Boundary Review is a central feature of NCSC's tasks for 2002–2007 • The Commune Boundary Review will be a sensitive exercise, and full discussions on this concept paper will be held with the Government before proceeding.
<p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2003</p> <p>b. Expected date of submission for approval</p> <p style="padding-left: 20px;">Lending:</p> <p style="padding-left: 20px;">Nonlending (project preparatory):</p> <p style="padding-left: 20px;">Nonlending (other than project preparatory):</p> <p>c. Period and duration of assistance</p> <p style="padding-left: 20px;">Lending:</p> <p style="padding-left: 20px;">Nonlending: June 2003, 12 months</p>
<p>10. Financing plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending</p> <p style="padding-left: 20px;"><input type="checkbox"/> Ordinary capital resources:</p> <p style="padding-left: 20px;"><input type="checkbox"/> Asian Development Fund:</p> <p style="padding-left: 20px;"><input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending</p> <p style="padding-left: 20px;"><input type="checkbox"/> No resources required, other than ADB staff</p> <p style="padding-left: 20px;"><input type="checkbox"/> ADB's administrative budget:</p>

- Grant TA funds: \$300,000
- Other, cofinancing from bilateral donor: \$100,000

If cofinancing is required indicate sources, and amount sought:
If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

Table A3.2: Capacity Building in Policy Monitoring and Implementation

Date: 4 June 2002

1. Type/modality of assistance <input type="checkbox"/> Lending <input type="checkbox"/> Project loan <input type="checkbox"/> Program loan <input type="checkbox"/> Sector loan <input type="checkbox"/> Sector development program loan <input type="checkbox"/> Other: <input checked="" type="checkbox"/> Nonlending <input type="checkbox"/> Project preparatory <input type="checkbox"/> Other than project preparatory <input type="checkbox"/> Economic, thematic, and sector work <input checked="" type="checkbox"/> Institutional development <input type="checkbox"/> Other:			
2. Assistance focus a. If assistance focuses on a particular sector or subsector, specify the Sector: Multisector Subsector: b. For project preparatory and lending, classification <input type="checkbox"/> Core poverty intervention <input type="checkbox"/> Poverty intervention c. Key thematic area(s) <input type="checkbox"/> Economic growth <input type="checkbox"/> Gender and development <input type="checkbox"/> Environmental protection <input type="checkbox"/> Regional cooperation <input type="checkbox"/> Other: Economic Policy Management <input type="checkbox"/> Human development <input checked="" type="checkbox"/> Good governance <input type="checkbox"/> Private sector development <input type="checkbox"/> Social protection			
3. Coverage <input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional <input type="checkbox"/> Internal policy development			
4. Responsible division/department: MKRD/MKOC			
5. Responsible ADB officer(s): E. Bloom			
6. Description of assistance(s) a. Background/linkage to country/regional strategy: ADB sees economic growth as central to poverty reduction in Cambodia and the Government shares this view. Both partners are committed to improving the quality of economic growth in the country and to ensuring that growth substantially benefits the poor. Cambodia has invested significantly in improving its analytical capacity in economic policy. ADB has played a key role in supporting this since the resumption of operations in the country in 1991. The Supreme National Economic Council (SNEC), which recently started operations, plays a central role in providing policy advice to the highest level of government. The Government is committed to improving the quality of economic analysis used in policy making and sees the contribution of SNEC as central to ensuring that policymakers at the highest levels fully understand their options. b. Goal and purpose: The Project will continue providing support to building the capacity of SNEC through training and consultancies aimed at improving the quality of policy formulation and implementation, and the monitoring of economic policy making in Cambodia. c. Components and outputs: The Project will provide a consultant on an intermittent basis to provide training and high-level policy advice to the members and staff of SNEC. The Project will support applied policy research within Cambodia, under the direction of the members of SNEC and it will provide study tours as required as part of the training of the members and staff of SNEC. d. Expected results and deliverables: The members and staff will be in a better position to conduct applied			

economic policy research. A number of policy papers and briefs will be prepared from inputs prepared by the TA. At the end of the TA, SNEC will also be able to provide better guidance to the Cabinet to ensure effective implementation of policy decisions, while there will be capacity in place to effectively monitor policy implementation.

e. Social or environmental issues or concerns: None

f. Plans for disseminating results/deliverables: The Government will disseminate results internally to policymakers. ADB will support external dissemination as appropriate.

