

Annex of the Country Assistance Policy

Rolling Plan for the Royal Government of Cambodia

As of April 2015

Basic Policy of Assistance	Steady and Sustainable Economic Growth and Balanced Development
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Priority Area 1	Strengthening of the Basis for Economic Activities
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<p>[Background and current situation]</p> <p>Surrounded by Thailand, Laos and Vietnam and located at the center of Mekong Region, Cambodia is at the transit point among multiple economic corridors including the Southern Economic Corridor and the Southern Coastal Corridor, and on a geographically prominent location for international trade. As a result of these advantages, Cambodia has shown steady economic growth in recent years. In the country, the Southern Economic Corridor and Sihanoukville Port are mainstays of economic activities. The impact of development in these corridors is high.</p> <p>However, the quality of transport infrastructure generally remains at a lower level and the competitiveness of Sihanoukville Port is limited compared to the ports in the neighboring countries, and accordingly, strengthening of the basis for economic activities including the improvement of human resources, policies and regulatory frameworks is a priority.</p> <p>In addition, in the electricity sector, supply, the unbalanced composition of energy sources, high electricity tariff and so on are challenges.</p>	<p>[Strategy]</p> <p>In order to sustain and to further promote economic development in Cambodia and the Mekong region, Japan prioritizes its assistance in the following areas; (i) the development of road network systems centered on the Southern Economic Corridor considering its geographical location as the center of the Mekong region, its high development effects and its important role in economic activities, (ii) the development of the areas around Sihanoukville Port considering its important role in economic activities, (iii) the development of stable electricity supply system, (iv) the development of ICT infrastructure and (v) the improvement of logistical systems which are critical factors for attracting foreign direct investment (FDI). In implementing above-mentioned assistance, the promotion of regional integration and of private investment will be also taken into consideration.</p>
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Japan's Assistance Program	Program Summary	Project	Scheme							Assistance Amount (100 million yen)	Note
				Before JFY 2014	JFY 2015	JFY 2016	JFY 2017	JFY 2018	JFY 2019		
Development Issue 1-1	Japan assists (i) the development of the road network system (Southern Economic Corridor, etc.) which facilitates economic and industrial development through stable and efficient logistics and (ii) the development and the maintenance of the facilities in Sihanoukville Port and surrounding areas.  Japan also plans to assist the construction of the main electricity supply network and the strengthening of electrical engineers' capacity in order to	Transport Policy Advisor	EXP	█	█						
		The Project for Strengthening Capacity for Maintenance of Roads and Bridges	TCP		█	█	█	█		4.2	
		Preparatory Survey for the Rehabilitation of Chroy Changwa Bridge (Cambodia-Japan Friendship Bridge)	PS		█						
		The Project for the Improvement of National Road No.1 (Phase 4. Urban Section)	GA		█	█				18.36	
		National Road No.5 Improvement Project (Battambang - Sri Sophorn Section)	LA		█	█	█	█		88.5	
		National Road No.5 Improvement Project (South Section; Prek Kdam - Thlea Ma'am) (Phase I)	LA			█	█	█	█	16.99	

Development of Economic Infrastructure	Program for Improving Transportation System and Electric Power Supply	promote the electricity supply system which is an important factor in attracting FDI.	Preparatory Survey for National Road No.5 (Central Section: Thlea Ma'am-Battambang, Sri Sophorn - Poipet) Improvement Project	PS																			
			National Road No. 5 Improvement Project (Central Section: Thlea Ma'am-Battambang, Sri Sophorn - Poipet)	LA													192.08						
			The Project for Construction of Neak Loeung Bridge	GA													119.4						
			Project for Modernization of Vehicles Registration and Inspection Administration System (MVRT)	TCP																			
			The Project for Comprehensive Urban Transport Plan in Phnom Penh Capital City	DS													2.8						
			Preparatory Survey for the Project of Traffic Management System in Phnom Penh	PS																			
			Project for Development of Traffic Management System in Phnom Penh	GA													17.27						
			Environmental and Social Considerations on Public Works in Planning and Designing Stage	CTR																			
			Project for Capacity Enhancement of Environmental and Social Considerations in Implementing Agency	TCP																			
			The Project for Capacity Development on Container Terminal Management and Operation in Sihanoukville Port	TCP																			
			Project for Productions of Integrated Digital Terrain Model and Electronic Navigational Chart in Kingdom of Cambodia	TCP													3.0						
			Sihanoukville Port Multipurpose Terminal Development Project	LA													71.76						
			The Project for Capacity Development for Transition to the New CNS/ATM Systems in Cambodia, Lao PDR, and Vietnam (Regional Project)	TCP													5.0						The amount is for the entire region
			Project for Improvement of Transmission System Operation and Maintenance	TCP													2.8						
			Energy and Power Development Planning Advisor	EXP																			
			Project for Construction and Rehabilitation of Small Hydropower Plants in Rattanakiri Province	GA													14.87						
			Greater Mekong Power Network Development Project (Cambodia Growth Corridor)	LA													26.32						Co-financing with ADB
			Phnom Penh City Transmission and Distribution System Expansion Project	LA													64.8						
			Greater Mekong Telecommunication Backbone Network Project	LA													30.29						
			Phnom Penh City Transmission and Distribution System Expansion Project (Phase 2) (I)	LA													38.16						



