



Asian Development Bank & Cambodia

FACT SHEET

Table 1. Cambodia: Development Indicators

Non-MDG	
Population in millions	14.30 (2010)
Annual population growth rate (%)	1.6 (2008–2010)
Adult literacy rate (%)	77.6 (2008)
Percent of population in urban areas	22.2 (2009)
MDG	
Percent of population living on less than \$1.25 a day	28.3 (2007)
Percent of population living below the national poverty line	30.1 (2007)
Under-5 mortality rate per 1,000 live births	88.0 (2009)
Percent of population using an improved drinking water source	61.0 (2008)

MDG = Millennium Development Goal.

Sources: ADB. 2011. *Basic Statistics 2011*. Manila; UNESCO. 2011. Institute for Statistics Data Centre; World Bank. 2011. World Development Indicators Online.

Table 2. Cambodia: Economic Indicators, 2006–2010

Economic Indicator	2006	2007	2008	2009	2010
Per capita GNI, Atlas method (\$)	500	560	630	650	...
GDP growth (% change per year)	10.8	10.2	6.7	0.1	6.3
CPI (% change per year)	6.1	7.7	25.0	(0.7)	4.0
Unemployment rate (%)
Fiscal balance (% of GDP)	(2.7)	(2.9)	(2.8)	(6.4)	(6.0)
Export growth (% change per year)	26.9	10.7	15.1	(0.9)	20.8
Import growth (% change per year)	21.8	13.8	19.8	(10.4)	15.9
Current account balance (% of GDP)	(7.9)	(8.0)	(13.4)	(11.6)	(11.0)
External debt (% of GNI)	31.5	32.0	31.8	33.6	...

() = negative, ... = data not available, CPI = consumer price index, GDP = gross domestic product, GNI = gross national income.

Sources: ADB. 2011. *Asian Development Outlook 2011*. Manila; ADB staff estimates; World Bank. 2011. World Development Indicators Online.

Cambodia has received \$1.17 billion for 56 loans (40 project loans and 16 program loans), \$255.71 million for 21 Asian Development Fund grants (17 project grants and 4 program grants), and \$112.86 million for 164 technical assistance projects since joining the Asian Development Bank (ADB) in 1966. Most of the assistance has been provided since ADB operations in Cambodia resumed in 1992, shortly after the country's 2 decades of isolation and conflict ended. Cambodia has made great strides since then—ensuring peace and security, rebuilding institutions, establishing a stable macroeconomic environment, and putting in place a liberal investment regime. Gross domestic product (GDP) growth was robust over the 10 years prior to the global economic crisis of 2009. However, while the incidence of poverty declined from 34.7% in 2004 to 30.4% in 2007, it remains high, particularly in light of the strong growth performance during those years. Recent economic growth in cities has not flowed through to the rural economy, where more than 80% of all Cambodians live—expanding inequality.

The new Cambodia country partnership strategy (CPS), 2011–2013, scheduled to be approved by the ADB Board in June 2011, will build on the strong foundations of ADB's previous investments in the country. It aims to help Cambodia diversify its economy to enable the rural poor to contribute to, and benefit from, economic growth. It will help reduce poverty through projects and programs to promote inclusive economic growth, social development, and equity. The CPS will maintain a geographical focus on the Tonle Sap Basin, one of the poorest, most environmentally sensitive regions of Cambodia, and will continue to strengthen integration of Cambodia into the Greater Mekong Subregion.

Impact of Assistance

Transport development has expanded opportunities for economic development by reducing travel time and transport costs. Thanks to new road sections connecting Siem Reap to Cambodia's main border crossing at Poipet, the number of international tourists who traveled by land from Poipet to Siem Reap more than doubled in 2009.

ADB support for agricultural development has established the legal framework for access to land, improved the environment for private agro-companies, coordinated agricultural research, and supported the development of key policies to improve productivity by smallholder farmers. On the ground, ADB financing helped local service delivery agencies conduct farm-based research and demonstrations, bringing training to farmer groups. It improved rural infrastructure, increased the availability of rural financial services, and increased farmers' access to agricultural information and market data.

