

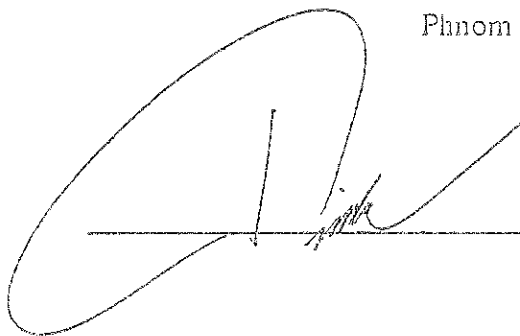
Annex 4  
Minutes of Meetings

*Attachment 1: Scope of Works (S/W)*

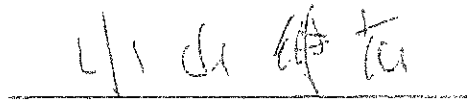
[4 October 2001]

SCOPE OF WORK  
FOR  
THE STUDY  
ON  
REGIONAL DEVELOPMENT OF THE PHNOM PENH –  
SIHANOUKVILLE GROWTH CORRIDOR  
IN  
THE KINGDOM OF CAMBODIA  
AGREED UPON BETWEEN  
THE MINISTRY OF COMMERCE  
AND  
THE JAPAN INTERNATIONAL COOPERATION AGENCY

Phnom Penh, 4 October 2001



H. E. Cham Prasidh  
Minister,  
Ministry of Commerce



Mr. Nobuhiro Koyama  
Leader, Preparatory Study Team,  
Japan International  
Cooperation Agency (JICA)

## I. INTRODUCTION

In response to the request from the Royal Government of the Kingdom of Cambodia (hereinafter referred to as "RGC"), the Government of Japan (hereinafter referred to as "GOJ") has decided to conduct the Study on Regional Development of the Phnom Penh - Sihanoukville Growth Corridor (hereinafter referred to as "the Study") in accordance with the relevant laws and regulations in force in Japan.

Accordingly, the Japan International Cooperation Agency (hereinafter referred to as "JICA"), the official agency responsible for the implementation of the technical cooperation programs of the GOJ, will undertake the Study in close cooperation with the authorities concerned of the RGC.

The present document sets forth the scope of work with regard to the Study.

## II. OBJECTIVES OF THE STUDY

Poverty alleviation is one of the most important policies of the country. This policy can be achieved by way of (a) providing direct public services to the poor as well as (b) stimulating growth of economy to absorb the increase of young labor force. This Study will propose "A Regional Development Master Plan of the Phnom Penh - Sihanoukville Corridor" with a focus on the latter aspect, that is, encouraging industrial development of the corridor in close relationship with Sihanoukville Export Processing Zone (EPZ). This Study will include a feasibility study on the said EPZ as well as technical transfer to the counterparts and those involved in the Study during the course of the Study.

## III. STUDY AREA

The Study Area will cover the Phnom Penh - Sihanoukville Corridor surrounded by national highways, No. 3 and No. 4.

#### IV. SCOPE OF THE STUDY

In order to achieve the objectives mentioned above, the Study shall cover the following items.

##### 1. Analysis of Current Situations and Issues of Cambodia and the Study Area

Cambodia still needs to improve such initial conditions for development as governance, infrastructure and human resources, and the Study Area seems to have various kinds of constraints for industrial development in terms of natural, socio-economic, environmental as well as institutional conditions. Current situations of both Cambodia and the Study Area will extensively be analyzed to identify the issues for future industrial development.

- (1) Current overall development situations and issues of Cambodia;
- (2) Industrial development situations and issues including foreign direct investment (FDI) to Cambodia;
- (3) Current overall development situations and issues of the Study Area including natural conditions, socio-economic situations, infrastructures and so forth;
- (4) Situations and issues of natural resources and industrial development specific to the Study Area; and
- (5) Identification of industrial development issues of the Study Area based on item (1) to (4).

##### 2. Analysis of Export Processing Zones (EPZ), Foreign Direct Investment (FDI) and Industrial Development in the Neighboring Countries

EPZs have been developed in many ASEAN countries to invite FDIs for their industrial development. In recent years, foreign investors' requirements for EPZ have been changing, and accordingly, the EPZs have been competing each other to satisfy the changing requirements of investors. In this context, it is very important to study the experiences and issues of EPZs now operating in the neighboring countries in view of

planning Sihanoukville EPZ.

- (1) Comparative analysis of EPZs in the neighboring countries to clarify their changing trend and issues;
- (2) Comparative analysis of FDIs in the neighboring countries to clarify their changing trend and issues; and
- (3) Comparative analysis of inter-relationship between EPZ/FDI and industrial development of the hinterland.

### 3. Analysis of the Problem Structure of the Study Area

Based on the analyses of 1 and 2 above, a problem structure of the Study Area for industrial development needs to be constructed by clarifying inter-relationship of various issues identified. Special attention needs to be paid on (a) inviting FDIs to Sihanoukville EPZ; (b) possible industrial linkage between the EPZ and the Study Area; and (c) requirements for improving industrial competitiveness the Study Area.

- (1) Synthesis of the issues identified in 1 and 2 above;
- (2) Analysis of inter-relationship among the issues and identification of the development problem structure; and
- (3) Confirmation of important implications of the problem structure on master planning and EPZ development.

### 4. Proposal of Development Master Plan

A regional development master plan with a focus on industrial development of the Study Area needs to be proposed toward the target year of 2015 together with the intermediate target year of 2008 by clarifying basic concepts and approaches with due consideration to the progressing globalization and regionalization of economy.