7. Proposed executing/implementing agencies: SNEC

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:

The Government requested this support to continue ongoing ADB support to SNEC. The Ministry of Economy and Finance has played an active part in requesting ADB support for the initial TA and was active in requesting support for this TA.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2001 (under the title Capacity Building for SEDP II Monitoring and Evaluation)

b. Expected date of submission for approval
 Lending:
 Nonlending (project preparatory):
 Nonlending (other than project preparatory): July 2003

c. Period and duration of assistance
 Lending:
 Nonlending: October 2003–December 2005

10. Financing plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
- Ordinary capital resources:
 - Asian Development Fund:
 - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
- No resources required, other than ADB staff
 - ADB's administrative budget:
 - Grant TA funds: \$500,000
 - Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

Table A3.3: Capacity Building in Portfolio Management

Date:

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input checked="" type="checkbox"/> Other: ADTA</p>
<p>2. Assistance focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Public Sector Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <p><input type="checkbox"/> Economic growth</p> <p><input type="checkbox"/> Gender and development</p> <p><input type="checkbox"/> Environmental protection</p> <p><input type="checkbox"/> Regional cooperation</p> <p><input type="checkbox"/> Other: Capacity Building</p> <p><input checked="" type="checkbox"/> Human development</p> <p><input checked="" type="checkbox"/> Good governance</p> <p><input type="checkbox"/> Private sector development</p> <p><input type="checkbox"/> Social protection</p>
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>
<p>4. Responsible division/department: Cambodia Resident Mission</p>
<p>5. Responsible ADB officer(s): A. Jude</p>
<p>6. Description of assistance(s)</p> <p>a. Background/linkage to country/regional strategy: The proposed TA will support the Government in building sustainable and harmonized capacity to manage and administer its externally assisted projects. The portfolio includes projects supported by ADB, the World Bank, and other multilateral lenders, as well as the International Fund for Agricultural Development and the Organisation for Economic Co-operation and Development. Emphasis will be on harmonizing portfolio management systems and procedures into one consistent framework owned by the Government and implemented by the Ministry of Economy and Finance (MEF). The TA will be implemented concurrently with a complementary TA focusing on accounting and financial management supported by the World Bank. Furthermore, the TA will support the Government's increasing emphasis on decentralization by building capacity to support decentralization of project management. The TA is supportive of ADB's strategy for Cambodia, and it has strong linkages with ADB policies and strategies for good governance and transparency.</p> <p>b. Goal and purpose: Building on the lessons learned from past and ongoing capacity-building efforts, the TA will help consolidate past gains in capacity building. The TA will in particular pursue the following goals and purposes: (i) strengthening the performances of MEF in administrating Cambodia's portfolio of externally assisted projects; (ii) support finalization of MEF's Standard Operating Procedures, Project Implementation</p>

Manual, and Project Management Manual; (iii) support operationalizing MEF's systems and procedures for decentralization and administration of all externally assisted projects; (iv) support MEF in building capacity to institutionalize capacity building and training activities to support executing agencies; and (v) assist MEF in preparing and activating a long-term action plan to support domestic capacity building. Special emphasis will be placed on supporting MEF in building capacity for decentralized implementation at the provincial levels of government. These goals will be pursued in close collaboration with other funding agencies to harmonize systems and procedures.

c. Components and outputs: TA objectives will be realized through the following components and outputs:

(i) **Operational Support.** Service standards, performance monitoring, and evaluation systems and procedures will be established and implemented in MEF's operational divisions;

(ii) **Harmonized Guidelines.** Operational guidelines, systems, and procedures will be finalized and introduced;

(iii) **Operationalized Guidelines.** Guidelines, systems, and procedures will be operationalized through training and workshops;

(iv) **Institutionalizing Capacity Building.** This will be through permanent counterpart assignment and on-the-job training of trainers to support capacity building; and

(v) **Making Capacity Building Sustainable.** Support MEF in developing a long-term strategy and action plan for capacity building as a permanent activity.

d. Expected results and deliverables: Deliverables will include: (i) harmonized standard operating procedures; (ii) harmonized financial management and accounting systems and procedures, including decentralized systems; (iii) harmonized project implementation and project management manuals and training material; (iv) trained MEF and executing agency staff; (v) core trainers trained to carry out capacity building; and (vi) a strategy and action plan for establishing capacity building as a permanent MEF activity.

e. Social or environmental issues or concerns: None; beneficiaries and stakeholders from the Ministry of Economy and Finance and line ministries will participate in and benefit from capacity-building efforts that raise no social or environmental concerns.

f. Plans for disseminating results/deliverables: Through a combination of: (i) manuals and lecture notes; (ii) training of trainers; and (iii) workshops and training sessions.

