

Annex of the Country Assistance Policy

Rolling Plan for the Royal Government of Cambodia

As of June 2013

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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Development Issue 1-1	<p>[Background and current situation]</p> <p>Surrounded by Thailand, Laos and Vietnam and situated at the center of Mekong Region, Cambodia is regarded as a transit point among multiple economic corridors including the Southern Economic Corridor, the Southern Coastal Corridor and Central Corridor and recognized as 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 the Southern Coastal Corridor (specifically the route between Sihanoukville Port and Vietnam border) are mainstays of economic activities and the development impact in these corridors is considered high.</p> <p>However, overall level of transport infrastructure remains low and competitiveness of the Sihanoukville ports 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, policy and regulatory framework is a priority.</p> <p>In addition, with regarding to electricity sector, lack of supply, unbalanced composition of energy sources and high electricity tariff, etc. are challenges.</p>		<p>[Strategy]</p> <p>In order to sustain and to further promote economic development in Cambodia and the whole Mekong Region, Japan prioritizes its assistance to 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, high development effects and its important role in economic activities, (ii) the development of the areas around the Sihanoukville Port considering also 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). Upon implementing above-mentioned assistances, promotion of regional integration and private investment will be also taken into consideration.</p>	
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Development Issue 1-1	Japan's Assistance Program	Program Summary	Project	Scheme	Schedule						Assistance Amount (100 million yen)	Note	
					Before JFY 2012	JFY 2013	JFY 2014	JFY 2015	JFY 2016	JFY 2017			
Development of Economic Infrastructure	Program for Improving Transportation System and	Japan assists (i) the development of the road network systems (Southern Economic Corridor, etc.) which facilitates economic and industrial development through stable and efficient distribution and (ii) the development and maintenance of the facilities in the Sihanoukville Port and surrounding areas. Japan also plans to assist the	Transport Policy Advisor	EXP	—————								
			The Project for Strengthening of Inspection and Maintenance of Roads and Bridges	TCP		— —	— —	— —					
			National Road No.5 Improvement Project (Battambang - Sri Sophorn Section)	LA		—————						88.52	
			Preparatory Survey for National Road No.5 (South Section) Improvement Project	PS	———								

	Electric Power Supply	construction of main electricity supply network and the strengthening of electrical engineers' capacity in order to promote the electricity supply system which is an important factor to attract foreign direct investment.	Preparatory Survey for National Road No.5 (Central Section) Improvement Project	PS		■							
Program for Improving Transportation System and Electric Power Supply (Cont.)			Construction of Neak Loeung Bridge	GA	■	■	■	■	■	119.40			
			The Project for Urban Transport Planning in Municipality of Phnom Penh	TCDP	■	■	■	■	2.8				
			Environmental and Social Considerations on Public Works in Planning and Designing Stage	CTR	■	■	■	■					
			Advisor for Sihanoukville Autonomous Port	EXP	■	■	■	■					
			The Project for Capacity Development on Container Terminal Management and Operation in Sihanoukville Port	TCP	■	■	■	■					
			Project for Integrated Digital Terrain Model and Electronic Navigational Chart in Kingdom of Cambodia	TCP	■	■	■	■					
			Sihanoukville Port Multipurpose Terminal Development Project	LA	■	■	■	■	71.76				
			Preparatory Survey on Phnom Penh Autonomous Port New Container Terminal's Special Economic Zone and Associated Facilities Construction Project	PS	■	■	■	■					
			The Project for Capacity Development for Transition to the New CNS/ATM Systems in Cambodia, Lao PDR, and Vietnam	TCP	■	■	■	■	5.0	Regional Project			
			Project for Improvement of Transmission System Operation and Maintenance	TCP	■	■	■	■	2.8				
			Project for Construction and Rehabilitation of Small Hydropower Plants in Rattanakiri Province.	GA	■	■	■	■	12.06				
			Greater Mekong Power Network Development Project (Cambodia Growth Corridor)	LA	■	■	■	■	26.32	Co-financing with ADB			
			Preparatory Survey for Phnom Penh Transmission Line and Distribution System Construction Project	PS	■	■	■	■					
			Greater Mekong Telecommunication Backbone Network Project	LA	■	■	■	■	30.29				
ICT Engineer Development Project (Instructor Training Course)	TCP	■	■	■	■								
Grassroots Human Security (1 project)	GGP	■	■	■	■	0.02							