- (1) Determination of an overall objective and a set of sub-objectives for developing the master plan;

- (2) Development of strategies to achieve the sub-objectives;
- (3) Proposal of a group of projects and programs by strategies; and
- (4) Total cost estimation for implementing the master plan including fund raising.

#### 5. Proposal of Implementing Arrangements and Plan of Actions

The proposed master plan needs to be accompanied with such implementing arrangements as governance, infrastructures, human resources, acts and incentives for EPZ/FDI, target industries markets and funding for development. These arrangements together with proposed projects/programs need to be broken down into a phased package of actions to be undertaken by stakeholders.

- (1) Proposal of a package of actions to be taken by the public sector;
- (2) Proposal of a package of actions to be taken by the private sector and others; and
- (3) Proposal of a phased plan of actions to be taken by stakeholders.

#### 6. Further Studies on Priority Projects/Programs and Implementing Arrangements

Out of the proposed projects/programs and implementing arrangements, those of high priority, in other words, critical importance to industrial development of the Study Area, need to be selected for further study to depict their profile.

- (1) Formulation of methods to select priority projects/programs and implementing arrangements;
- (2) Selection of priority projects/programs and implementing arrangements based on (1) above; and
- (3) Description of profiles including objectives, outline, cost and funding, implementation schedule, cost-benefit, implementation bodies and so forth for the selected projects/programs and implementing arrangements.

#### 7. Feasibility Study on Sihanoukville EPZ

A feasibility study will be carried out on Sihanoukville EPZ, which is considered as a propeller for industrial development of the Study Area and the country. The study will cover following study items:

- (1) Analysis of needs of foreign investors and competition of EPZ in the ASEAN countries for inviting EPZ and FDI;
- (2) Analysis of locational characteristics of Sihanoukville EPZ and resource potentials of the Study Area;
- (3) Proposal of development concept of Sihanoukville EPZ and identification of location of EPZ;
- (4) Proposal of a package of hard and soft infrastructures for effective and efficient development and operation of EPZ;
- (5) Proposal of industrial linkage between Sihanoukville EPZ and the Study Area;
- (6) Evaluation of Sihanoukville EPZ development and proposal of recommendations for effective implementation.

## V. STUDY SCHEDULE

The study will be carried out in accordance with the tentative schedule (Attachment). The schedule is tentative and subject to be modified if such necessity should arise in the course of the study.

## VI. REPORTS

JICA shall prepare and submit the following reports in English to the RGC.

1. Inception report:

Fifty (50) copies and one (1) electronic copy

Within one (1) month of the commencement of the Study

2. Progress report:

Fifty (50) copies and one (1) electronic copy

Within seven (7) months of the commencement of the Study

3. Interim report:



Fifty (50) copies and one (1) electronic copy

Within eleven (11) months after the commencement of the Study

4. Draft final report:

Fifty (50) copies and one (1) electronic copy

Within sixteen (16) months of the commencement of the Study

Written comments on the Draft final report from the RGC shall be delivered within one (1) month of the receipt of the draft final report.

5. Final report:

Sixty (60) copies and one (1) electronic copy

Within one (1) month of the receipt of the comments on the draft final report

VII. UNDERTAKING OF THE GOVERNMENT OF CAMBODIA

1. To facilitate the smooth conduct of the Study, the RGC shall take the following necessary measures:

- (1) to secure the safety of the Japanese study team (hereinafter referred to as "the Team");
- (2) to permit the members of the Team to enter, leave and sojourn in Cambodia for the duration of their assignment therein, and exempt them from foreign registration requirements and consular fees;
- (3) to exempt the members of the Team from taxes, duties, fees and other charges on equipment, machinery and other materials brought into and out of Cambodia for the conduct of the Study;
- (4) to exempt the members of the Team from income tax and charges of any kind imposed on or in connection with any emoluments or allowances paid to the members of the Team for their services in connection with the implementation of the Study;
- (5) to provide necessary facilities to the Team for remittance as well as utilization of the funds introduced into Cambodia from Japan in connection with the implementation of the Study;

- (6) to secure permission for entry into private properties or restricted areas for the implementation of the Study;
  - (7) to secure permission for the Team to take all data and documents including maps and photographs related to the Study out of Cambodia to Japan, and
  - (8) to provide medical services as needed. Its expenses will be chargeable on members of the Team.
2. The RGC shall bear claims, if any arises, against the members of the Team resulting from, occurring in the course of, or otherwise connected with the discharge of their duties in the implementation of the Study, except when such claims arise from gross negligence or willful misconduct on the part of the members of the Team.
  3. The Ministry of Commerce (hereinafter referred to as "MOC") shall act as counterpart agency to the Team and also act as coordinating body in relation with other governmental and non-governmental organizations concerned for the smooth implementation of the Study.
  4. MOC shall, at its own expense, provide the Team with the followings in cooperation with other organizations concerned:
    - (1) available data and information related to the Study,
    - (2) counterpart personnel,
    - (3) suitable office space with necessary equipment in Phnom Penh, and
    - (4) credentials or identification cards.

#### VIII. UNDERTAKING OF JICA

For the implementation of the Study, JICA shall take the following measures:

- (1) to dispatch, at its own expense, the Team to Cambodia, and
- (2) to pursue technology transfer to the Cambodian counterpart personnel in the course

of the Study

## IX. CONSULTATION

JICA and MOC shall consult with each other in respect of any matter that may arise from or in connection with the Study.