7. Proposed executing/implementing agencies: Ministry of Economy of Finance, Investment and Cooperation Department, ADB, and World Bank divisions.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Department of Investment and Cooperation and the operational divisions.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2003

b. Expected date of submission for approval
Lending:
Nonlending (project preparatory):
Nonlending (other than project preparatory): 2003

c. Period and duration of assistance
Lending:
Nonlending: 18 months

10. Financing plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
- Ordinary capital resources:
 - Asian Development Fund:
 - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
- No resources required, other than ADB staff
 - ADB's administrative budget:
 - Grant TA funds:
 - Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

Table A3.4: Capacity Building in Land Management

Date: 3 June 2002

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>										
<p>2. Assistance focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p>4. Responsible division/department: OGC</p>										
<p>5. Responsible ADB officer(s):</p>										
<p>6. Description of assistance(s)</p> <p>a. Background/linkage to country/regional strategy:</p> <p>b. Goal and purpose: An initial TA for Implementation of Land Legislation, which is scheduled for completion in 2003, is providing useful support in areas of drafting subdecrees, training in various aspects of implementation of the law, including dispute resolution, and dissemination of information. However, in view of the wide impact of land issues and the linkages with numerous areas of the law, continuing assistance in this area is needed. The objectives of the TA, which is to complement and continue earlier assistance, are to help (i) establish a legal system, including implementing mechanisms that will resolve the existing uncertainty, disputes, and chaos with respect to ownership and related land rights; (ii) continue to build the capacity of the judiciary, legal community, and technical staff responsible for implementing the Immoveable Property Law, and thereby contribute to restoring the general public's confidence in the legal system; and (iii) raise public awareness of the Immoveable Property Law and increase people's access to mechanisms to realize their rights under the law. While the TA focuses on land legislation, the beneficial effects of capacity building and public awareness raising will reach beyond land-related issues.</p> <p>c. Components and outputs: Specific components will be defined at the time of evaluation of progress under</p>										

the ongoing TA later in 2002 but will include a training program and a public information program. A training program for judges, prosecutors, legal court personnel, and others involved in implementing the new land legislation will be conducted to familiarize them with the provisions of the new law and implementing (sub)decrees. The training will be for magistrates already appointed to the bench and recent graduates from the Faculty of Law of the University of Phnom Penh, some of whom will be the next generation of magistrates. In addition, staff from the land registry offices will be included so as to develop a mutual understanding among the judiciary and the staff involved in the technical aspects of land titling. Members of the Cambodian Bar Association and legal aid organizations will also be invited to participate in the training. A public information program will include preparation and broadcasting of radio and television programs, preparation and distribution of brochures and posters, and other methods to reach illiterate people.

d. Expected results and deliverables: The TA will further enable the effective implementation of the land legislation, which will also strengthen local governance with the completion of the local elections in early 2002. Specific deliverables will be determined as part of the review of the ongoing TA.

e. Social or environmental issues or concerns: Not applicable

f. Plans for disseminating results/deliverables: Included in the project design

7. Proposed executing/implementing agencies: Ministry of Land Management, Urban Planning and Construction

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: ADB assisted the Government in developing the land legislation through an extensive consultative process involving civil society organizations as well as the rural population. This process established a consultative platform where regular consultations take place on all aspects of land legislation implementation. The TA will make use of this platform.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2003

b. Expected date of submission for approval

Lending:

Nonlending (project preparatory):

Nonlending (other than project preparatory): 3rd quarter 2003

c. Period and duration of assistance

Lending:

Nonlending: 2004–2005

10. Financing plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

a. For lending

Ordinary capital resources:

Asian Development Fund:

Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

No resources required, other than ADB staff

ADB's administrative budget:

