



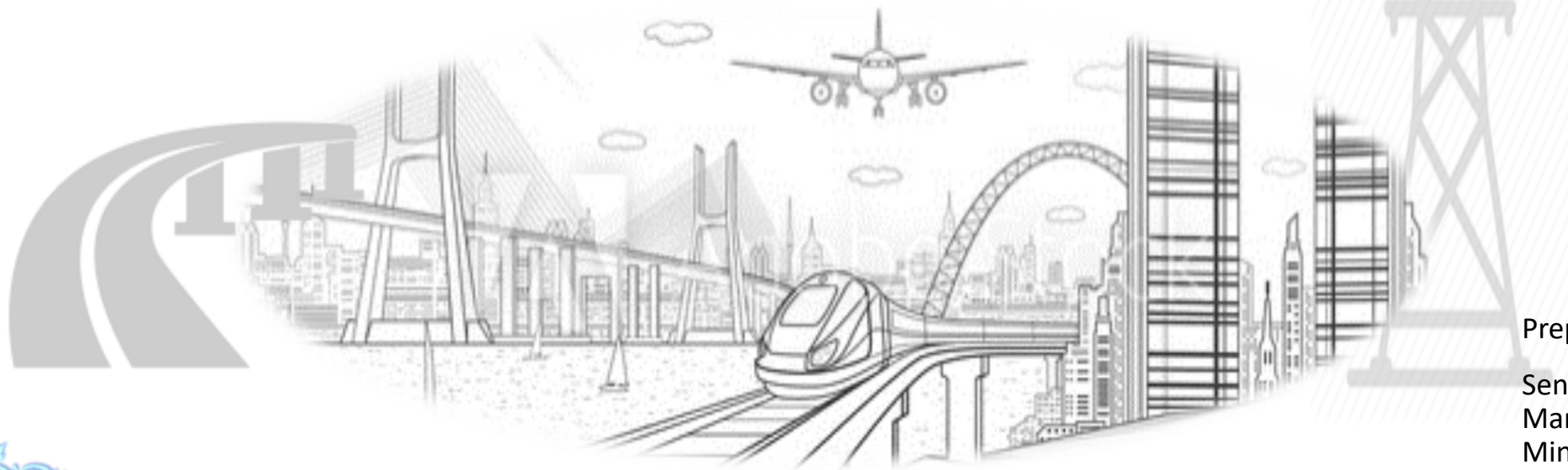
# Cambodia: Current PPP Development

Fourth Meeting of the Infrastructure Financing and Public-Private Partnership Network of Asia and the Pacific

*in conjunction with the*

Second PPP Investment Forum of Kazakhstan: PPP in the Face of the Pandemic: Challenges and Opportunities

Virtual Meeting | 15 October 2020



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# PPP POLICY FRAMEWORK IN CAMBODIA

## ***The Policy Paper on PPPs for Public Investment Project Management 2016-2020 or “PPP Policy 2016-2020”***

- A specific policy for the management of PPP in Cambodia
- To promote and encourage the private sector to contribute to developing public infrastructure and providing public services that sustain or enhance economic growth in Cambodia

## ***Key Policy Measures of the PPP Policy 2016-2020***

- Develop a legal framework and standard operating procedures
- Develop an institutional framework
- Build human and institutional capacities
- Develop financial support mechanisms

## ***Eligible/priority sectors for PPP at the transitional period:***

- Focus on the Revenue-based PPPs, and on projects where user fees are sufficient to cover investment costs – without government payments, viability gap funding, or guarantees in this transitional period.



# PPP LEGAL FRAMEWORK

## ***Law on Concession (2007) – (Reviewed)***

- ❑ Aims to promote and facilitate the implementation of the infrastructure projects (known as the Concession) financed by the private sector to serve the public interests and socio-economic needs in Cambodia

## ***Draft Law on PPP (being drafted – expected to be approved in 2021)***

- ❑ Drafted to be in line with the international practice on PPPs
- ❑ Undergone multiple consultation workshops with line ministries of the RGC, development partners, law firms, banks, investors, insurance companies, construction companies, chambers of commerce, embassy representatives and current private partners implementing the Concession Agreements/PPP Contracts;
- ❑ Held a meeting at the management level of the Ministry of Economy and Finance (MEF);
- ❑ Is in the process of the inter-ministry meeting and discussion with relevant line ministries; and
- ❑ is expected to be approved and implemented within 2021, if no major delays.