## Tentative Study Schedule

Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
Work in Cambodia		■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	
Work in Japan	□																□	
Report	△ IC/R						△ P/R					△ IT/R					△ DF/R	△ F/R

## [Legend]

- IC/R : Inception Report  
P/R : Progress Report  
IT/R : Interim Report  
DF/R : Draft Final Report  
F/R : Final Report

*Attachment 2: Minutes of Meeting (M/M)*

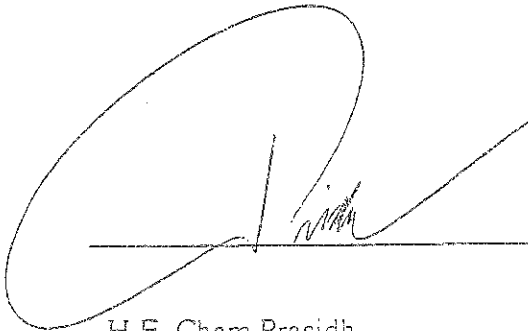
*on the S/W*

[4 October 2001]

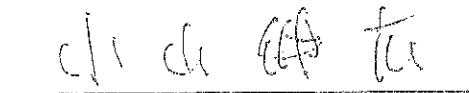
MINUTES OF MEETING  
ON  
THE SCOPE OF WORK  
FOR  
THE STUDY  
ON  
REGIONAL DEVELOPMENT  
OF  
THE PHNOM PENH - SIHANOUKVILLE GROWTH CORRIDOR  
IN  
THE KINGDOM OF CAMBODIA

AGREED UPON BETWEEN  
THE MINISTRY OF COMMERCE  
AND  
THE JAPAN INTERNATIONAL COOPERATION AGENCY

Phnom Penh, 4 October 2001



H.E. Cham Prasidh  
Minister,  
Ministry of Commerce



Mr. Nobuhiro Koyama  
Leader, Preparatory Study Team,  
Japan International Cooperation Agency  
(JICA)

## I. INTRODUCTION

In response to the request of the Royal Government of the Kingdom of Cambodia (hereinafter referred to as "RGC"), Japan International Cooperation Agency (hereinafter referred to as "JICA") dispatched the Preparatory Study Team for the Study on Regional Development of the Phnom Penh – Sihanoukville Growth Corridor in the Kingdom of Cambodia (hereinafter referred to as "the Study") to Cambodia from September 25th to October 12th, 2001.

The Preparatory Study Team exchanged views and had a series of discussions on the Scope of Work for the Study ((hereinafter referred to as "S/W") with the representatives of the Ministry of Commerce (hereinafter referred to as "MOC") and the other organizations concerned. As the result, both sides signed on the S/W on October 4th, 2001.

This Minutes of Meeting summarizes the major points of the discussions. The list of attendants is shown in Attachment.

## II. SUMMARY OF THE DISCUSSIONS

### 1. Study Title

Both sides agreed to call the Study as "the Study on Regional Development of the Phnom Penh - Sihanoukville Growth Corridor in the Kingdom of Cambodia".

### 2. Target Year

The target year of the Study will be the year of 2015 when every kind of barriers hindering movement of people, goods, and capital will be lifted in ASEAN region. The intermediate target year will be the year of 2008 when Cambodia is requested to lower the import duties to less than 5 percent for a large part of trading commodities.

### 3. Study Area

Both sides confirmed that the Study Area includes 2 municipalities (Phnom Penh and Shihanoukville) and 5 Provinces (Kampong Spue, Kampot, Takeo, Kandal and Koh Kong), but that the Study would focus on the area adjacent to these two highways.

### 4. Steering Committee and Working Groups

Both sides agreed that the RGC would set up the Steering Committee chaired by the MOC. The Steering Committee will consist of the organizations concerned as follows,

- Ministry of Commerce (MOC)
- Ministry of Industry, Mines and Energy (MOIME)
- Council for the Development of Cambodia, Cambodian Reconstruction and Development Board (CDC/CRDB)
- Council for the Development of Cambodia, Cambodian Investment Board (CDC/CIB)

- Ministry of Economy and Finance (MOEF)
- Ministry of Planning (MOP)
- Ministry of Agriculture Forestry and Fisheries (MOAFF)
- Ministry of Environment (MOE)
- Ministry of Public Works and Transport (MOPWT)
- Port Authority of Sihanoukville (PAS)
- Ministry of Land Management Urban Planning and Construction (MOLMUPC)
- Ministry of Tourism (MOT)
- Ministry of Rural Development (MORD)
- Municipality of Phnom Penh
- Municipality of Sihanoukville
- Kampong Spue Province
- Kampot Province
- Takeo Province
- Kandal Province
- Koh Kong Province
- Others (if necessary)

On the working level, both sides agreed that the Working Groups would be set up for the smooth implementation of the Study and effective technology transfer.

The Japanese side will notify the member composition of the Study Team in advance for preparation of the Steering Committee and Working Groups by the Cambodian side. The Cambodian side will notify the member of the Steering Committee and Working Groups to the Japanese side before commencement of the Study.

#### 4. Technology Transfer

- (1) The Cambodian side requested that the seminars should be held at the submission stage of the report. The Japanese side accepted this request.
- (2) Both sides shared the view that the technology transfer through on-the-job training as well as counterpart training in Japan and seminars should be stressed in the course of the Study.