Grant TA funds: \$400,000

Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

Table A3.5: Social Protection Study

Date: May 2002

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input checked="" type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>										
<p>2. Assistance focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input checked="" type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p>4. Responsible division/department: MKOC</p>										
<p>5. Responsible ADB officer(s): Y. Uehara</p>										
<p>6. Description of assistance(s)</p> <p>a. Background/linkage to country/regional strategy: ADB adopted the Social Protection Strategy in 2001, which encompasses (i) labor markets, (ii) social insurance, (iii) social assistance, (iv) micro and area-based approaches, and/or (v) child protection. The strategy includes an action plan to develop social protection interventions in DMCs, determined by, among others, country needs and resource availability. The selected interventions and their justifications will be reflected in the CSP.</p> <p>The Government recognizes that social development goes beyond investment in the social sector and requires appropriate laws and policies to ensure that society's most vulnerable do not suffer as a result of development and policy reform. The Government and ADB agreed to work together to support and strengthen social protection measures, including labor laws and combating illegal human trafficking.</p> <p>b. Goal and purpose: The study will identify and design interventions that will serve as the basis of a social safety net to protect the poor and vulnerable. The study will also analyze necessary actions to mitigate the negative social consequences that occur within the context of development interventions.</p> <p>c. Components and outputs:</p>										

<ul style="list-style-type: none"> • Literature review, situation analysis, stakeholder consultation, prioritization of needs through a vulnerability profile, summary labor market analysis, social expenditure review, and evaluation of institutional and political capacity. • Social protection strategy in CSP. <p>d. Expected results and deliverables: Social protection measures and interventions fully integrated into CSP.</p> <p>e. Social or environmental issues or concerns: Social protection</p> <p>f. Plans for disseminating results/deliverables: To be determined</p>
<p>7. Proposed executing/implementing agencies: Ministry of Social Affairs, Labor, Vocational Training and Youth Rehabilitation (MoSALVTYR)</p>
<p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: During the country programming mission in 2002, ADB consulted with MoSALVTYR and agreed on the approach. NGO Forum has been consulted.</p>
<p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan:</p> <p>b. Expected date of submission for approval Lending: Nonlending (project preparatory): Nonlending (other than project preparatory): 1st quarter 2003</p> <p>c. Period and duration of assistance Lending: Nonlending: 4 months</p>
<p>10. Financing plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending</p> <p><input type="checkbox"/> Ordinary capital resources:</p> <p><input type="checkbox"/> Asian Development Fund:</p> <p><input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input checked="" type="checkbox"/> ADB's administrative budget: \$50,000</p> <p><input type="checkbox"/> Grant TA funds:</p> <p><input type="checkbox"/> Other (specify, e.g., bilateral and multilateral trust funds):</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

in economic and social activities; (ii) identify gender dimensions of development across sectors with particular attention to poverty reduction; (iii) identify possible strategies for removing or minimizing barriers and constraints in accordance with the Government's National Policy for Women and ADB's policy on gender and development, (iv) identify implementation mechanisms to respond to the needs of women, the poor, and the disadvantaged; and (iv) recommend strategies and possible areas of assistance.

c. Components and outputs: The study will include: gender situation analysis, participatory assessment on gender issues, national-level consultation meeting, policy recommendations, and project interventions. The study will also examine the existing specific constraints and opportunities for gender mainstreaming across sectors.

d. Expected results and deliverables: A comprehensive strategy and CSP wherein gender concerns are fully integrated.

e. Social or environmental issues or concerns: Gender and development

f. Plans for disseminating results/deliverables: National workshop(s) and publication of the study

7. Proposed executing/implementing agencies: Ministry of Women's and Veterans' Affairs

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: ADB maintains continuous support to the Ministry of Women's and Veterans' Affairs for their efforts in mainstreaming gender. The study has been developed through consultation with the Ministry.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2003

b. Expected date of submission for approval

Lending:

Nonlending (project preparatory):

Nonlending (other than project preparatory): 1st quarter 2003

c. Period and duration of assistance

Lending:

Nonlending: 4 months

10. Financing plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

a. For lending

Ordinary capital resources:

Asian Development Fund:

Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

No resources required, other than ADB staff

ADB's administrative budget: \$50,000

Grant TA funds:

Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

Table A3.7: Rural Income Enhancement

Date: 14 May 2002

1. Type/modality of assistance <input type="checkbox"/> Lending <input type="checkbox"/> Project loan <input type="checkbox"/> Program loan <input type="checkbox"/> Sector loan <input type="checkbox"/> Sector development program loan <input type="checkbox"/> Other: <input checked="" type="checkbox"/> Nonlending <input checked="" type="checkbox"/> Project preparatory <input type="checkbox"/> Other than project preparatory <input type="checkbox"/> Economic, thematic, and sector work <input type="checkbox"/> Institutional development <input type="checkbox"/> Other:	
2. Assistance focus a. If assistance focuses on a particular sector or subsector, specify the Sector: Rural Development Subsector: Rural Development b. For project preparatory and lending, classification <input type="checkbox"/> Core poverty intervention <input checked="" type="checkbox"/> Poverty intervention c. Key thematic area(s) <input checked="" type="checkbox"/> Economic growth <input checked="" type="checkbox"/> Gender and development <input type="checkbox"/> Environmental protection <input type="checkbox"/> Regional cooperation <input type="checkbox"/> Other: <input type="checkbox"/> Human development <input type="checkbox"/> Good governance <input type="checkbox"/> Private sector development <input type="checkbox"/> Social protection	
3. Coverage <input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional <input type="checkbox"/> Internal policy development	
4. Responsible division/department: MKAE/MKRD	
5. Responsible ADB officer(s): M. Otsuka	
6. Description of assistance(s) a. Background/linkage to country/regional strategy: (i) A high poverty incidence in rural areas continues to be a primary development concern in Cambodia. ⁸ A recent estimate indicates that the average poverty incidence is about 40% in rural areas. There are a large number of pockets of serious poverty where the incidence is substantially higher. The gap in income between rural population and people in municipalities and Phnom Penh is also rapidly increasing. In these circumstances, appropriate investment and technical support to enhance rural income and access to income-generating opportunities are required. (ii) In relation to the ongoing Rural Infrastructure Improvement Project (RIIP), ⁹ the Government requested ADB for a PPTA to prepare a detailed proposal for an investment loan for the purpose of rural income enhancement as a follow-on project of RIIP. ADB's country programming mission in April 2002 discussed	

⁸ The consumption-based poverty line is defined as adequate income to purchase a daily 2,100-calorie food basket plus an allowance for nonfood expenditure.

⁹ Loan 1385-CAM (SF): *Rural Infrastructure Improvement Project*, for \$25.1 million, approved on 28 September 1995. The loan is expected for completion in December 2002.

this matter with the Ministry of Rural Development (MRD), and agreed with the Government on the need for undertaking an initiative with wider perspectives than a rural road project and addressing critical issues in rural areas based on active community participation in planning and implementation. The proposed PPTA and the ensuing loan will be in line with the development objectives of the Government as described in its Second Socioeconomic Development Plan (SEDP II), and ADB's Poverty Reduction Partnership Agreement with the Government. ADB's sector strategy for agriculture, environment, and natural resources in Cambodia is to help achieve the Government's development objectives through enhanced agricultural productivity in line with SEDP II of the Government. Synergy with other projects and programs of ADB and other external funding agencies will be fully taken into account under the proposed PPTA.

b. Goal and purpose: The proposed PPTA will assist the Government in formulating a detailed investment proposal for enhancing rural income and access to income-generating opportunities, thereby contributing to a reduction in rural poverty in Cambodia.

c. Components and outputs: The proposed PPTA will (i) carry out a detailed review of the rural infrastructure subsector in Cambodia, including policy, regulatory, and institutional issues related to the subsector; (ii) evaluate past and ongoing rural development projects and programs in the country and identify relevant lessons learned; (iii) conduct detailed social and environmental assessments in the proposed project area and recommend appropriate measures to mitigate any possible adverse impacts; (iv) prepare a detailed investment proposal suitable for possible ADB financing; and (v) examine financial and economic costs and benefits, and risks involved in the proposed investment.

d. Expected results and deliverables: The ensuing loan to be prepared under the proposed PPTA will build upon the achievements made under the ongoing RIIP and expand the initiatives for enhancing rural income and access to income-generating opportunities in the proposed project area. The loan will finance the provision of critical infrastructure in rural areas (rural roads, marketing, and community facilities, etc.), small-scale water resources development, provision of agricultural support services, and capacity building of local-level institutions. Coordination and complementarity with other projects and programs of ADB and other external funding agencies will be fully considered. A series of consultations and workshops will be organized in selected communes and provinces to promote active participation of stakeholders, including beneficiary communities, civil society organizations, and the private sector in project planning and subsequent implementation. The progress of decentralization in various service deliveries will be fully considered during project formulation. Under the PPTA, the consultant will prepare inception, midterm, draft final, and final reports. The tentative TA period will be 8 months.