Development Issue 1-2  Strengthening of the Private Sector	[Background and current situation]			[Strategy]												
	The leading industries which have been contributing to the economic growth over the past decade have been garment and tourism. However, it is necessary for Cambodia to diversify its industrial structure with industrializing, developing highly value-added industries and promoting trade since the current industrial structure is simple and depends on the demands of particular foreign markets. In order to achieve the transformation above, it is important to facilitate the access to financial resources in Cambodia, to improve its domestic productivity, to introduce production technologies into the country, and to promote FDI as a driving force for creating job opportunities. At the same time, the competitiveness of local industries and small-medium enterprises should be strengthened. Furthermore, human resource in such industries should be developed for improving its competitiveness.			In order to promote investment and trade, Japan assists human resource development of officials of the ministries relevant to and the formulation of policies contributing to the development of domestic small and medium enterprises. Special focus is placed on the human resources in the technical fields (e.g., engineers and technicians) and middle-level management who are required in the expanding manufacturing industries. In concrete terms, Japan plans to assist the establishment of systems to nurture the human resources in the fields of electricity, electronics, mechanics, mining and food processing at the science institutions and vocational training institutions.												
	Japan's Assistance Program	Program Summary	Program Goals	Project	Scheme	Before JFY 2014	JFY 2015	JFY 2016	JFY 2017	JFY 2018	JFY 2019	Assistance Amount (100 million yen)	Note			
	Program for Trade and Private Sector Development		Sihanoukville Port Special Economic Zone (SEZ) Development Project	LA	█							36.51				
			Project on Capacity Development for Mining Administration in Cambodia	TCP		████████████████████										
			Human Resources Development in the Mining Sector	CTR		████████████████████										
			Issue-based training etc. in the field of trade and private sector development	TR	████████████████████											
	Program for Human	Japan aims at improving trade and investment environment by supporting the human resources development in technical fields (e.g., engineers and technicians) such as electricity, electronics, mechanics, mining and food processing as well as middle-management professions since human resources are currently considered inadequate to serve Cambodian industrial needs. In addition, Japan supports the capacity building and the	High quality technical human resources with basic competence required by the industrial sector are supplied to the labor market. Indicator: More than 70% of companies (manufactures and mining) assess that their employees graduated from targeted institutions possess basic and practical skills as engineers and technicians. (2012-2020) - The quality of higher	Project for Institutional Capacity Development of CJCC for a Center of Development and Networking for Business Human Resources	TCP	████████████████████							4.3			
				Project for Improving TVET Quality to Meet the Needs of Industries	TCP		██	██	██	██	██	██				
				Project for Educational Capacity Development of the Institute of Technology of Cambodia (ITC)	TCP	██████████									2.8	
				The Project for the Improvement of Facility and Laboratory Equipment in the Institute of Technology of Cambodia (ITC)	GA	██████████									5.96	
				ASEAN University Network/Southeast Asia Engineering Education Development Network (SEED-NET) Project - Phase 3	TCP	████████████████████									39.1	Regional project
				Capacity Building: Technical Vocational Education and Training (Phase 2)	TTR	██████████										TTR in Malaysia

Resource Development in the Industrial Sector	management strengthening of micro, small and medium size enterprises (MSMEs) which account for most of Cambodian domestic enterprises, and also assists to create a linkage between them and foreign affiliated enterprises.	education in engineering is enhanced. - Capacity of education and training to develop technical human resources is enhanced. - Job hunting support service by employment agencies and education/vocational training institutions is enhanced.	Strengthening Employment Services, Career Guidance and Labour Market Information	CTR	█								
			Project for Strategic Strengthening of Small and Medium Enterprises (SME) Support System	TCP	█						2.9		
			Project for the Improvement of Educational Equipment of the Department of Geo-Resources and Geotechnical Engineering of the ITC	GA	█						0.56		
			Pilot Survey for Disseminating SME's Technologies for Tsubame-Sanjo Brand Tools	SSM	█							BOP	
			Volunteers in Vocational training	JOCV/SV	█								
			Issue-based training etc. in the field of vocational training	TR	█								
			Skills Evaluation System Promotion Program	TCP of MHLW	█								
			Special Program for Capacity Building in the Food Industry in ASEAN Least Developed Countries	ML	█							APO	

[Background and current situation]  
The Agriculture, forestry and fishery sectors are the main sectors of the Cambodian economy, accounting for 30% of Cambodian GDP and 60% of its work force. The production of rice, the staple food for Cambodian, is on the increase. However, the low level of agricultural technologies, of product quality and of productivity as well as the necessity to improve farmers' living standard are still challenges.

