

The statement by the Government of Japan  
For the donor pledge session  
On the occasion of Consultative Group Meeting for Cambodia  
March 2-3, 2006

Excellencies, ladies and gentlemen,

I am honoured to acknowledge on behalf of the Government of Japan the commitments and achievements that the Royal Government of Cambodia has made in its effort to serve for the development of Cambodia, and appreciate the opportunity at this CG meeting to express our willingness to stand with the Royal Government to further assist its reform efforts in cooperation with other developing partners.

As His Excellency Senior Minister Keat Chhon reiterated in his opening remark yesterday, the Royal Government of Cambodia has made steady progresses since the last CG meeting in sustaining the macroeconomic stability and robust economic growth, as well as in a wide range of policy and institutional reforms in such areas as public financial management, private sector development, decentralization, and legal and judicial reform. Whilst there are greater challenges ahead in meeting the development needs of this country we recognize that the Royal Government through the implementation of the Rectangular Strategy made gradual advances, and is certainly moving toward achieving Cambodia Millennium Development Goals.

On behalf of the Japanese government, I would also like to welcome that the long-awaited National Strategic Development Plan was finally adopted and that the Royal Government as well as development partners now have a solid guidance to direct our efforts and assistance according to the development priorities identified through consultations among various stakeholders. In our efforts to link as much of our assistance to those priorities as possible, Japan also plans to update our Country Assistance Strategy for Cambodia this year, and will seek active dialogues with the Cambodian government as well as with other development partners to fit our strategy into the broad development roadmap depicted in the NSDP. As it clearly states, the NSDP is a live, flexible document capable of being adjusted and updated regularly, and we are thrilled to work together with the Royal Government and other development partners to further improve and elaborate the content of the NSDP as it meets the changing needs of this country.

Excellencies, ladies and gentlemen,

Since Cambodia made a new start as a post-war nation in 1992, Japan has continuously supported Cambodia throughout its transition period from peace settlement, reconstruction, to development. While the economic and financial situation of our country remains as severe as last year, recognizing the importance of the development of Cambodia for the Asian regional stability and for rectifying the regional economic gap among ASEAN countries, Japan stands with the Royal Government of Cambodia in a determination to strengthen its support in building resilience in the people of Cambodia.

At the last CG meeting held in December 2004, we indicated that our assistance to Cambodia for fiscal year 2004 (from April 2004 to March 2005) would be more than 13.5 billion Japanese yen (about 123 million US dollars), and the amount actually disbursed was 16.7 billion JY (about 160 million USD), which includes the contribution of 2.4 billion JY (about 22 million USD) to the United Nations for Khmer Rouge Tribunal. This means that we disbursed about 1 billion yen more than we had initially indicated, even excluding the contribution for the Khmer Rouge Tribunal.

For this Japanese fiscal year from April 2005 to March 2006, Japan has contributed about 123 billion Japanese yen or equivalent of 115 million US dollars for the development of Cambodia, including around 318 million yen loan, 7 billion grant aid, 4 billion technical cooperation, and 1 billion contribution through international organizations. As for the yen loan project pledged by our Prime Minister Koizumi at the recent Japan-Cambodia-Laos-Vietnam Summit in Kuala Lumpur, Malaysia, Japan and Cambodia signed on March 1<sup>st</sup> the Exchange of Notes for its implementation. We are certain that this yen loan project will serve to improve investment climate necessary to attract foreign investors in Cambodia.

As a leading donor who has long supported Cambodia's reconstruction and development efforts, allow me to restate that Japan is determined to continue to support Cambodia's efforts for development in the future. Again, Japan's national budget is extremely tight and the financial resource she can provide is not unlimited. Nevertheless, Japan will work to contribute the assistance for our next fiscal year from April 2006 to March 2007 targeting the same level of amount as we have provided for this fiscal year. For this target to realize, and within the framework of our Country Assistance Strategy for Cambodia to be adopted during our next fiscal year, we will seek closer consultation with the government regarding its development and assistance needs, and will further cooperate with other development partners and international organizations to enhance the effectiveness of our aid. Thank you for your attention.