e. Social or environmental issues or concerns: To be determined

f. Plans for disseminating results/deliverables: To be determined

7. Proposed executing/implementing agencies: Ministry of Rural Development (MRD)

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: In addition to MRD, other relevant agencies, including the Ministry of Agriculture, Forestry and Fisheries, and the Ministry of Water Resources and Meteorology have been consulted. There will be a series of consultations, involving relevant NGOs and external funding agencies, during the PPTA fact-finding and PPTA implementation.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2004

b. Expected date of submission for approval
Lending:
Nonlending (project preparatory): March 2004
Nonlending (other than project preparatory):

c. Period and duration of assistance
Lending:
Nonlending: 8 months from September 2004

10. Financing plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

a. For lending

- Ordinary capital resources:
- Asian Development Fund:
- Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

- No resources required, other than ADB staff
- ADB's administrative budget:
- Grant TA funds:
- Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

<p>f. Plans for disseminating results/deliverables: The final report will be disseminated through ADB's web site.</p>
<p>7. Proposed executing/implementing agencies: National AIDS Authority</p>
<p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: A wide range of stakeholders will be involved in the TA implementation, including concerned government agencies, NGOs, international agencies, provincial authorities, beneficiaries, and people living with HIV/AIDS.</p>
<p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2004</p> <p>b. Expected date of submission for approval Lending: Nonlending (project preparatory): Nonlending (other than project preparatory): April 2004</p> <p>c. Period and duration of assistance Lending: Nonlending: 2004–5, 1 year</p>
<p>10. Financing plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending <input type="checkbox"/> Ordinary capital resources: <input type="checkbox"/> Asian Development Fund: <input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending <input type="checkbox"/> No resources required, other than ADB staff <input type="checkbox"/> ADB's administrative budget: <input checked="" type="checkbox"/> Grant TA funds: <input type="checkbox"/> Other (specify, e.g., bilateral and multilateral trust funds):</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

Table A3.9: Transport Infrastructure Development

Date: 31 May 2002

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p> <input type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input checked="" type="checkbox"/> Project preparatory</p> <p> <input type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>										
<p>2. Assistance focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the</p> <p> Sector: Roads</p> <p> Subsector: Provincial Roads</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention</p> <p> <input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input checked="" type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input checked="" type="checkbox"/> Other: Clearance of Unexploded Ordnance</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input checked="" type="checkbox"/> Other: Clearance of Unexploded Ordnance	
<input checked="" type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input checked="" type="checkbox"/> Other: Clearance of Unexploded Ordnance										
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p>4. Responsible division/department: MKRD/MKID</p>										
<p>5. Responsible ADB officer(s): To be determined</p>										
<p>6. Description of assistance(s)</p> <p>a. Background/linkage to country/regional strategy: The roads sector suffered severe damage during the years of civil strife in Cambodia, to the extent that most of the road network was rendered impassable. Since the Paris Peace Accord in 1991, ADB and the World Bank along with other development agencies have invested substantial resources in rehabilitating the primary roads network. As a result, a major part of the country's core access network is, by now, reestablished or in the process of being reestablished under committed projects. Similarly, development agencies and the Government have expended substantial resources on rehabilitating rural infrastructure, including rural roads, to enable resettlement of the many displaced peoples and the resurrection of agriculture. The intermediate network, consisting of secondary national roads and the provincial road network, of a total length of about 8,000 km, has, until now, received little or no attention.</p> <p>b. Goal and purpose: The goal of the Project is to rehabilitate a geographically confined network of provincial and secondary national roads with the objective of reestablishing economically efficient intermediary links between the rural roads network, and the core network of the primary national highways. The Project will promote economic development in rural areas by providing cost efficient all-weather road access to markets and employment opportunities, and will promote social development by reducing remoteness and providing access to social services. The geographic scoping of the Project will help ensure that benefits reach the intended target groups: rural households in general, and displaced peoples in particular.</p>										