		ASEAN-Japan Logistics Project	TCP of MLIT	■	■							
		ASEAN-Japan Logistics Partnership	TCP of MLIT	■	■	■	■					
		ASEAN-Japan Action Plan on Environment Improvement in the Transport Sector	TCP of MLIT	■	■	■	■					
		Transport Policy Officials Training Program in Japan	TCP of MLIT	■	■							
		ASEAN-Japan Transport Information Platform Project	TCP of MLIT	■	■							
		ASEAN-Japan Disaster Management Project in the Transport Sector	TCP of MLIT	■	■	■	■					
		ASEAN-Japan Maritime Transport Security Program	TCP of MLIT	■	■	■	■					
		ASEAN-Japan Port Technology Joint Research Project	TCP of MLIT	■	■	■	■					
		Volunteers in Transport/Power/Infrastructure sectors (9people)	JOCV/SV	■	■	■						
		Issue -based training, etc. (15 courses)	TR	■	■							
Others		Project for Flood Disaster Rehabilitation and Mitigation	GA	■	■	■	■				15.10	

<p>[Background and current situation]</p> <p>While domestic and foreign investments are on the upward trend, they are concentrating on a handful of industries such as tourism, construction, garment. Accordingly, increasing investment to the manufacturing sector is considered a high priority. Besides, access to the financial resources and the improvement of management capacity are the issues to be tackled because most of Cambodian companies are Micro, Small and Medium size Enterprises (MSMEs).</p>	<p>[Strategy]</p> <p>In order to promote investment and trade, Japan supports the functional enhancement of the Cambodian Investment Board of the Council for the Development of Cambodia (CIB/CDC) and the human resource development for the industrial sector. 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 and minerals at the science institutions and vocational training institutions.</p>
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Japan's Assistance Program	Program Summary	Program Goals	Project	Scheme	Schedule						Assistance Amount (100 million yen)	Note
					Before JFY 2012	JFY 2013	JFY 2014	JFY 2015	JFY 2016	JFY 2017		
Program for Trade and Private Sector Development	Japan assists strengthening the functions of the CDC (Council for the Development of Cambodia) so that Cambodian Government will strategically attract		Advisor for Investment Promotion	EXP	■							
			Advisor for Investment Promotion(successor)	EXP		■	■					
			Advisor for Improving Mineral Resources Sector	EXP	■	■						

Development Issue 1-2	Strengthening of the Private Sector	FDIs. Besides, Japan supports the improvement of the		Issue -based training, etc. (4 courses)	TR									
		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 and minerals as well as middle-management professions since the human resources are currently considered inadequate to serve the industrial needs.	Technical human resources of high quality with basic competences required by industry are supplied to the labor market. Indicator: More than 70% of companies (manufactures and mining) assess that their employees graduated from targeted institutions possess both basic and practical skills as engineers and technicians. (2012-2020)	Cambodia -Japan Cooperation Center (Phase 2)	TCP							9.5		
		In addition, Japan supports the capacity building and 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 foreign affiliated enterprises and domestic MSMEs through business transaction.	- The quality of higher education in engineering is enhanced. - Capacity of education and training institutions to develop technical human resources is enhanced. - Employment support activities are developed by public agencies and education and training institutions.	CJCC Industrial Human Resource Development Project	TCP			---	---	---	---			
				Educational Capacity Development of the Institute of Technology of Cambodia (ITC)	TCP							2.8		
				Development of Human Resource and Laboratory Equipment in the Institute of Technology of Cambodia (ITC), Svay Rieng University (SRU) and University of Battambang (UBB)	GA							5.96		
				ASEAN University Network/Southeast Asia Engineering Education Development Network (SEED-NET) Project - Phase 2	TCP							22.3	Regional Project	
				ASEAN University Network/Southeast Asia Engineering Education Development Network (SEED-NET) Project - Phase 3	TCP							39.1	Regional Project	
				Capacity Building in Technical Vocational Education and Training	TTR									Training in Malaysia
				Capacity Building in Technical Vocational Education and Training (Phase 2)	TTR			---	---	---				
				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 Research Equipment of the Department of Geo-Resources and Geotechnical Engineering of the ITC	CGA							0.56				
		Volunteers in Vocational training (4people)	JOCV/SV											
		Issue -based training, etc. (3 courses)	TR											
[Background and current situation]				[Strategy]										
Agriculture, forestry and fishery sectors are the main sectors of Cambodian economy, accounting for 30% of total GDP and 60% of the work force. The rice production, the staple food for Cambodian, is on the increase, however, the low level of agricultural technology, product quality and productivity as well as the improvement of farmers' living standard are still challenges.				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 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 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 upon implementing the projects in this sector.										