#### 5. Reports

- (1) Both sides agreed that the number of the copy would be fifty (50) in each stage except for Final Report, taking into consideration of the number of the Steering Committee members.
- (2) Cambodian side requested that JICA would add the electronic copy of the report as a part of the Report. The Japanese side accepted this request.
- (3) Both sides agreed that Khmer version of summary report of the Interim Report (IT/R), Draft Final Report (DF/R), and Final Report (F/R) would be submitted. All other reports would be written in English.



6. Others

- (1) The Cambodian side requested that equipment for the Study would be left to the Cambodian side after completion of the Study. The Japanese side replied that it is possible excluding the personal belongings after taking necessary procedure.
- (2) The both sides agreed that MOC would have an international telephone line installed in the office for the Study Team and the charge should be born by the Study Team.

Ministry of Land Management, Urban Planning and Construction (MOLMUPC)

Mr. Hang Bunnak Deputy Director General

Municipality of Phnom Penh

Mr. Hok Kim Eang Deputy Director, BAU

Mr. Nong Euuthara Deputy Chief, DPWY

Municipality of Sihanoukville

Mr. Sun Sokhan General Secretary

Japanese Side

Study Team

Mr. KOYAMA Nobuhi Team Leader

Mr. UMENGAGA Satc Team Member

Mr. ISHIGAME Keiji Team Member

Mr. HOSHINO Kanji Team Member

Mr. SAKAYA Izumi Team Member

Mr. DOI Hiroyuki Team Member

JICA Cambodia Office

Mr. SAITO Katsuyoshi Assistant Resident Representative

*Attachment 3: Minutes of Meeting (M/M)  
on Submission of Inception Report*

[25 February 2002]

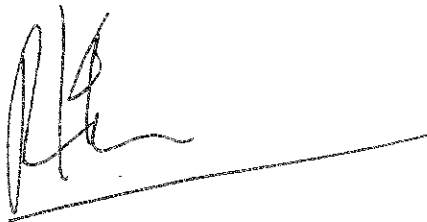
MINUTES OF MEETING  
ON  
SUBMISSION OF INCEPTION REPORT

FOR

THE STUDY ON THE INTEGRATED REGIONAL DEVELOPMENT  
OF  
THE PHNOM PENH-SIHANOUKVILLE GROWTH CORRIDOR  
IN  
THE KINGDOM OF CAMBODIA

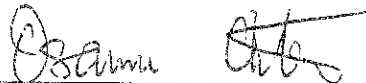
AGREED UPON BETWEEN  
THE MINISTRY OF COMMERCE  
AND  
JICA STUDY TEAM

PHNOM PENH  
25 FEBRUARY 2002



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HE. KHEK RAVV  
CHAIRMAN OF THE STEERING COMMITTEE  
SECRETARY OF STATE,  
MINISTRY OF COMMERCE



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MR. OSAMU OHTSU  
TEAM LEADER,  
JICA STUDY TEAM

## **I. INTRODUCTION**

The Royal Government of Cambodia (RGC) made a request to the Government of Japan (GOJ) for conducting "the Study on the Regional Development for the Phnom Penh-Sihanoukville Growth Corridor in the Kingdom of Cambodia" (the Study). In response to the request of RGC, GOJ has decided to conduct the Study through the Japan International Cooperation Agency (JICA) as the implementing agency. After the Scope of Work was agreed upon in Phnom Penh on 4 October 2001 between H.E. Cham Prasidh, the Minister of Commerce (MOC) of RGC, and Mr. Nobuhiro Koyama, the Leader of the Preparatory Study Team of JICA, JICA has dispatched a team of experts, headed by Mr. Osamu Ohtsu (the Study Team Leader) to carry out the Study.

In accordance with the agreed Scope of Work for the Study, the Study Team submitted 50 copies of the Inception Reports to MOC on 19 February 2002. The Study Team also started a series of preparatory meetings with MOC to discuss the study approach, schedule, and other relevant matters.

On 22 February 2002, the first Steering Committee Meeting was held in Phnom Penh with attendance of representatives of MOC, the other governmental agencies concerned, local administrations, the JICA advisory Committee, and the Study Team members to exchange ideas and views about the Study. This Minutes of Meeting summarizes the major points of discussions. The list of attendants is included in Attachment 1.

## **II. DISCUSSION AND CONFIRMATION**

1. The Steering Committee has accepted the inception Report prepared by the Study Team and major points of the discussion in the committee are as follows;
  - (1) It is important to emphasize the cross-sector aspects.
  - (2) It is important to consider not only international trades but also domestic trades.
  - (3) It is appropriate that environmental aspects are duly included in the scope of the study.
  
2. Further comments, if any, shall be provided to the Study Team in written form by the

Committee within one week. The comments are to be accommodated in the process of the Study

3. Both sides confirmed the following points:

The undertakings by RGC are being carried out as specified in the Scope of Work. MOC is the main counterpart of the Study and chairs The Steering Committee comprising the members as shown in Attachment 2.

4. JICA Advisory Committee agreed to convey the following requests from RGC raised during the committee and a series of discussion to the JICA Headquarters.

- (1) It is important to assure the extensive distribution of the study reports in order to encourage study process to be transparent and participatory as much as possible. In this regard, it is requested that number of copies of the reports to be submitted to MOC shall be increased to 80 copies. It is also requested that the main volume of the reports to be translated in Khmer.
- (2) The current office space is not large enough to accommodate both the Cambodian counterparts and the Study Team to work together. In case that MOC cannot find an alternative space, it will be requested that The Study Team should find a larger space at their own expense.
- (3) Many of the concerned parties on the Cambodia side do not have good command of English. In this regard, it is highly recommended to hire simultaneous interpreters in major seminars and workshops.
- (4) It is requested to conduct several forms of counterpart training in a systematic manner, including OJT in the process of the Study, training in Japan, and the study trips to the neighboring countries along with the Study Team members.