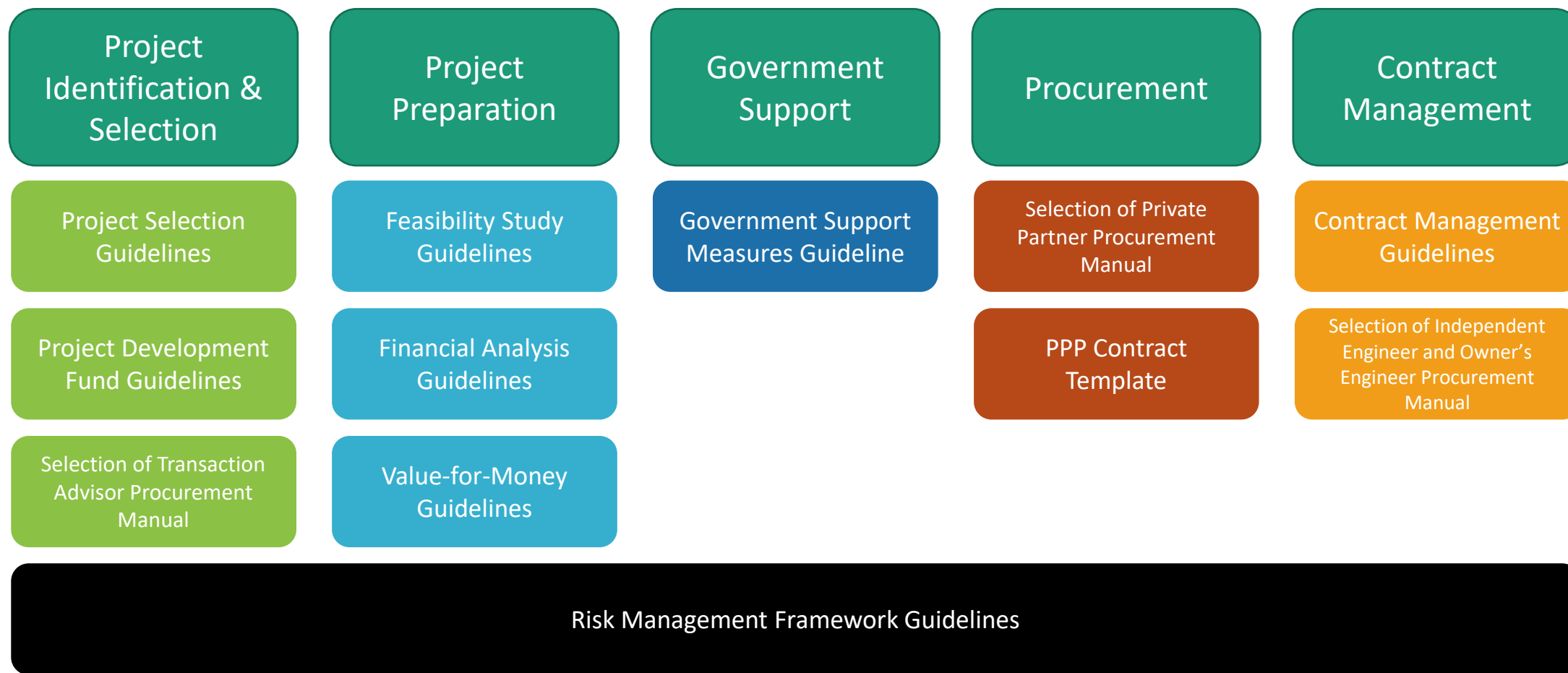
## PPP LEGAL FRAMEWORK (Continued)

### **Draft Standard Operating Procedures (SOPs) for PPP Projects**

- Draft SOPs-PPP has been prepared and under review to be consistent with the the draft PPP Law and other applicable laws and regulations of Cambodia
- Intended to provide detailed guidelines/manuals on initiating, preparing, implementing and monitoring PPP projects
- Covers the entire PPP project cycle
- Will be issued by Prime ministerial *Sub-decree(s)* thereafter the approval of the draft Law on PPP