<p>c. Components and outputs: The Project will consist of the following main components:</p> <ul style="list-style-type: none"> • Rehabilitation of approximately 200 km of secondary roads in two or three provinces. • Broad-based de-mining in selected parts of the roads' area of influence, to prepare land for resettlement. • Social development components intended to support the efficient utilization of the rehabilitated road networks and reduce possible negative social impacts. • Institutional components addressing road maintenance and traffic safety. <p>d. Expected results and deliverables: An investment project with associated components that improve sector efficiencies and institutional capabilities, removes constraints to transportation to, from, and within a selected rural region and generates direct benefits to poor and disadvantaged groups.</p> <p>e. Social or environmental issues or concerns: Not applicable</p> <p>f. Plans for disseminating results/deliverables: The Project will include direct information to local stakeholders on issues pertaining to the implementation of the road rehabilitation and defining the associated social development components. The Project will provide institutional development and training to local contractors and concerned government staff at the provincial level, to enable execution of future road maintenance.</p>
<p>7. Proposed executing/implementing agencies: Ministry of Public Works and Transport</p>
<p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</p>
<p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002</p> <p>b. Expected date of submission for approval Lending: 2007 Nonlending (project preparatory): 2005 Nonlending (other than project preparatory):</p> <p>c. Period and duration of assistance Lending: 2007–2010 Nonlending:</p>
<p>10. Financing plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending</p> <p><input type="checkbox"/> Ordinary capital resources:</p> <p><input checked="" type="checkbox"/> Asian Development Fund: \$30 million</p> <p><input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>ADB financing: \$30 million Government financing: \$7.5 million</p> <p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget:</p> <p><input checked="" type="checkbox"/> Grant TA funds:</p> <p><input type="checkbox"/> Other (specify, e.g., bilateral and multilateral trust funds):</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

Table A3.10: Health Sector Support II

Date: 29 May 2002

1. Type/modality of assistance <input type="checkbox"/> Lending <input type="checkbox"/> Project loan <input type="checkbox"/> Program loan <input type="checkbox"/> Sector loan <input type="checkbox"/> Sector development program loan <input type="checkbox"/> Other <input checked="" type="checkbox"/> Nonlending <input checked="" type="checkbox"/> Project preparatory <input type="checkbox"/> Other than project preparatory <input type="checkbox"/> Economic, thematic, and sector work <input type="checkbox"/> Institutional development <input type="checkbox"/> Other			
2. Assistance focus a. If assistance focuses on a particular sector or subsector, specify the Sector: Health Sector Subsector: b. For project preparatory and lending, classification <input checked="" type="checkbox"/> Core poverty intervention <input type="checkbox"/> Poverty intervention c. Key thematic area(s) <input type="checkbox"/> Economic growth <input type="checkbox"/> Gender and development <input type="checkbox"/> Environmental protection <input type="checkbox"/> Regional cooperation <input type="checkbox"/> Other: <input checked="" type="checkbox"/> Human development <input type="checkbox"/> Good governance <input type="checkbox"/> Private sector development <input type="checkbox"/> Social protection			
3. Coverage <input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional <input type="checkbox"/> Internal policy development			
4. Responsible division/department: MKSS/MKRD			
5. Responsible ADB officer(s): I. Bhushan			
6. Description of assistance a. Background/linkage to country/regional strategy: From extremely low levels only 10 years ago, the Cambodian health system, both in the private and public sectors, has developed rapidly. The encouraging progress in the last decade, however, should be regarded only as initial gains, since health indicators in Cambodia are still among the worst in the Asia and Pacific region. Poor human capital represents one of the critical constraints in putting the country on the path of growth and achieving sustained poverty reduction. ADB is supporting the sector along with other funding agencies and has helped in creating the basic infrastructure. Another project proposed for 2002 will further strengthen this partnership. The proposed project for 2007 will build on the two earlier projects and will consolidate the gains in the sector so far. b. Goal and purpose: The Project will support investment options and policy conditions that will strengthen the Government's capacity to improve the health status of its people, especially the poor. c. Components and outputs: The exact scope of the Project will be decided through a PPTA. However, the Project will support a sector-wide approach in health. The Project is likely to have the following three components. (i) policy reforms for making the health sector more efficient and equitable; (ii) capacity building, including investment support for facilities, equipment, supplies, and training of health			

<p>care providers; and</p> <p>(iii) investment in necessary drugs and supplies at the national level for the priority public health program.</p> <p>d. Expected results and deliverables: Improvements in the health status in the project area.</p> <p>e. Social or environmental issues or concerns: No adverse social or environmental impact foreseen.</p> <p>f. Plans for disseminating results/deliverables: The final report will be disseminated through the ADB web site.</p>
<p>7. Proposed executing/implementing agencies: Ministry of Health</p>
<p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: A wide range of stakeholders will be consulted during the project preparation, including concerned government agencies, NGOs, international agencies, mass movement organizations, provincial authorities, and beneficiaries.</p>
<p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2005 (PPTA) and 2007 (Loan)</p> <p>b. Expected date of submission for approval Lending: 1st quarter 2007 Nonlending (project preparatory): 1st quarter 2005 Nonlending (other than project preparatory):</p> <p>c. Period and duration of assistance Lending: 2007–12 (5 years) Nonlending: 2005–6 (12 months)</p>
<p>10. Financing plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending</p> <p><input type="checkbox"/> Ordinary capital resources:</p> <p><input checked="" type="checkbox"/> Asian Development Fund: amount to be decided</p> <p><input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget:</p> <p><input checked="" type="checkbox"/> Grant TA funds:</p> <p><input type="checkbox"/> Other (specify, e.g., bilateral and multilateral trust funds):</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