[Strategy]  
Recognizing the importance of promoting the agriculture sector which is the country's main industry absorbing a large part of the working population and assisting the livelihood of underprivileged farmers, in order to improve the productivity and quality of rice as the Cambodia's main agricultural product, Japan supports the rehabilitation and the development of irrigation facilities, the improvement of irrigation skills and rice production skills in the western and southern parts of Cambodia. In addition, Japan supports the improvement and the diversification of the farming industry in order to improve the livelihood of underprivileged farmers. Besides, Japan also pays attention to the countermeasures on transboundary animal diseases in implementing projects in this sector.

Japan's Assistance Program	Program Summary	Project	Scheme							Assistance Amount (100 million yen)	Note	
				Before JFY 2014	JFY 2015	JFY 2016	JFY 2017	JFY 2018	JFY 2019			
	Japan assists irrigation projects in the priority areas mentioned in the "River-Basin Master Plan" and promotes human resource development. In order to promote the productivity and the quality of agricultural products, Japan also assists the strengthening of the management and the maintenance of irrigation facilities, the improvement of water management skills of farmers and the strengthening of Water User Community as well	Advisor on Water Resources Development and Management for Agriculture	EXP	█								
		Policy Advisor on Irrigation and Drainage	EXP	█								
		Technical Service Center for Irrigation System Project Phase III	TCP	█						8.0		
		Project for River Basin Water Resources Utilization (RBWRU)	TCP	█						6.0		
		West Tonle Sap Irrigation and Drainage Rehabilitation and Improvement Project	LA	█						42.69		





Priority Area 2	Promotion of Social Development												
	<p>[Background and current situation]</p> <p>In the water supply sector, Japan has been assisting in drafting the development plan and the hard and soft components of water supply system in Phnom Penh City for many years, and as a result of such cooperation, access to safe water has been improving in Phnom Penh in recent years. However, access rates to clean water remains low in provincial towns and rural areas and the development of this sector is delayed compared to the neighboring countries including Thailand, Vietnam and Myanmar. With regard to the sewerage sector, no development plan has been compiled and there are no sewerage facilities even in Phnom Penh City, thus, it is feared that rapid urbanization will negatively impact on rivers and the ecosystem.</p>						<p>[Strategy]</p> <p>In cooperation with the Phnom Penh Water Supply Authority which has obtained high level management and technical know-how through Japan's assistances, Japan supports the development of water supply systems in major local cities for improving the access to safe water. Japan also supports the sewage treatment in Phnom Penh in order to tackle the deteriorating urban environment caused by growing population.</p>						
Development Issue 2-1 Development of Water Supply and Sewage Systems	Japan's Assistance Program	Program Summary	Program Goals	Project	Scheme	Before JFY 2014	JFY 2015	JFY 2016	JFY 2017	JFY 2018	JFY 2019	Assistance Amount (100 million yen)	Note
	Program for Water Supply and Sewage System	With regard to the water supply sector, Japan prioritizes its assistance on the construction and the improvement of water supply facilities in provincial towns as well as the human resource development of engineers. In particular, Japan focuses on eight (8) provinces where WB and ADB supported the construction of water treatment plants, and prides assistance to increase the population having access to safe water through the operational improvement of the existing water treatment facilities. In the drainage and sewage sector, Japan supports the planning of drainage and sewage system in Phnom Penh City where further environmental	This program aims to support the Royal Government of Cambodia to achieve its goals as shown in CMDGs, namely, "proportion of urban population with access to safe water source" which targets at 80% in 2015 with the benchmark of 60% in 1998, and "promotion of urban population with access to improved sanitation" which targets at 74% in 2015 with the benchmark of 49% in 1998, as well as to contribute to achieving the indicators after the CMDGs period (2012-2020) as below:  - Improvement of operational indicators of provincial cities' waterworks	Capacity Building for Water Supply System in Cambodia (Phase 3)	TCP	██████████	██████████	██████████	██████████	██████████	██████████	4.3	
				Siem Reap Water Supply Expansion Project	LA	████████████████████	████████████████████	████████████████████	████████████████████	71.76			
				Niroth Water Supply Project	LA	██					35.13	Co-financing with AFD	
				Project for Flood Protection and Drainage Improvement in the Municipality of Phnom Penh (Phase III)	GA	██████████	██████████				37.0		
				Project for Expansion of Water Supply Systems in Kampong Cham and Battambang	GA	██████████	██████████				33.55		
				Project for Expansion and Improvement of Water Supply System in Kampot	PS	██████████							
				Project for Expansion of Water Supply System in Kampot	GA		██████████	██████████	██████████	██████████	29.85		
				Study on Urban Drainage and Sewerage Improvement in Phnom Penh	DS	██████████	██████████						





