

Signing of Japanese ODA Loan Agreements and Grant Agreements with the Kingdom of Cambodia

Supporting sustainable growth by promoting infrastructure and social development

On March 30, the Japan International Cooperation Agency (JICA) signed Japanese ODA loan agreements to provide up to a total of 23.024 billion yen for two projects and grant agreements to provide up to a total of 2.804 billion yen for two projects with the Royal Government of Cambodia in the capital of Phnom Penh. The Japanese ODA loan projects are the National Road No. 5 Improvement Project (Thlea Ma'am-Battambang and Sri Sophorn-Poipet Sections) (I) and the Phnom Penh City Transmission and Distribution System Expansion Project (Phase 2) (I), and the grant aid projects are the Project for Development of Traffic Management System in Phnom Penh and the Project for Improvement of Svay Rieng Provincial Referral Hospital.

In its National Strategic Development Plan for 2014 to 2018, the Royal Government of Cambodia has prioritized development of physical infrastructure, capacity building and human resource development, and the target projects of the signed agreements cover these issues, promoting infrastructure and social development in Cambodia.

The features of the two ODA loan projects and the two grant aid projects are summarized below.

ODA loan-funded projects

(1) National Road No. 5 Improvement Project (Thlea Ma'am-Battambang and Sri Sophorn-Poipet Sections) (I)

Linking Phnom Penh and the Thai border, National Road No. 5 serves as a trunk road for Cambodia, as well as composing a portion of AH1* and the Southern Economic Corridor, and is expected to function as a major industrial arterial for the Mekong region. This project will repair and widen National Road No. 5 along the section connecting Battambang (Cambodia's second largest city) and Thlea Ma'am, and the section connecting Poipet on the Thai border and Sri Sophorn, as well as providing a bypass roadway to allow traffic to avoid the city streets of Pursat. These measures will strengthen the transportation capacity and improve the transportation efficiency in the target region.

* Including AH1, the Asian Highway is a network connecting 32 countries in Asia with a total length of approximately 140,000 kilometers.

(2) Phnom Penh City Transmission and Distribution System Expansion Project (Phase 2) (I)

The demand for power has been growing rapidly in recent years accompanying the stable economic growth in Cambodia. The Phnom Penh metropolitan region in particular accounts for about 70 percent of the domestic demand, and ensuring a stable power supply there is one of the highest priorities for the power sector. This project will expand the transmission and distribution lines along with increasing the transformer equipment in the region to improve the power supply.

Grant aid-funded projects

(3) The Project for Development of Traffic Management System in Phnom Penh (total amount of grant aid, up to 1.727 billion yen)

With the economic growth in recent years, the use of automobiles has rapidly risen in Phnom Penh, the number of registered vehicles increasing 3.79 times between 2000 and 2011. This has caused concerns as about the severe traffic congestion at various locations in the city, the rise in the number of traffic accidents and other issues. This project will install traffic signals at 100 intersections, a traffic control center and other equipment in Phnom Penh to improve the urban traffic congestion and traffic safety.



The current state of urban traffic in Phnom Penh.

(4) The Project for Improvement of Svay Rieng Provincial Referral Hospital (total amount of grant aid, up to 1.077 billion yen)

Svay Rieng Province has an under-five mortality rate and a maternal mortality rate greatly exceeding the national averages, yet a much lower number of hospital beds. Ensuring adequate health care is particularly urgent in that province. Because the population is expected to increase with the development of the Special Economic Zones in the province, the facilities must be able to accommodate a larger number of patients. This project will provide facilities and medical equipment to Svay Rieng Provincial Referral Hospital to improve the quality of health care services in the province.



A designer's depiction of the main hospital building.