The Northwest Irrigation Sector Project has completed 12 irrigation schemes covering approximately 11,000 hectares of land. Farmers have also received training to improve rice production, and farmer water user communities were established to help maintain the new irrigation schemes.

The Emergency Food Assistance Project assisted over 260,000 vulnerable families in 200 communes through the distribution of 12,000 tons of free rice during the 2008 food price crisis. It also created over 1 million labor days through food and/or cash-for-work, and provided school

scholarships. The project also distributed quality seeds and subsidized fertilizer during the 2009 wet and dry season and 2010 wet season to increase the rice yields by 30%–50% and strengthen the farmers' production capacity.

ADB financial assistance for natural resource management, particularly in the Tonle Sap Basin, has strengthened government capacity for integrated water resource management and helped communities manage their natural resources. As of 2009, 469 fisheries organizations were established and recognized as a legal entity, in order to safeguard important land. The Tonle Sap Sustainable Livelihoods Project, Tonle Sap Lowlands Rural Development Project, and Tonle Sap Poverty Reduction and Smallholder Development Project helped rural communities design and implement interventions for improved livelihoods and environment awareness.

ADB has provided loans and grants to improve access to and quality of education in Cambodia. ADB funds helped build 330 lower secondary schools, 25 upper secondary schools, and 18 resource blocks, to broaden school access to children in rural areas. Enrollment in primary education increased by almost 3% in 2009–2010, to 94.8%. Enrollment in secondary education, grade 9 student retention rates, and adult literacy rates have also improved, though gender and regional inequalities persist. ADB is a major partner in technical and vocational education and training, piloting post-harvest technology and skills bridging programs. The Strengthening Technical and Vocational Education and Training Project is expanding access to industry-relevant vocational training for rural poor communities, and linking students to the labor market.

The ADB-supported Tonle Sap Rural Water Supply and Sanitation Project expanded access to water and sanitation facilities in five provinces in the Tonle Sap Basin. More than 500,000 people have access to safe water, and more than 225,000 people have improved sanitation—and the associated health benefits. Past health sector support improved service delivery, particularly to the poor, and strengthened the government's ability to plan, finance, and manage health issues. In recent years, the emphasis has shifted toward addressing health as a regional public good, focusing on regional communicable disease control, research on community-based vector control to combat dengue, and the inclusion of HIV and AIDS prevention and awareness components in all transport projects.

The ongoing Financial Sector Program created more robust and better-regulated banking and microfinance institutions, increased public confidence in the banking system, and spurred borrowing. These programs have also contributed to the adoption of a number of fundamental laws and regulations required under World Trade Organization accessions.

ADB supported decentralization by supporting improved government service delivery through the provision of local facilities, strengthening capacity of commune councilors and clerks, and local democratic development. Specifically, ADB financed (i) the construction of 697 commune offices—local assembly buildings where commune councilors work and citizens can access public services; (ii) skills development for over 20,000 commune councilors and clerks; (iii) female commune councilors to articulate women and children's needs in development schemes; (iv) the establishment of a national civil registration system through which civil registration certificates were issued to about 89% of Cambodia's total population, and (v) public awareness campaigns on decentralization and the roles and responsibilities of commune councilors and local citizens in local developments.

ADB support for the government-led public financial management reform program promotes accountability and transparency in public expenditures by improving budgeting, accounting, financial management, procurement, internal audit developments for selected government ministries, and the external audit capacity of the National Audit Authority.

Table 3. Cambodia: 2010 Loan, Technical Assistance, and Grant Approvals (\$ million)

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
95.00	–	5.60	65.80	166.40

– = nil.