[Background and current situation]  
 With its advantages, Japan has supported the health sector in Cambodia focusing on maternal and child health care and on countermeasures for tuberculosis through grant aid (facility construction) and technical cooperation (development of human resources and systems). As the result of long-term cooperation mentioned above as well as the dissemination of technologies to rural areas, many health indicators have been improving. However, Cambodia still faces challenges such as the lack of medical professionals in quality and in quantity, the lack of access to medical services in rural areas and accordingly, the level of health and medical care in Cambodia remains lower than in the neighboring countries'.

[Strategy]  
 Japan has been supporting maternal and child health care in Cambodia and it is reported that both child and maternal mortality rates have been improved in recent years. However, as both mortality rates remain relatively high compared with the figures of neighboring countries, Japan continues to support the health sector focusing on maternal and child health care with the consideration of strengthening health care system. Japan also contributes to achieving health related MDGs.

Japan's Assistance Program	Program Summary	Project	Scheme	Before JFY 2014	JFY 2015	JFY 2016	JFY 2017	JFY 2018	JFY 2019	Assistance Amount (100 million yen)	Note	
Development Issue 2-2 Enhancement of Health and Medical Care  Program for Strengthen Health System	Japan supports human resources development (in particular, training for medical professionals) and organizational and system development in the fields of mother and child health care and countermeasures for tuberculosis. In addition, Japan assists the improvement of administrative capacity in provincial medical bases and the construction of hospitals and the provision of equipment in provincial hospitals in order to contribute to improving and achieving health related indicators in the Cambodian MDGs.	The Project for Improving Maternal and Newborn Care through Midwifery Capacity Development	TCP	██████████	██████████					4.2		
		The Project for Strengthening Medical Equipment Management in Referral Hospitals	TCP	██████████							4.3	
		The Project for Strengthening Human Resource Development System of Co-medicals	TCP	██████████	██████████						3.8	
		The Project for Improving Reproductive, Maternal and Newborn Health Service at Provincial Hospitals	TCP		██████████	██████████	██████████	██████████	██████████	██████████		
		The Project for Improvement of Medical Equipment in National, Municipal and Provincial Referral Hospital	GA	██████████	██████████						3.74	
		Project for Rehabilitation of Sihanouk Referral Hospital	GA	████████████████████	████████████████████						15.54	
		Project for Expansion of National Maternal and Child Health Center	GA	████████████████████	████████████████████	████████████████████	████████████████████				11.9	
		The Project for Improvement of Provincial Hospital	PS	██████████	██████████							
		Project for Improvement of Svay Rieng Provincial Referral Hospital	GA		████████████████████	████████████████████	████████████████████	████████████████████	████████████████████	████████████████████	10.7	
		Preparatory Survey on BOP business on liquid disinfectant soaps for hygiene and health improvement	PS	██████████	██████████							
		Grant Assistance in the health sector	GA	██████████	██████████						0.64	
		JICA Partnership Programme in the health sector	Grassroots TC	██████████	██████████						1.3	
		Volunteers in the health sector	JOCV/SV	████████████████████	████████████████████							
		Issue-based training etc. in the health sector	TR	██████████	██████████							