Table A3.11: Capacity Building in Public Sector Management

Date: 14 June 2002

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input checked="" type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>										
<p>2. Assistance focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Subsector</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p>4. Responsible division/department: MKGF</p>										
<p>5. Responsible ADB officer(s): To be determined</p>										
<p>6. Description of assistance(s)</p> <p>a. Background/linkage to country/regional strategy: The Government's firm commitment to governance reform is reflected in its Governance Action Plan (GAP), which was approved in 2001. Among the results achieved are: the completion of the civil service census and functional reviews, the development of computerized personnel management and payroll system, the elimination of ghosts and redundant workers from the payroll, the discharge of 16,500 soldiers, and a clear legal framework for local governance at commune/sangkat level. The Government has also established an independent National Audit Authority, which is an important step toward controlling widespread corruption. A second volume of the GAP, which was presented in June 2002, focuses more on the Government's plans to combat corruption. ADB continued to focus on the four ways in which linkages can be strengthened between state reforms and ADB country program and projects. First, ADB supports activities that are part of the "core" governance reform commitment (support to the Council for Administrative Reform to improve public sector performance, support for the drafting of key legislation governing public access to land and natural resources, and support for public finance reform and audit). The adoption of the Land Law, coupled with the mapping of Phnom Penh and five provinces, has enabled the issuance of around 2,000 land titles to Cambodians. Second, ADB remains committed to supporting the implementation of the Government's decentralization policies. Extensive consultations have taken place, and a</p>										

5-year NCSC Roadmap discussion paper was prepared. The loan proposed for 2002 will continue this process. Third, all projects in the lending and TA programs are consistent with and reinforce the Government's reform commitments in public administration, financial management and accountability, and gender equity.

Fourth, the state reform process has major implications for relations between the state and non-state sectors. State reform policy recognizes the important role of the private sector in public service provision and local economic development, and civil society in the development of pro-poor policies and practices by the state. The role of the non-state sector is already evident, not just in the provision of services and infrastructure for rural development, health and education, but also in fostering dialogue on important laws of fundamental importance in poverty reduction.

b. Goal and purpose:

Goal: Enhanced poverty reduction and growth

Purpose : A paper for NCSC, prepared in consultation with all stakeholders, which reviews the strengths and weaknesses of all aspects of NCSC operations over 2001–2004, and makes recommendations on the desirability of continuation of NCSC over the Second Commune/Sangkat Council Mandate (2007–2012), including any necessary changes required to increase NCSC's efficiency and effectiveness.

c. Components and outputs:

Component 1 Output: A first draft paper on NCSC role and performance 2001 to 2004, and Second Mandate perspectives.

Component 2 Output: A full consultation exercise on the draft paper.

Component 3 Output: A revised draft paper for NCSC.

d. Expected results and deliverables:

Deliverable 1: A draft paper on the performance and future of NCSC.

Deliverable 2: Completed consultations on the draft paper.

Deliverable 3: A revised draft paper for NCSC.

e. Social or environmental issues or concerns: None significant

f. Plans for disseminating results/deliverables:

Components 1 and 3: Widespread circulation of the papers in soft and hard copy.

Component 2: Seminars, focus groups, bilateral discussions, and one national seminar.

7. Proposed executing/implementing agencies: NCSC/MOI/Department of Local Administration

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:

(This TA has been discussed and agreed in outline with MOI, as chair of NCSC.)

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2005

b. Expected date of submission for approval

Lending:

Nonlending (project preparatory):

Nonlending (other than project preparatory): January 2005

c. Period and duration of assistance

Lending:

Nonlending: January 2005, 12 months

10. Financing plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

a. For lending

Ordinary capital resources:

Asian Development Fund:

Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

- No resources required, other than ADB staff
- ADB's administrative budget:
- Grant TA funds: \$400,000
- Other ,

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.