Cumulative Lending (as of 31 Dec 2010) : \$1,167.8 million
Cumulative Disbursements (as of 31 Dec 2010) : \$904.0 million

Table 4. Cambodia: Cumulative ADB Lending as of 31 December 2010

Sector	Loans (no.)	Amount (\$ million)	% ^a
Agriculture and Natural Resources	11	192.81	16.51
Education	6	123.00	10.53
Energy	6	120.77	10.34
Finance	8	90.30	7.73
Health and Social Protection	2	40.00	3.43
Industry and Trade	2	35.60	3.05
Public Sector Management	4	50.00	4.28
Transport and ICT	10	321.26	27.51
Water Supply and Other Municipal Infrastructure and Services	4	46.26	3.96
Multisector	3	147.80	12.66
Total	56	1,167.80	100.00

ICT = information and communication technology.

^a Total may not add up because of rounding.

Table 5. Cambodia: Project Success Rates

Sector	% ^a	No. of Rated Projects/Programs
Agriculture and Natural Resources	75.00	4
Education	100.00	3
Energy	100.00	2
Finance	50.00	2
Health and Social Protection	100.00	2
Industry and Trade	100.00	1
Public Sector Management	100.00	1
Transport and ICT	66.67	3
Water Supply and Other Municipal Infrastructure and Services	100.00	2
Multisector	100.00	3
Total	86.96	23
Year of Approval		
1990s	91.67	12
2000s	81.82	11

ICT = information and communication technology.

^a Based on aggregate results of project/program completion reports (PCRs), PCR validation reports (PCRVRs), and project/program evaluation reports (PPERs) using PCRVR or PPER ratings in all cases where PCR and PCRVR/PPER ratings are available.

Sources: PCRs, PCRVRs, and PPERs containing a rating circulated as of 31 December 2010.

Table 6. Cambodia: Portfolio Performance Quality Indicators for Sovereign Lending, 2009–2010

Number of Ongoing Loans (as of 31 Dec 2010)	21	
	2009 (\$ million)	2010 (\$ million)
Contract Awards/Commitments (\$ million)	30.8	44.3
Disbursements (\$ million)	61.1	53.5
Loans at Risk (%)	6.3	–

– = nil.

Investments in energy, such as the Power Rehabilitation and Provincial Power Supply Project, have provided reliable connections to nearly 42,000 households. The transmission and distribution lines recently completed under the Greater Mekong Subregion Transmission Project has supplied reliable electricity at affordable prices to consumers in Phnom Penh, Kandal, and Takeo, and will stimulate economic growth in other provinces.

Tourism infrastructure development—including improvements of roads and sanitation conditions in key tourism destinations—has contributed to the steady growth of Cambodia's tourism sector. The Siem Reap Wastewater Treatment System completed under the Greater Mekong Subregion Tourism Development Project in March 2010 provided better sanitation to an estimated 19,938 households in Siem Reap.

ADB mainstreams gender considerations in all sectors, especially agriculture and rural development, irrigation and water resources, education, health, rural water supply and sanitation, and transport. Among other successes, the Rural Roads Improvement Project in 2010 was the first transport project in Cambodia to include specific gender-related design features. The Northwest Rural Development Project employed women in labor-based rural road work, targeted them for leadership and literacy training, and supported their participation in village planning.

Cofinancing and Procurement

Cofinancing operations enable ADB's financing partners—government or their agencies, multilateral financing institutions, and commercial organizations—to participate in the financing of ADB projects. The additional funds are provided in the form of grants, official or commercial loans, and syndications.

As of December 2010, cumulative direct value-added cofinancing for Cambodia amounted to \$201.47 million for 15 investment projects, and \$26.0 million for 44 technical assistance projects.

In 2010, the Rural Roads Improvement Project was provided with \$19.3 million loan cofinancing from the Export-Import Bank of Korea under its cofinancing framework agreement with ADB and \$5.4 million grant cofinancing from the Nordic Development Fund. The Water Resources Management Sector Development Program (Project Loan) was provided with \$12.0 million loan cofinancing from the Organization of the Petroleum Exporting Countries (OPEC) Fund for International Development (OFID).