5. The team is requested to present further clarification on functions of both counterparts and working group members as soon as possible. In response to this, MOC shall organize working groups and counterparts accordingly in order to secure the smooth and efficient implementation of the Study.

6. RGC submitted a paper to the JICA Advisory Committee as shown in Attachment 3.

## Attendant List of the Steering Committee Meeting on 22 February 2002

## Cambodian Side:

H.E. Khék Ravy	Secretary of State, Ministry of Commerce
H.E. Sim Kok Heng	Under Secretary of State, Ministry of Commerce
H.E. Sarak Khan	Under Secretary of State, Ministry of Planning
H.E. Keo Khemara	Under Secretary of State, Ministry of LMUPC
H.E. Uk Chan	Under Secretary of State, Ministry of PWT
H.E. Hul Lim	Under Secretary of State, Ministry of IME
H.E. Rath Sandab	Under Secretary of State, MOE
H.E. Mac Thora	Director General, Ministry of Commerce
H.E. Duy Thouv	DSG, CIB, CDC
H.E. Sous Kong	Under Secretary of State, Ministry of Rural Development
Mr. Lou Kim Chhun	Director General, PAS
Mr. Seng Tong	Vice Governor, Municipality of Phnom Penh
Mr. Prak Sihara	Second Governor, Municipality of Sihanouk Ville
Mr. Sous Sophal	Director Depart, MOLMUPC
Mr. In Thoeun	Director Depart, MOT
Mr. Prak Nork	Director Depart, MOC
Mr. Vann Narith	Deputy Director, MOC
Mr. Kith Seng	Deputy Director, MOAFF
Mr. Oum Sotha	Director Trade Office, Municipality of Phnom Penh
Mr. Sok Darith	Deputy Chief, MOC
Mr. Veth Bunthoeun	Deputy Chief, MOFF
Mr. Chet Sopheap	Chief Office, MOIME
Mr. Yim Chamnan	Vice Chief Office, MOE
Mr. Tiv Serevvuth	Official, MEF

Mr. Yoshishige Sekimoto	JICA Expert
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## Japanese Side:

JICA Advisory Committee

Mr. Nobuhiro Koyama	Chairman
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JICA Headquarter

Mr. Shunsuke Mabuchi	Study Coordinator
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Study Team

Mr. Osamu Ohtsu	Team Leader/Regional Development
Mr. Shigeki Kawahara	Deputy Team Leader/Development Economics
Mr. Hisashi Ikewada	Primary Industry
Mr. Go Kimura	Tertiary Industry/Tourism
Mr. Tetsuya Ishii	Human Resources
Mr. George Terahara	Transportation/Distribution System
Mr. Yoshikazu Ando	Team Coordinator

JICA Cambodia Office

Mr. Katsuyoshi Saito	Assistant Resident Representative
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**Member List of The Steering Committee  
of the Study on Regional Development  
for the Phnom Penh- Sihanoukville Growth Corridor**

No	Name	Position in Ministry	Position in Steering
1	H.E Khek Ravy	Secretary of State, Ministry of Commerce	Chairman
2	H.E Hul Lim	Under Secretary of State, Min. of Industry, Mines & Energy	Member
3	H.E Duy Thouv	Dep. Secr. Ger., Cambodia Develop. Board (CIB)	-id-
4	H.E Ly Van Deth	Dep. Secr. Ger., Cambodia Recon. & Devel. Board (CRDB)	-id-
5	H.E Kouv Vannak	Under Secretary of State, Min. of Economy & Finance	-id-
6	H.E Sarak Khan	Under Secretary of State, Min. of Planning	-id-
7	Representative	Min. Agric. Forestry & Fishery	-id-
8	H.E Roth Sundap	Under Secretary of State, Min. of Environment	-id-
9	H.E Uk Chan	Under Secretary of State, Min. of Public Works & Transport	-id-
10	H.E Keo Khemara	Under Secretary of State, Min. of Land Ma. Ur. Pl. & Construct.	-id-
11	H.R.H Sisowath Chivannarith	Under Secretary of State, Min. of Tourism	-id-
12	H.E Sous Kong	Under Secretary of State, Min. of Rural Development	-id-
13	Mr. Lou Kim Chhun	Director General, Port Authority of Sihanouk ville	-id-
14	H.E Seng Tong	Vice Governor, Municipality of Phnom-Penh	-id-
15	Mr. Prak Sihara	Second Governor, Municipality of Sihanouk-ville	-id-
16	Mr. Kang Hieng	Third Governor, Kampong Speu Province	-id-
17	Representative	Takeo Province	-id-
18	Mr. Meng Soun	Second Governor, Kampot Province	-id-
19	H.E Khim Bo	First Governor, Kandal Province	-id-
20	Mr. Chiem Him	Second Governor, Koh Kong Province	-id-
21	Mr. Ke Phay	Deputy Director General, Min. of Commerce	-id-
22	Mr. Prak Nork	Director of Export Prom. Dept, Min. of Commerce	Permanent Secretary
23	Mr. Van Narith	Deputy Director of Export Prom. Dept, Min. of Commerce	Secretary
24	Mr. Var Roth Sen	Deputy Director of Intel. Prop. Dept, Min. of Commerce	-id-
25	Mr. Thun Virak	Deputy Director of Forg. Tra. Dept, Min. of Commerce	-id-



## REQUESTING ITEMS

for JICA Advisory Group mission [Mr. Nobuhiro KOYAMA] from MoC

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1- Counterpart training in Japan

Please indicate the total number of counterpart training in the next fiscal year. The counterpart requests three staffs go to Japan.