Development Issue
1-3
Agriculture and Rural
Development

Japan's Assistance Program	Program Summary	Project	Scheme	Schedule						Assistance Amount (100 million yen)	Note	
				Before JFY 2012	JFY 2013	JFY 2014	JFY 2015	JFY 2016	JFY 2017			
Program for Agricultural Productivity	Japan assists irrigation projects in the priority areas mentioned in the "River-Basin Master Plan". In order to promote productivity and quality of agricultural products, Japan also assists the strengthening of management and maintenance of irrigation facilities, improvement of water management skills of farmers and the strengthening of Water User Community as well as conducts human resources development. Besides, Japan supports the improvement of comprehensive agricultural productivity and farmers' living standard through promotion of rice growing techniques (in the fields of agricultural materials such as seeds and fertilizer, and post-harvest techniques, etc.) and diversification of farming (introduction of fish culturing, livestock, vegetables and fruits, etc.)	Advisor on Water Resources Development and Management for Agriculture	EXP	■	■							
		Advisor on Water Resources Development and Management for Agriculture (successor)	EXP		■	■						
		Technical Service Center for Irrigation System Project Phase III	TCP	■	■	■				3.7		
		River Basin Water Resources Utilization and Management	TCP			■	■	■	■			
		Preparatory Survey on Irrigation and Drainage System Rehabilitation and Improvement Project	PS	■								
		West Tonle Sap Irrigation and Drainage Rehabilitation and Improvement Project	LA	■	■	■	■	■	■	42.69		
		Agricultural Productivity Promotion Project in West Tonle Sap	TCP	■	■	■				4.4		
		Project for Strengthening Capacity Building in Agriculture Sector in ASEAN Countries	ML	■	■							Contribution from ASEAN
		Project on development of mid-long term food supply and demand forecasting in ASEAN +3 region	ML	■	■	■						Contribution from ASEAN
		National Laboratory: Strengthening of diagnostic capacity of national laboratories on priority animal diseases in collaboration with OIE Reference Laboratories	ML	■	■							Contribution from International Epizootic Office
		Contribution to FAO and OIE on SPS related technical assistance for Asian developing countries	ML	■	■	■	■					Contribution from Food and Agriculture Organization and
		Support for Animal Health activities: Support for activities to improve animal health situation in the Region	ML	■	■	■	■	■				Contribution from International Epizootic Office
		Freshwater Aquaculture Improvement and Extension Project (II)	TCP	■	■	■				3.6		
		Short Tem Expert for Health Marine Seed Production at Marine Aquaculture Research and Development Center	EXP	■	■	■						
		Advanced Hatchery Training for the Establishment of Healthy Marine Seed Production	CTR	■	■	■						
		Grassroots Human Security (6 project)	JPP		■	■					0.49	
		Grant Assistance for Japanese NGO Projects (1 projet)	JNGA		■	■					0.19	
JICA Partnership Program (2 projects)	Grassroots TC	■	■	■	■	■		1.5				

		Volunteers in Agricultural sector (3 people)	JOCV/SV									
		Issue -based training, etc. (11 courses)	TR									

Priority Area 2 Promotion of Social Development

[Background and current situation]
 On 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 these 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 exist no sewerage facilities even in Phnom Penh City, thus, it is concerned that rapid urbanization will negatively impact to rivers and ecosystem.