Development Issue 2-4  Demining of Anti-Personnel Mines	[Background and current situation] As a result of 20-year civil war, Cambodia became one of the most landmine contaminated countries in the world. However, after the end of civil war, Japan and other donors have supported the Cambodian Mine Action Centre (CMAC) for its demining activities, and accordingly, the number of landmine casualties in Cambodia have decreased year by year. Yet, the percentage of the cleared area remains 45% of the total contaminated land, and landmines still pose a threat to the lives and the property of Cambodians and disturb Cambodian economic development.			[Strategy] Japan assists Cambodia's efforts to achieve its target stated in the "National Mine Action Strategy 2010-2019" by its demining deadline of 2019 obliged under the Ottawa Convention. Japan requests the Cambodian government to make further efforts to secure budget for their operational costs of demining activities necessary for achieving its target.										
	Japan's Assistance Program	Program Summary	Project	Scheme	Before JFY 2014	JFY 2015	JFY 2016	JFY 2017	JFY 2018	JFY 2019	Assistance Amount (100 million yen)	Note		
	Program for Anti-Personnel Mines	Japan provides equipment necessary for safe and efficient demining activities and also assists operational costs for mine and UXO clearance.	Laos-Cambodia South-South Cooperation on UXO/Mine Action Sector	TTR	█									
			The Programme for Integrated Mine Clearance and Landmine Victim Assistance(PhaseII)	GA	█	█	█					8.98		
			Project for Improvement of Equipment for Demining Activities (Phase VII)	PS		█								
			Grant Assistance in the field of anti-personnel mines	GA		█							1.5	
Volunteer in Equipment Maintenance			JOCV/SV	█	█									
Priority Area 3	Strengthening Governance													
	[Background and current situation] Good governance is the basis for all development issues and the Cambodian government is pressing ahead with various reforms including anti-corruption, legal and judicial reforms, public financial management reforms and administrative reforms (including decentralization and deconcentration). Yet, the lack of human resources for planning and implementation in the fields of laws, policy and systems has become an obstacle and a risk to the facilitation and the consolidation of various reforms.			[Strategy] Japan supports the various reform efforts of Cambodian government in the governance sector mainly through human resources development. Specifically, in order to facilitate the dissemination and appropriate use of the Civil Code and the Civil Procedure Code of which Japan assisted the drafting, Japan supports the development of related laws and regulations, and the strengthening of the capacity of personnel engaging in judicial activities. Furthermore, Japan supports public financial management and the policy making, system improvement and human resource development in the fields of national tax and customs in order to improve the transparency of public finance, to strengthen the capacity of tax collection and to promote measures for regional integration.										
	Japan's Assistance Program	Program Summary	Project	Scheme	Before JFY 2014	JFY 2015	JFY 2016	JFY 2017	JFY 2018	JFY 2019	Assistance Amount (100 million yen)	Note		
		Japan supports the capacity development of taxation and customs officials, and the	Project for Capacity Development of General Department of taxation (GDT) under the Framework of PFM Reform	TCP	█	█						2.6		



Other Issues														
Environmental Protection	[Background and current situation] The momentum of environmental protection is increasing world wide and the international rules on the countermeasures to climate change (especially REDD) and biodiversity conservation are being formulated. Against this background, the strengthening of implementing systems and the improvement of implementing capacity are pressing issues under the new international rules in order to protect vast forest areas and the wide variety of creature living there. In addition, it is also important to improve Cambodia's adaptive capacity against ongoing climate change.				[Strategy] Based on "A Decade Toward the Green Mekong" Initiative, Japan pays attention to achieving both environmental protection and economic growth, and the necessity for sustainable development and countermeasures to climate change.									
	Japan's Assistance Program	Program Summary	Project	Scheme	Before JFY 2014	JFY 2015	JFY 2016	JFY 2017	JFY 2018	JFY 2019	Assistance Amount (100 million yen)	Note		
		Program for Environmental Protection	In order to contribute to environmental protection, Japan supports strengthening Cambodian institutional and implementation capacity to steadily carry out countermeasures to climate change and the conservation of biodiversity.	Adviser on Forestry Policy and Administration	EXP	■								
				The Forest Preservation Programme	GA	■							9.0	
				Project for facilitating the implementation of REDD+ Strategy and Policy	TCP	■	■						5.3	
				Project for Trans boundary Biodiversity Conservation of Mekong Protected Forest Area	GA	■	■						1.06	Cooperation with ITTO
	Issue-based training etc. in the field of environmental conservation			TR	■	■								

【Legend】 [PS]=Preparatory Survey, [TCP]=Technical Cooperation Project, [DS]=Development Study, [EXP]=Expert, [CTR]=Training in Japan, [TR]= Issue-based Training/Area-focused Training/Training Program for Young Leaders,[JOCV/SV]=Japan Overseas Cooperation Volunteers / Senior Volunteers, [TTR]=Training in Third Country,[SV]=Senior Volunteers, [XX-TA]= Technical Assistance implemented by Organizations other than MOFA and JICA, [GA]=Grant Aid, [Grassroots TC]=JICA Partnership Program, [LA]=Loan Aid (Yen-Loan), [ML]=Multilateral Cooperation, [SSM] = Support for Small and Medium enterprises  
Solid line ( ■ ) = Under implementation, dotted line ( ■ ) = Planned for implementation