2- Counterpart trip to abroad

The counterpart requests to accompany with JICA study team when they go abroad to survey EPZs.

3- Office space

The current space is not large enough for 10 staffs to work. Especially, it is too small for counterpart working group to work together. It is kindly advised for JICA study team to find a larger office for more comfortable environment at their own expense. MOC will also try to find a large space.

4- Seminar/Workshop

The counterpart hopes to use simultaneous interpretation in large-scale seminar. It will promote Cambodian ownership and reduce the time for the seminar.

5- Geographic Information System

The counterpart hopes to utilize geographic information system in the regional planning process. It is recommended to utilize the former JICA study result at Ministry of Public Works.

6- Allowance

Counterpart requests to provide daily allowance for special working group members at Phnom-Penh and the mission fee to outside Phnom Penh: Accommodation, meal, other fee.....

7-Interpreter

Counterpart requests to rent the interpreters for daily working and for the mission out the Phnom Penh City.

8-Document translation

Counterpart requests to translate the progress report and final report (main report) into Khmer language.

9-Number of Report

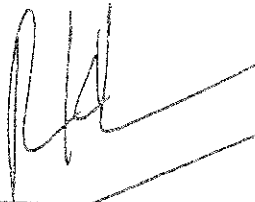
Counterpart needs all the report of 80 sets.

*Attachment 4: Minutes of Meeting (M/M)  
on Submission of Progress Report*

[26 July 2002]

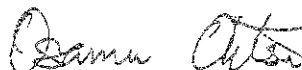
MINUTES OF MEETING  
ON  
SUBMISSION OF PROGRESS REPORT  
FOR  
THE STUDY ON REGIONAL DEVELOPMENT  
OF  
THE PHNOM PENH-SIHANOUKVILLE GROWTH CORRIDOR  
IN  
THE KINGDOM OF CAMBODIA  
AGREED UPON BETWEEN  
THE MINISTRY OF COMMERCE  
AND  
JICA STUDY TEAM

PHNOM PENH  
26 JULY 2002



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H.E. KHEK RAVY  
CHAIRMAN OF THE STEERING COMMITTEE  
SECRETARY OF STATE,  
MINISTRY OF COMMERCE



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MR. OSAMU OHTSU  
TEAM LEADER,  
JICA STUDY TEAM

## **I. INTRODUCTION**

The "Study on Regional Development for the Phnom Penh-Sihanoukville Growth Corridor in the Kingdom of Cambodia" (the Study) is being carried out in accordance with the Scope of Work since the beginning of February 2002.

During the initial work in Cambodia from 3 February to 23 March, after the submission of the Inception Report, the Study Team conducted a series of field surveys and data collection on the present conditions and problems in the Study Area. The first seminar/workshop for introduction of the Study was held in Phnom Penh on 11 March 2002.

After the initial works in Cambodia, the Study Team has continued the various tasks from the previous stage since 22 April. The Study Team also carried out factory interview survey in cooperation with the Cambodian counterparts in May, observation survey of industrial estate (IE) and export processing zone (EPZ) in Thailand and Viet Nam from 2 to 8 June, in addition to a rapid rural appraisal (RRA) through local consultant under sub-contract basis.

In accordance with the study schedule, the Study Team submitted 80 copies of the Progress Reports (in English and Khmer) to Ministry of Commerce on 24 July 2002.

On 24 July 2002, the second Steering Committee Meeting chaired by H.E. Khek Ravy, Secretary of State, MOC, was held in Phnom Penh with attendance of representatives of MOC, the other government agencies concerned, local administrations, the JICA Advisory Committee, and the Study Team members in order to discuss on the Progress Reports. This Minutes of Meeting summarizes the major points of discussions. The list of attendants is attached as Attachment 1.

## **II. DISCUSSION AND CONFIRMATION**

1. Since the draft of the Progress Report were delivered to the members one week in advance, only a brief outline of the report was explained by the Team.
2. Raised comments on Progress Report at the Steering Committee are summarized as follows:

(1) The spelling of names of city and provinces in the report:

It is pointed out that the spelling of names of city and province in the report are inconsistent. The Study Team replied that the names of city/province are referred to the general census and other National Institute of Statistics data. In this regard, it is also advised that one option is to follow the name of city and province used in the Department of Geography, Ministry of Public Works and Transportation.

(2) The scope of study:

It is pointed out that the master plan should include not only overall development strategies but also infrastructure and human resources development. The Study Team confirmed that these points are within the scope.

(3) Land Disputes:

It is pointed out that problems related to land disputes are major issues for many aspects of development. The following example is introduced.

Whereas some private and foreign investors are interested in agro-industry few years ago, there was no implementation due to land dispute problems. Although this is the issue of the legal framework, it is important to find out the facts and some solutions for this issue, such as contract farming, through the study.

(4) Land Use Information

It is advised that the Study Team to further make use of documents and information related to land issues that are available in Ministry of Land Management, Urban Planning & Construction.

(5) Potentials of commercial crops:

It is pointed out that there are some potential commercial crops to grow along NR4, such as pineapple and cashew nuts.

(6) Power supply

It is pointed out that the Study Team should examine whether power supply shall be sufficient or not in the study area. The committee member from Ministry of Industry, Mining, and Energy replied the future power supply is sufficient in the study area, if a development plan of power supply from Vietnam is realized. The Study Team mentioned that the electricity expert in the team will start survey of power supply for the study area from September 2002.