## Snapshot of the Draft Standard Operating Procedures (SOPs) for PPP Projects





# INSTITUTIONAL ARRANGEMENTS

- **The Inter-ministerial Committee on PPPs (IMC)** chaired by the Ministry of Economy and Finance (MEF) is the current overall decision making body on PPP policy, regulations, program, and projects
- **The Central PPP Unit (CPU) under the MEF** is the Secretariat to the IMC and provides analysis and recommendations so that the IMC can effectively make decisions
- **CPU** acts as a gatekeeper of PPP projects and works with government ministries and institutions to facilitate proper project identification, selection, prioritisation, preparation, appraisal, procurement and implementation
- **Line ministries/institutions as Implementing Agencies:** Project Identification, Selection of Consultants and Private Partners, Contract Management and Project Management
- **Line ministries/institutions as implementing agencies, potential private parties and other stakeholders** may contact us to receive advice, and other support in any stage of the PPP project cycle
- ***Note that the institutional arrangements for the PPP projects may change upon the promulgation of the draft PPP Law***



# Project List Managed by CPU/MEF

Status of PPP Pipeline Projects						
As of September 22, 2020						
No	Project	Line Ministries/ Implementing Agencies	Solicited	Unsolicited	Status	Indicative Project Cost (in USD Million)
1	Phnom Penh - Sihanoukville Expressway Project	Ministry of Public Work and Transport		<input checked="" type="checkbox"/>	Undergoing Construction	1,870
2	Phnom Penh - Bavet Expressway Project	Ministry of Public Work and Transport		<input checked="" type="checkbox"/>	Undergoing Feasibility Study	TBD
3	Sihanoukville Cruise Terminal	Port Authority of Sihanoukville	<input checked="" type="checkbox"/>		Full Feasibility Study Completed - Undergoing Appraisal	25
4	Phnom Penh Logistics Center	Ministry of Public Work and Transport		<input checked="" type="checkbox"/>	Pre-Feasibility Study Completed - Undergoing Appraisal	TBD
5	Sihanoukville Logistics Center	Ministry of Public Work and Transport	<input checked="" type="checkbox"/>		Pre-Feasibility Study Completed - Undergoing Appraisal	TBD
6	Redeveloping of Stoeng Treng Airport	State Secretariat of Civil Aviation	<input checked="" type="checkbox"/>		Project Conceptualization	TBD
7	Development of New Mondolkiri Airport	State Secretariat of Civil Aviation	<input checked="" type="checkbox"/>		Undergoing Feasibility Study	TBD
8	Meteorological Centre in Phnom Penh	State Secretariat of Civil Aviation	<input checked="" type="checkbox"/>		Project Conceptualization	TBD
9	Affordable Housing in Battambang and Poipet	Ministry of Land Management, Urban Planning and Construction	<input checked="" type="checkbox"/>		Project Conceptualization	TBD

**Note:** This list is subject to change, and some other Concessions/PPP Projects are being managed/implemented by implementing agencies directly.





# CHALLENGES, OPPORTUNITIES AND PRIORITIES

## **Challenges**

- ❑ Insufficient regulatory frameworks, resulting in continued use of “ad hoc mechanism” in carrying out PPP projects
- ❑ Limited human and institutional capacity of relevant stakeholders in the management of PPP projects in initiating, developing, negotiating and managing the PPP projects, both solicited and unsolicited
- ❑ Limited resources to provide for PPP projects that may require state support, but this matter shall be addressed in the medium- and long-term for PPP projects other than the revenue-based PPPs, which have been the current focus in this transitional period.

## **Opportunities**

- ❑ RGC’s strong determination to reach the 2030 milestone transforming Cambodia into a higher middle-income country, and 2050 Vision being a high-income country, indicating a high demand for quality and quantity of public infrastructure and public services
- ❑ RGC’s commitment to the development and procurement of more public infrastructure and public services through the PPP mechanism

## **Current priorities/focuses**

- ❑ To get the draft PPP Law approved within 2021
- ❑ Explore the possibility of rolling out urgently needed Interim Guidelines/Manuals in phase and as part of the entire SOPs on PPP in support of the enforcement of the PPP Law once approved thereafter in 2021 before enacting the entire SOPs, which cover the entire project cycle.
- ❑ Continues to expand our project list in line with the RGC’s commitment to procuring more public infrastructure and public services projects through PPP mechanism



**THANK YOU FOR YOUR ATTENTION!**