Reference

Terms and Amounts of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
National Road No. 5 Improvement Project (Thlea Ma'am-Battambang and Sri Sophorn-Poipet Sections) (I)	19,208	0.01	0.01	40	10	General untied
Phnom Penh City Transmission and Distribution System Expansion Project (Phase 2) (I)	3,816	0.01	0.01	40	10	General untied

- (1) National Road No. 5 Improvement Project (Thlea Ma'am-Battambang and Sri Sophorn-Poipet Sections) (I) (Loan) (PDF/24.1KB)
- (2) Phnom Penh City Transmission and Distribution System Expansion Project (Phase 2) (I) (Loan) (PDF/12.5KB)
- (3) The Project for Development of Traffic Management System in Phnom Penh (Grant aid) (PDF/13.7KB)
- (4) The Project for Improvement of Svay Rieng Provincial Referral Hospital (Grant aid) (PDF/13.5KB)

(1) National Road No. 5 Improvement Project (Thlea Ma'am-Battambang and Sri Sophorn-Poipet Sections) (I)

(a) Background and Necessity

Since the civil war ended in 1991, progress has been made in repairing the transportation infrastructure of Cambodia with assistance from the international community, including Japan, the World Bank and the Asian Development Bank, but many areas remain where current traffic conditions cannot be accommodated due to the deterioration of stopgap repairs made after the civil war and inadequate road widths. Since the increase in the flow of domestic and international goods that comes with economic development must be accommodated, the improvement of existing roads is a priority. Serving not only as a trunk road for Cambodia but as a part of AH1 (Asian Highway 1) and the Southern Economic Corridor, National Road No. 5 is expected to function as a major industrial arterial for the Mekong region.

Along the Thlea Ma'am-Battambang section that is the target area for this project, the existing pavement quality is poor, allowing rainwater that collects on the side of the road to seep into the pavement, resulting in weakness and cracking. Also, while the Sri Sophorn-Poipet section has better pavement than other intervals, it is a two-lane road like the Thlea Ma'am-Battambang section, and so the roadway needs to be widened for the expected increase in traffic that will come with future economic growth.

(b) Objective and Summary

Under this project, repairs to the existing roadway, widening, bypass construction and other work will be performed on the Thlea Ma'am-Battambang and Sri Sophorn-Poipet sections of National Road No. 5, which connects the capital of Phnom Penh with the Thai border, strengthening the transportation capacity of the road and making the transportation of goods smoother between Thailand and Cambodia, thereby promoting economic development in Cambodia.

The loan funds for this project will be allocated to public works, consulting services and other portions of the first phase.

(c) Executing Agency

Ministry of Public Works and Transport

Address: Norodom Boulevard, Phnom Penh, Cambodia

Phone: +855-23-722-715

(d) Planned Implementation Schedule

(i) Completion of project: August 2020 – when the roads are put into service

(ii) Issuing of letters of invitation for consulting services (including detailed design work): Already sent

(iii) Tender announcement of initial procurement package for international competitive bidding on project construction:

Procurement package titles:

- 1) National Road No. 5: Road and Bridge Improvement on the Southern Half of the Thlea Ma'am-Battambang Section

- 2) National Road No. 5: Road and Bridge Improvement on the Northern Half of the Thlea Ma'am-Battambang Section
- 3) Pursat Bypass Construction
- 4) National Road No. 5: Road Improvement on the Sri Sophorn-Poipet Section

Release date: 1-4: December 2016

(2) Phnom Penh City Transmission and Distribution System Expansion Project (Phase 2) (I)

(a) Background and Necessity

The economy of Cambodia has maintained stable growth in recent years and is expected to continue growing at a high rate going forward. With this economic growth, the demand for power is also rising rapidly, such that the volume of power sales increased by a rate averaging approximately 20 percent each year from 2003 to 2013. The power sector is an important field in the “Development of Physical Infrastructure,” one of the four pillars of the Rectangular Strategy formulated by the Royal Government of Cambodia.

The population of the Phnom Penh metropolitan area exceeds 1.7 million people and is the country’s economic core, accounting for 70 percent of the domestic power demand. Providing stable power in the region is one of the top challenges for the power sector in Cambodia. Currently, the power supply facilities are unable to keep pace with growing demand, the scope of power outages due to an inadequate power grid control is growing, and recovery from outages requires a great deal of time so that strengthening the power facilities is an urgent priority.

(b) Objective and Summary

This project will augment existing transformer substations and construct new ones, along with laying transmission and distribution lines in the Phnom Penh metropolitan area to enhance the power supply stability there, contributing to economic development in Cambodia.