#### (7) Port related issues:

##### Function:

It is raised that the key of Sihanoukville port development is to have functions as an international hub such as Leam Chabang port in Thailand.

The Study Team replied that not only location but also volume of transshipment is important. Currently, few containers are transshipped at Sihanoukville port.

##### Competitiveness:

It is raised that the total cost of transportation is important when considering the position of Sihanoukville port within the Greater Mekong Sub-Region (GMS) and ASEAN. The Study Team replied that there might be a competition of port service between Ho Chi Min port and Sihanoukville port if the non-tariff barrier is lowered with Vietnam under AFTA and GMS.

It is also suggested that the structure of costs, including not only the port charges but also custom related costs both explicit and implicit ones, should be examined.

The committee agreed that reduction of costs related to custom clearance is important for the port development. It was suggested that introduction of "Electronic Document Information" system and streamlining of the procedures are some of the options to consider.

#### (8) Environmental Considerations

It is expressed that whereas the study put emphases on industry and tourism, environmental considerations must be duly considered in the study.

The Study Team replied that environmental considerations are included in the scope.

The study area covers large areas of national parks, wildlife sanctuary and protected areas that make the tourism one of important sectors in the Study. Thus, tourism development in the study area shall be of eco-tourism that largely depends upon natural assets such as highlands, beach and mangrove areas along the coastal zone.

In this regard, it is also advised that the Study Team should refer "Coastal zone management project" planned by Ministry of Environment.

#### (9) EPZ

The following matters are raised as vital elements to be considered in the planning of EPZ.

- 1) Land dispute issue
- 2) Necessity of legal framework
- 3) Required input and output by type of industry

It is also advised that a concept of EPZ in the study shall not be limited in the narrow sense of attracting assembly industries, but also including promotion of other types of economic activities linked to the Sihanoukville port as the international gateway of Cambodia.

3. The Chairman closed the meeting with a comment that some interesting topics on the Study will be presented and further discussion can be done in the workshop to be held next day.

## Attendant List of the Steering Committee Meeting on 24 July 2002

## Cambodian Side:

H.E. Khek Ravy	Secretary of State, Ministry of Commerce (MOC)
H.E. Hul Lim	Under Secretary of State, Ministry of Industry, Mine and Energy
H.E. Duy Thouv	Deputy Secretary General, Cambodia Investment Board (CIB), CDC
H.E. Leaph Vann Den	DSG, Cambodia Reconstruction and Development Board (CRDB)
H.E. Kauv Vannak	Under Secretary of State, Ministry of Economy and Finance
H.E. Sarak Khann	Under Secretary of State, Ministry of Planning
H.E. Rath Sandap	Under Secretary of State, Ministry of Environment
H.E. Vasim Sorya	Under Secretary of State, Ministry of Public Works and Transport
H.E. Keo Khemara	Under Secretary of State, Ministry of LMUPC
H.R.H Siwath Chivannard	Under Secretary of State, Ministry of Tourism
H.E. Sous Kong	Under Secretary of State, Ministry of Rural Development
Mr. Kith Seng	Director of Planning, Ministry of Agriculture, Forestry and Fishery
Mr. Lou Kim Chhun	Director General, Port Authority of Sihanoukville
H.E. Seng Tong	Vice Governor, Municipality of Phnom Penh
Mr. Prak Sihara	Second Governor, Municipality of Sihanoukville
Mr. Kang Hieng	Third Governor, Kampong Speu Province
Mr. Lay Sokha	Second Governor, Takeo Province
Mr. Meng Soun	Second Governor, Kampot Province
H.E. Khim Bo	First Governor, Kandal Province
Mr. Chiem Him	Second Governor, Koh Kong Province
Mr. Ke Phay	Deputy Director General, MOC
Mr. Prak Nork	Director, Export Promotion Dept., MOC
Mr. Ruos Sam Ear	Director, Planning Development Dept., Ministry of Tourism
Mr. Vann Narith	Deputy Director, Export Promotion Dept., MOC
Mr. Var Roth San	Deputy Director, Intellectual Property Dept., MOC
Mr. Ton Virak	Deputy Director, Foreign Trade Dept., MOC

## Japanese Side:

JICA Advisory Committee

Mr. Nobuhiro Koyama	Chairman
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JICA Headquarter

Mr. Shunsuke Mabuchi	Study Coordinator
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JICA Cambodia Office

Mr. Katsuyoshi Saito	Assistant Resident Representative
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Study Team

Mr. Osamu Ohtsu	Team Leader/Regional Development
Mr. Shigeki Kawahara	Deputy Team Leader/Development Economics
Mr. Hisashi Ikewada	Primary Industry
Mr. Go Kimura	Tertiary Industry/Tourism
Mr. George Terahara	Transportation/Distribution System
Mr. Yoshikazu Ando	Team Coordinator



*Attachment 5: Minutes of Meeting (M/M)  
on Submission of Interim Report*

[11 December 2002]