A summary of projects with cofinancing from 1 January 2006 to 31 December 2010 is available at www.adb.org/Documents/Fact_Sheets/Cambodia/cofinancing.asp

A summary of procurement contracts awarded to companies and consultants from Cambodia for goods and works, and consulting services can be found at www.adb.org/Documents/Fact_Sheets/Cambodia/procurement.asp

Partnership

At the third Cambodia Development Coordination Forum meeting, held in June 2010, development partners indicated support of more than \$1 billion in 2010, of which ADB pledged around \$130 million. Partners indicated similar support to the National Strategic Development Plan for 2011 and 2012. The government, in close cooperation with development partners, including ADB, has promoted greater harmonization between partners and has improved the alignment of assistance programs with the government's core development strategies. Guided by the government, ADB engages in working groups with development partners to design and deliver the ADB country partnership strategy. The aim is to use government systems, and to reduce transaction costs, improving aid effectiveness. ADB cooperates with civil society organizations in Cambodia to strengthen the effectiveness, quality, and sustainability of the services it provides.

Table 7. Cambodia: Projects Cofinanced, 1 January 2006–31 December 2010

Cofinancing	No. of Projects	Amount (\$ million)
Projects*	10	159.86
Grants	6	53.94
Official loans	7	105.92
Technical Assistance Grants	10	7.25

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

Table 8. Cambodia: Share of ADB's Procurement Contracts

Item	2009		2010		Cumulative (as of 31 Dec 2010)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods and Works	29.12	0.28	22.97	0.35	381.09	0.39
Consulting Services	1.98	0.46	0.33	0.08	25.34	0.33

Table 9. Cambodia: Contractors/Suppliers Involved in ADB Loan Projects, 1 January 2006–31 December 2010

Contractor/Supplier	Sector	Contract Amount (\$ million)
Envisioning Company, Ltd.	Education/Health and Social Protection/ Agriculture and Natural Resources	3.82
Kim Mex Construction and Investment Company, Ltd.	Health and Social Protection	3.80
Moeys And Molvt	Education	3.64
R.M. Asia Co., Ltd.	Energy/Education	3.52
Tan Kim Eng Co., Ltd.	Agriculture and Natural Resources	3.22
SCC/SSC	Education	2.95
School Support Committees	Education	2.88
Thy Loo Construction Co., Ltd.	Agriculture and Natural Resources	2.71
Sayimex Co., Ltd.	Agriculture and Natural Resources	2.61
SBPH Engineering & Construction Co., Ltd.	Education/Agriculture and Natural Resources	2.59

Table 10. Cambodia: Top Consultants (Individual Consultants and Consulting Firms) Involved in ADB Loan Projects, 1 January 2006–31 December 2010

Consultant	Number of Times Contracted	Contract Amount (\$ million)
Key Consultants (Cambodia) Ltd.	6	2.31
Cadtis Consultant Co., Ltd.	5	1.15
C/O Mowram	5	1.04
Swiss Red Cross	2	0.69
Health Net International	1	0.55
Aruna Technology, Ltd.	1	0.48
CADTIS-Consultant	1	0.46
Ockenden International	1	0.37
Handicap International (France)	1	0.29
PRD (Water and Environment)	1	0.29
Individual consultants	11	0.38

For example, under the Health Sector Support Project, nongovernment organizations have been contracted to provide health services in 11 operational districts, targeting 1.8 million people, including 800,000 poor.

Operational Challenges

Constraints to growth and poverty reduction in Cambodia include narrowly based economic growth, high costs and a lack of infrastructure, limited access to—and poor quality of—social services, landlessness, lack of access to natural resources, social exclusion, poor governance, and corruption. Given the wide range of development issues that need to be addressed and the limited resources, ADB will exercise greater sector selectivity in its operations from 2011–2013, focusing on enhancing rural productivity and incomes.