[Strategy]
 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 with the deteriorating urban environment caused by growing population.

Japan's Assistance Program	Program Summary	Program Goals	Project	Scheme	Schedule						Assistance Amount (100 million yen)	Note
					Before JFY 2012	JFY 2013	JFY 2014	JFY 2015	JFY 2016	JFY 2017		
Development Issue 2-1 Development of Water Supply and Sewage Systems	With regard to the water supply sector, Japan prioritizes its assistance on construction and improvement of water supply facilities in provincial towns as well as 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 assist to increase the population having access to safe water through the operational improvement of existing water treatment facilities. On the drainage and sewerage sector, Japan supports the planning of drainage and sewerage system in Phnom Penh City where further	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; - Water supply system: + approx. 234thousand m3	Capacity Building for Water Supply System in Cambodia (Phase 3)	TCP							4.3	
			The Project for Replacement and Expansion of Water Distribution Systems in Provincial Capitals	GA							27.60	
			Siem Reap Water Supply Expansion Project	LA							71.61	
			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							37.00	
			The Kampong Cham and Battambang Province Water Supply Expansion Project in the Kingdom of Cambodia	GA							33.55	
			Study on Urban Drainage and Sewerage Improvement in Phnom Penh	TCDP								
			JICA Partnership Program (1 project)	Grassroots TC								
			Volunteers in Urban Water sector (2 people)	JOCV/SV								
			Issue -based training, etc. (9 courses)	TR								

			JICA Partnership Program (1 project)	JPP	■							1.3		
			Volunteers in Health sector (4 people)	JOCV/SV	■									
			Issue -based training, etc. (8 courses)	TR	■									
	[Background and current situation] Although primary schools enrolment rates are relatively high, their completion rates are still low. Besides, lower secondary schools enrolment rates are also low. This is due to the poverty and the fact that students are not able to understand the lessons due to the poor education quality at schools and as a result, students cannot catch up with lessons. Accordingly, improvement of teachers' knowledge level and teaching capacity is a pressing issue. In particular, level of science and mathematics education is low and which has become a disturbing factor for developing logical thinking and nurturing human resources necessary to industries.			[Strategy] Japan assist the education sector in Cambodia in line with the "Education Strategic Plan 2009-2013". In order to develop theoretical and critical thinking of students as well as to nurture the human resources who sustain the national development with long term viewpoint, Japan supports the education quality improvement placing an importance on the quality improvement of the elementary and lower secondary teachers' training through science and mathematics education in which Japan has extensive knowledge and experiences.										
Development Issue 2-3 Improvement of Education Quality	Japan's Assistance Program	Program Summary	Project	Scheme	Schedule						Assistance Amount (100 million yen)	Note		
					Before JFY 2012	JFY 2013	JFY 2014	JFY 2015	JFY 2016	JFY 2017				
		Japan continues focusing on science and mathematics education in which Japan has comparative advantage and has a track record of supports. In particular, Japan assists the training of teachers in science and mathematics education at primary and lower secondary levels (including trainers of teachers' training colleges) in order to improve their teaching quality. Through these cooperation Japan improves the completion rates for elementary and lower secondary schools and contributes to improving and achieving education related indicators in CMDGs.	Science Teacher Education Project (STEPSAM2)	TCP	■							3.8		
			Project for Educational Resource Development in Science and Mathematics at the Lower Secondary Level	TCP		■	■	■						
			Preparatory Survey for Construction of Lower Secondary Schools in Phnom Penh	PS		■								
			Education Planning Advisor	EXP	■									
			Human Resource Development Scholarship	GA		■	■	■	■	■	■		11.20	
			Grassroots Human Security (8 projects)	GHGA		■	■						0.49	
			JICA Partnership Program (1 projects)	JNGA		■	■						0.9	
			Volunteers in Science and Mathematics Education (1 person)	JOCV/SV		■	■	■						
			Issue -based training, etc. (1 course)	TR		■	■							
	Others	Grassroots Cultural Grant Aid (1 Project)	GCGA		■						0.10			
		Volunteers in other education sector (11 people)	JOCV/SV		■	■	■							