Loan funds will be allocated to the public works required for the construction of the transformer substations, the procurement of equipment and materials, and consulting services for phase 2 (I) of the project.

(c) Executing Agency

Electricité du Cambodge

Address: Street 19, Wat Phnom, Daun Penh District Phnom Penh, Cambodia

Phone: +855-23-723-971, fax: +855-23-426-018

(d) Planned Implementation Schedule

(i) Completion of project: February 2020 – when the facilities are put into service

(ii) Issuing of letters of invitation for consulting services (including detailed design work): May 2015

(iii) Tender announcement of initial procurement package for international competitive bidding on project construction:

Procurement package title: Transformer Substation Construction

Release date: September 2016

(3) The Project for Development of Traffic Management System in Phnom Penh

(a) Background and Necessity

With a population of 1.7 million people, the capital of Phnom Penh is the political and economic center of Cambodia. The use of automobiles has rapidly risen in recent years as the economy has blossomed, the number of registered vehicles increasing 3.79 times between 2000 and 2011. As a result, traffic congestion at various locations in the city has become severe and there has been a rise in the number of traffic accidents.

In Phnom Penh, there are traffic signals at 69 intersections (64 in the city center), but neither the traffic signals nor the control systems are standardized. As the signal wait times differ from intersection to intersection and are not timed to the amount of traffic, traffic congestion is expected to worsen at intersections, particularly in the morning and evening rush hours.

Traffic control measures must be put in place with the introduction of intelligent transportation systems, including traffic signals and a traffic surveillance system, to counter urban traffic issues which are growing social problems.

(b) Objective and Summary

This project will install traffic signals at 100 intersections (including replacements of 64 of the 69 existing traffic signals) and a traffic control center, hold traffic control training for police officers and traffic safety seminars for residents in the hope of improving urban traffic congestion and traffic safety, and build an urban environment that is safe and secure.

Country	Kingdom of Cambodia
Project title	Project for Development of Traffic Management System in Phnom Penh
Grant limit	1.727 billion yen
Planned implementation period	Construction: 24 months, including detailed design work and the bidding period
Executing agency	Department of Public Works and Transport, Municipality of Phnom Penh
Target region, facilities	100 intersections in Phnom Penh, traffic control center
Specific project details	Facilities, equipment: procurement and installation of intersection traffic signals, traffic signal controllers, traffic monitoring cameras, vehicle sensors and other intersection devices; procurement and installation of a traffic control center equipment

(4) The Project for Improvement of Svay Rieng Provincial Referral Hospital

(a) Background and Necessity

Svay Rieng Province is a region in particular need of health care, greatly exceeding national averages in such areas as the under-five mortality rate, 93 per 1,000 (national average: 54) (2010 Cambodian census), and a maternal mortality rate of 559 per 100,000 (national average: 461) (2008 Cambodian census), and falling greatly below the national average in areas such as the number of hospital beds, 3.5 per 10,000 people (national average: 6.7) (“Annual Health Statistic Cambodia 2011”). The population may increase rapidly with development of the 11 Special Economic Zones in Svay Rieng Province. As a core medical center for the province since opening in 1959, Svay Rieng Provincial Referral Hospital does not function adequately due to inadequate and deteriorated facilities and equipment, making improvements a priority.

(b) Objective and Summary

This project will improve the facilities and medical equipment at Svay Rieng Provincial Referral Hospital, which is a top-level medical center in Svay Rieng Province, to improve the hospital functions in areas such as obstetrics, gynecology and emergency outpatient services, thereby improving the quality of health care services in the province.

Country	Kingdom of Cambodia
Project title	The Project for Improvement of Svay Rieng Provincial Referral Hospital
Grant limit	1.077 billion yen
Planned implementation period	Construction: 23 months, including detailed design work and the bidding period
Executing agency	Ministry of Health, Cambodia
Target region, facilities	Svay Rieng Provincial Referral Hospital
Specific project details	Facilities: construction of a three-story main building and sloping wing to house six departments (general outpatient, emergency outpatient, diagnostic imaging, obstetrics/gynecology, surgery and management) Equipment: provision of 94 pieces of medical equipment, including patient monitoring devices, ultrasound diagnostic equipment and ventilators