Future Directions

ADB's new Cambodia country partnership strategy, 2011–2013 prioritizes five sectors—transport (rural and provincial roads); water supply, sanitation, and urban development; agriculture and natural resources (agriculture commercialization and irrigation support); education (lower secondary schools and vocational training); and finance (banking regulation, small and medium-sized enterprise finance, microfinance, and insurance). It also responds to the challenges of climate change; decentralization; rural–urban linkages; and regional cooperation, and incorporates five key crosscutting themes—private sector development, governance, gender equity, knowledge solutions, and partnerships. Related country programming documents can be found at www.adb.org/Documents/CSPs/CAM/default.asp

Table 11. Cambodia: Top Consultants (Individual Consultants and Consulting Firms) Involved in ADB Technical Assistance Projects, 1 January 2006–31 December 2010

Consultant	Number of Times Contracted	Contract Amount (\$ million)
Worldfish Center (CAM)	1	0.77
Women for Prosperity	1	0.20
Cambodia Development Resource Institute (CDRI)	1	0.12
Buddhism for Development	1	0.06
Friends-International	1	0.05
Cambodian Entrepreneur Building, Ltd., Cambodia	1	0.03
Thaneakea Phum (Cambodia) Ltd.	1	0.02
AMRET Microfinance Institution Ltd.	1	0.02
Cambodian Centre for Study & Dev in Agri (CEDAC)	1	0.02
KPMG Cambodia Ltd.	1	0.01
Individual consultants	121	1.73

Table 12. ADB Assistance to Developing Member Countries, 2009–2010^a

	2009 (\$ million)	2010 (\$ million)	Change (%)
Lending	13,215.89	11,462.27	(13.27)
ADF, Sovereign	2,210.31	2,212.57	0.10
OCR, Sovereign	10,567.71	8,196.96	(22.43)
OCR, Nonsovereign	437.87	1,052.73	140.42
Public Sector	134.30		
Private Sector	303.57	1,052.73	246.78
Equity Investments	220.00	243.00	10.45
Grants ^b	1,113.52	1,052.86	(5.44)
Technical Assistance	267.00	326.54	22.30

() = negative, ADF = Asian Development Fund, OCR = ordinary capital resources.

^a Excludes terminated loans, equity investments, technical assistance, and grants.

^b Excludes grant cofinancing not administered by ADB.

About Cambodia and ADB

ADB Membership

Joined 1966

Shareholding and Voting Power

Cambodia is the 30th largest shareholder among regional members and the 38th largest shareholder overall.

Figures are as of 1 April 2009, before ADB's Board of Governors voted to adopt the fifth general capital increase. The process is ongoing, and the final figures are expected to be available by 30 June 2011. Current subscription levels are available from the Office of the Secretary.

Shares held 1,750 (0.05%) Votes 14,982 (0.34%)

Phil Bowen is the Executive Director and **Dereck Rooker-Smith** is the Alternate Executive Director representing Cambodia on the ADB Board of Directors.

Putu Kamayana is the ADB Country Director for Cambodia. The Cambodia Resident Mission (CARM) was opened in 1996 and provides the primary operational link between ADB and the government, private sector, and civil society stakeholders in its activities. CARM engages in policy dialogue and acts as a knowledge base on development issues in Cambodia.

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

About the Asian Development Bank

ADB is a multilateral development bank owned by 67 members, 48 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance (TA). In 2010, lending volume was \$11.46 billion (106 projects), with TA at \$175 million (243 projects) and grant-financed projects at \$982 million (40 projects). In addition, \$3.67 billion in direct value-added loan, grants and TA cofinancing was generated. From 1 January 2006 to 31 December 2010, ADB's annual lending volume averaged \$10.3 billion. In addition, TA and investment grants funded by ADB and special funds resources averaged \$692.6 million and \$175.4 million in TA over the same period. As of 31 December 2010, the cumulative totals excluding cofinancing were \$167.1 billion in loans for 2,328 projects in 42 countries, \$4.4 billion in 163 grants, and \$3.15 billion in TA grants, including regional TA grants.

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Useful ADB websites

Asian Development Bank
www.adb.org

Country website
www.adb.org/cambodia

Asian Development Outlook
www.adb.org/documents/books/ado/2011/ado2011-cam.pdf

Annual Report
www.adb.org/Documents/Reports/Annual_Report/2010/default.asp

Depository Libraries
www.adb.org/Publications/Depositories/cam.asp