Development Issue 2-4 Demining of Anti-Personnel Mines	[Background and current situation] As a result of 20 years of civil war, Cambodia became one of the most landmine contaminated countries in the world. However, since 1990's 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 lives and property of Cambodians and disturb the economic development.			[Strategy] Japan assists Cambodia's efforts to achieve the targets stated in the "National Mine Action Strategy 2010-2019" so that Cambodia could observe the demining deadline of 2019 obliged under the Ottawa Convention. Japan requests the Cambodian Government to make further efforts to secure budget for operational cost of demining activities required for achieving the targets.								
	Japan's Assistance Program	Program Summary	Project	Scheme	Schedule							
					Before JFY 2012	JFY 2013	JFY 2014	JFY 2015	JFY 2016	JFY 2017	Assistance Amount (100 million yen)	Note
	Program for Anti-Personnel Mines	Japan provides equipments necessary for safe and efficient demining activities and also assists operational costs for mine and UXO clearance.	The Program me for Integrated Mine Clearance and Landmine Victim Assistance	GA	█						10.98	
		Grant Assistance for Japanese NGO Projects (2 projects)	JNGA	█						1.28		
		Volunteer for Heavy Equipment Maintenance (1 person)	JOCV/SV	█	█						1 Disposal for land mine 1 Disposal for unexploded bomb	
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, lack of human resources for planning and implementation in the fields of laws, policy and systems has become an obstacle and a risk in order to facilitate and consolidate various reforms. Furthermore, in order to avoid social inequality caused by development activities, it is necessary to incorporate the view of gender equality in every single step of development.			[Strategy] 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 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 transparency of public finance, strengthen capacity of tax collection and promote measures for regional integration. Moreover, in order to secure the gender equality in development, Japan supports the related implementing ministries and/or agencies as well as Ministry of Women Affairs which is responsible for policy and legislation of gender issues.								

Other Issues													
Environmental Protection	[Background and current situation] The momentum of environmental protection is increasingly attracting global attention and the international rules on the countermeasures for 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 achieve both environmental protection and economic growth, and necessity for sustainable development and countermeasures for climate change.							
	Japan's Assistance Program	Program Summary	Project	Scheme	Schedule						Assistance Amount (100 million yen)	Note	
					Before JFY 2012	JFY 2013	JFY 2014	JFY 2015	JFY 2016	JFY 2017			
	Program for Environmental Protection	In order to contribute to the environmental protection, Japan supports strengthening organizational and implementation capacity to steadily carry out countermeasures for climate change and 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 REDD+	TCP	■	■						5.3	
Project for Tran boundary Biodiversity Conservation of Mekong Protected Forest Area			GA (with International Organization)	■	■						1.06	Cooperate with International Tropic Timber Organization	
		Issue -based training, etc. (4 courses)	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]=Japan Overseas Cooperation Volunteers, [TT]=Training in Third Country,[SV]=Senior Volunteers, [XX-TA]= Technical Assistance implemented by Organizations other than MOFA and JICA, [GA]=Grant Aid (other than specific grant aid schemes listed below), [CF]= Counterpart Fund, [NPGA]=Non-Project Grant Aid, [GHGA]=Grassroots and Human Security Grant Aid, [JNGA]=Grant Assistance for Japanese NGO's Projects, [GCGA]=Grassroots Cultural Grant Aid, [Grassroots TC]=JICA Partnership Program, [LA]=Loan Aid (Yen-Loan)