## Japan's Contribution to Cambodia (April 2004 March 2005)

<b>I</b>	<b>Grant</b>	<b>In Japanese Yen</b>
	Proj. for Improvement of Water Supply in Siem Reap Town	606,000,000
	Proj. for Human Resource Development Scholarship	222,000,000
	Proj. for Construction of Primary Schools in Phnom Penh	509,000,000
	Proj. for Construction of Cambodia-Japan Cooperation Center	490,000,000
	Proj. Improvement of Equipment for Demining Activities (Phase IV)	1,761,000,000
	Proj. for Renovation of Technical School for Medical Care	774,000,000
	Proj. for Infectious Disease Control	232,000,000
	Proj. for the Upgrading and Extension of Electricity Supply Facilities in Phnom Penh	359,000,000
	Proj. for Rehabilitation of Bridges along the Main Trunk Roads	152,000,000
	Non-Project Grant Aid	500,000,000
	Proj. for Rehabilitation of the Kandal Stun irrigation System	44,000,000
	Proj. for Supply of Printing Equipment to Publishing and Distribution House	49,700,000
	Peace Building and Comprehensive Small Arms Management Programme in Cambodia	466,000,000
	Grass-roots Grant Aid	532,622,910
	<b>Sub-Total</b>	<b>6,697,322,910</b>
<b>II</b>	<b>Yen Loan</b>	
	Greater Mekong Telecommunications Backbone Network Project (Cambodia Growth Corridor)	<b>3,029,000,000</b>
<b>III</b>	<b>Technical Cooperation</b>	
	Tuberculosis (TB) Control Project	
	Technical Service Center Project for Irrigation System	
	Capacity Building Project for the Forest Sector	
	Project on Gender Mainstreaming and Policy Development Through Upgrading Information and Research	
	Battambang Agricultural Productivity Enforcement Project	
	Project on Human Resource Development for Co-medicals	
	Project on Capacity Building for Water Supply System in Cambodia	
	Capacity Building Project for the Tax Department of Cambodia	
	Cambodia-Japan Cooperation Center (CJCC)	
	Capacity and Institutional Building for the Electric Sector	
	Support for Modernization of the Legal and Judicial System	
	<b>Sub-Total</b>	<b>4,082,000,000</b>
<b>IV</b>	<b>Contribution through International Organizations</b>	
	Contribution to CMAC through UNDP	46,000,000
	Japan Fund for Poverty Reduction through ADB	316,000,000
	Japan Trust Fund through UNESCO	46,000,000
	Human Security Fund (US\$ 1,176,001)	125,832,000
	KR Tribunal (US\$ 22,167,241)	2,371,895,000
	<b>Sub-Total</b>	<b>2,905,727,000</b>
	<b>Grand Total in Japanese Yen</b>	<b>16,714 million JY</b>
	<b>Grand Total in US\$</b>	<b>159.2 million US\$ ( 1US\$=105JY)</b>

NB: Amount of pledging at the last CG Meeting in December 2004 was 13.5 billion JY (About US\$ 123 million).

# Japan's Contribution to Cambodia (April 2005 - March 2006)

<b>I</b>	<b>Grant</b>	<b>In Japanese Yen</b>
	Proj. for Improvement of Water Supply in Siem Reap Town (Term II)	931,000,000
	Proj. for the Rehabilitation of the Kandal Stung Irrigation System (Term I)	511,000,000
	Proj. for the Rehabilitation of Bridge along the Main Trunk Roads (Term I)	228,000,000
	Proj. for the Improvement of the National Road No. 1	786,000,000
	Proj. for Rural Drinking Water Supply in Kampong Cham Province	434,000,000
	Proj. for Human Resource Development Scholarship (Term II)	158,000,000
	Proj. for Human Resource Development Scholarship (Term I)	37,000,000
	Proj. for Human Resource Development Scholarship	115,000,000
	Proj. for Improvement of Mongkul Borey Hospital in Banteay Meanchey Province	683,000,000
	Proj. for the Construction of Primary Schools in Phnom Penh, Phase II	510,000,000
	Proj. for Infectious Disease Control	278,000,000
	Proj. for Electrification on Micro-Hydropower in Remote Province of Mondulhiri	41,000,000
	Proj. for Improvement of Audio-Visual Equipment to National Museum of Cambodia	13,900,000
	Proj. for Research and Development of Mine Clearance Related Equipment	416,000,000
	Non-Project Grant Aid	1,100,000,000
	Grass-roots Grant Aid (Some projects will be approved by March 2006)	666,326,771
	<b>Sub-Total</b>	<b>6,908,226,771</b>
<b>II</b>	<b>Yen Loan</b>	
	Sihanoukville Port SEZ Development Project (Engineering Services)	<b>318,000,000</b>
<b>III</b>	<b>Technical Cooperation</b>	
	Tuberculosis (TB) Control Project	
	Capacity Building Project for the Forestry Sector	
	Project on Gender Mainstreaming and Policy Development Through Upgrading Information and Research	
	Battambang Agricultural Productivity Enforcement Project	
	Project on Human Resource Development for Co-medicals	
	Project on Capacity Building for Water Supply System in Cambodia	
	Capacity Building Project for the Tax Department of Cambodia	
	Cambodia-Japan Cooperation Center (CJCC)	
	Capacity and Institutional Building of the Electric Sector	
	Support for Modernization of the Legal and Judicial System	
	<b>Sub-Total</b>	<b>4,000,000,000</b> (Tentative)
<b>IV</b>	<b>Contribution through International Organizations</b>	
	Contribution to CMAC through UNDP (US\$ 300,000)	32,000,000
	Japan Fund through ADB (US\$ 6,250,000)	669,000,000
	Japan Fund through World Bank (US\$ 2,310,000)	247,000,000
	IPPF Fund (US\$ 10,000)	1,070,000
	Japan Fund through UNESCO (US\$ 922,971)	98,000,000
	<b>Sub-Total</b>	<b>1,047,070,000</b>
	<b>Grand Total in Japanese Yen</b>	<b>12,273 millions JY</b>
	<b>Grand Total in US\$</b>	<b>114.7 million US\$</b> (1US\$=107JY)