



ADB's Country Strategy and Program, 2005– 2009 and the Tonle Sap Initiative

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Cambodia is at a crossroads in its development as it moves from a postconflict situation towards a more normal development paradigm. However, recent relatively robust growth has not led to a significant reduction in poverty, and achieving many of Cambodia's Millennium Development Goals will be difficult. The priorities and strategies identified in the Government's Rectangular Strategy aim to address this, and ADB's Country and Strategy Program 2005–2009 was developed in support. Accordingly, the Country and Strategy Program will focus on three strategic pillars (i) broad-based economic growth; (ii) inclusive social development; and (iii) good governance.

Cambodia's economy depends heavily on the unique ecosystem of the Tonle Sap basin, which is itself an important subset of the Mekong basin. Yet, despite the natural and ecological wealth of the Tonle Sap basin, it is one of the poorest regions of Cambodia. The population growth rate is rapid, the population is young, and social indicators low. Competing pressures on natural resources have put the entire basin at risk of overexploitation.

I am grateful for the opportunity to note here that the new Country Strategy and Program differs from its predecessor, and indeed from any other country strategy and program of ADB, past and present, in that it has a geographic and regional focus. To improve the development impact of its assistance program, ADB will increasingly focus some of its interventions on the Tonle Sap basin, to enable greater synergies among different interventions, and to focus support for poverty reduction and environmental management on one of the poorest and environmentally most sensitive regions of Cambodia.

ADB's Tonle Sap Basin Strategy has been formulated in support of the Country Strategy and Program and forms the basis for setting priorities and planning assistance in the Tonle Sap basin over the next 5–10 years. In the Tonle Sap basin, the development objectives are to foster, promote, and facilitate (i) pro-poor, sustainable economic growth, (ii) access to assets, and (iii) management of natural resources and the environment. The strategy is based on three underpinning principles (i) sustainable livelihoods, (ii) social justice, and (iii) a basin-wide approach. Operations will be based on (i) a long-term perspective, (ii) selectivity and concentration of resources, (iii) partnerships, (iv) country ownership and delegation, (v) informing and listening, and (vi) judicious use of funding modalities. The strategy focuses on two core areas (i) rural development and the environment, and (ii) human development. Crosscutting themes will ensure that attention is paid to vulnerable groups, governance, resource cooperation, and the private sector.

ADB's focus on the Tonle Sap basin has several implications for ADB's operations. First, ADB will develop interventions to improve environmental stewardship and livelihoods in the Tonle Sap basin. Second, ADB will ensure that, whenever feasible, subnational projects—in other words, projects without a national focus—will be located within the Tonle Sap basin. In particular, ADB will gradually move some of its interventions in agriculture, power, and rural water supply and sanitation to the Tonle Sap basin. While ADB will continue to support transport projects throughout the country, many of these will be located in the Tonle Sap basin. ADB will, however, retain flexibility to look at this geographical focus within the

context of other donors' programs in the Tonle Sap. The transition to the Tonle Sap basin will be gradual, and will probably not be completed during the 2005–2009 period.

Implementation of the Tonle Sap Basin Strategy will afford a significant and positive contribution to more effective basin management; offer possibilities for cooperation with local, provincial, and national stakeholders to balance ever-increasing demands on the lake's resources; and encourage continuity, give confidence to stakeholders, and present opportunities to resolve current and future challenges. This concentration of resources will also catalyze other bilateral and multilateral endeavors. This is a rare opportunity and we look forward to seizing it with you.