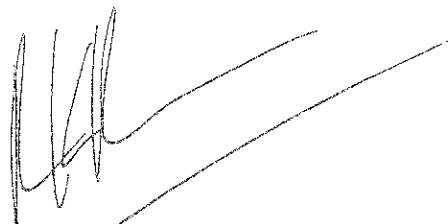
MINUTES OF MEETING  
ON  
SUBMISSION OF INTERIM REPORT

FOR

THE STUDY ON REGIONAL DEVELOPMENT  
OF  
THE PHNOM PENH-SIHANOUKVILLE GROWTH CORRIDOR  
IN  
THE KINGDOM OF CAMBODIA

AGREED UPON BETWEEN  
THE MINISTRY OF COMMERCE  
AND  
JICA STUDY TEAM

PHNOM PENH  
11 DECEMBER 2002



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H.E. KHEK RAVY  
CHAIRMAN OF THE STEERING COMMITTEE  
SECRETARY OF STATE,  
MINISTRY OF COMMERCE



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MR. KOJI YAMADA  
TEAM LEADER,  
JICA STUDY TEAM

## 1. I. INTRODUCTION

On 11 December 2002, the third Steering Committee Meeting, chaired by H.E. Khek Ravy, Secretary of State, MOC, was held in Phnom Penh in order to discuss the Interim Report with attendance of representatives of MOC, other concerned government agencies, local administrations, the JICA Advisory Committee and the Study Team members.

This Minutes of Meeting summarizes the major points of discussions. The list of attendants is given as Attachment 1.

## II. DISCUSSION AND CONFIRMATION

1. The Cambodian side highly appreciates the Interim Report in view of analyses, contents and composition, as the Report provides with strong visions and proposals with regard to the central issue of industrial development of Cambodia. The participants of the committee hope that more specific plans and recommendations will be prepared in the Draft Final Report, particularly on SPZ development, following the structure of the visions expressed in the Interim Report.
2. Importance of Legal, Judicial Framework
  - It was discussed that the importance of an appropriate legal, judicial framework should be stressed in the report, as FDI would not find Cambodia attractive unless the internationally accepted disciplines of law are secured by proper laws and regulations. The Steering Committee appreciated a proposal of Law on Special Promotion Zone by the Study Team in IT/R in this context.
  - The Study Team fully agrees that the rule of law needs to be secured in SPZ to enable the best and lawful practices within SPZ as a model for the future development of Cambodia.
3. Incentives for SPZ
  - With regard to the fiscal incentives for SPZ, the Steering Committee requested that what specific conditions to be given in SPZ should be clearly mentioned.
  - The Study Team agreed to clarify the conditions the Study Team considers appropriate to be rendered in SPZ in upcoming reports.
4. Land Titles
  - A Steering Committee member expressed a concern as to the land titles of SPZ candidate sites, as there have been some disputes about land titles for industrial development before, and the issue of land titles looks to be very important.
  - The Study Team explained that the candidate sites for SPZ development were carefully adopted after reviewing of the ownership of lands, and those with

complicated land ownership have been eliminated in an early stage. In consequence, the candidate sites adopted in the report basically have simple land ownership, with only a few landowners. The Study Team agreed to look further into the land titles of the selected sites.

#### 5. Investment Prospect

- A steering committee member reported a worsening FDI environment in Sihanoukville; there used to be 13 FDI factories, but some of them are gone already, and presently only 7 are in operation.
- The Study Team explained that the prospects for FDI promotion are rather dim after the accession of China to WTO. Cambodia must make the maximal efforts to attract FDI under this condition. This is why the development of SPZ as the pilot model for attracting FDI is needed as an instrument to attract FDI.

#### 6. Implications of AFTA for Cambodia

- Based on a request by a steering committee member, the Study Team explained about the implications of AFTA for Cambodia. Enactment of AFTA would bring about more competition amongst the ASEAN nations. The elimination of regional import/export duties would mean that all nations would have to compete under the same conditions. The Study Team stressed that Cambodia must win this competition to launch economic development.

#### 7. Necessity for Rational Regulatory Measures for Environment

- With regard to the recycling of used machinery, the Steering Committee remarked that the environmental aspect will be important, as only weak regulatory measures are in effect in Cambodia at present.
- Study Team agrees that appropriate regulatory measures need to be enacted to protect the environmental.

End of Text

## Attendant List of the Steering Committee Meeting on 11 December 2002

## Cambodian Side:

H.E. Sok Siphana	Secretary of State, Ministry of Commerce (MOC)
H.E. Khek Ravy	Secretary of State, Ministry of Commerce (MOC)
H.E. Hui Lim	Under Secretary of State, Ministry of Industry, Mine and Energy
H.E. Duy Thouy	Deputy Secretary General, Cambodia Investment Board (CIB), CDC
H.E. Leap Vann Der	DSG, Cambodia Reconstruction and Development Board (CRDB)
H.E. Kouv Vannak	Under Secretary of State, Ministry of Economy and Finance
H.E. Sarak Khann	Under Secretary of State, Ministry of Planning
H.E. Rath Sanday	Under Secretary of State, Ministry of Environment
H.E. Vasim Sorya	Under Secretary of State, Ministry of Public Works and Transport
H.E. Keo Khemara	Under Secretary of State, Ministry of LMUPC
H.R.H Sisowath Chivannaridh	Under Secretary of State, Ministry of Tourism
H.E. Sous Kong	Under Secretary of State, Ministry of Rural Development
Mr. Kith Seng	Director of Planning, Ministry of Agriculture, Forestry and Fishery
Mr. Lou Kim Chhun	Director General, Port Authority of Sihanoukville
H.E. Seng Tong	Vice Governor, Municipality of Phnom Penh
Mr. Prak Sihara	Second Governor, Municipality of Sihanoukville
Mr. Kang Hieng	Third Governor, Kampong Speu Province
Mr. Lay Sokha	Second Governor, Takeo Province
Mr. Meng Soun	Second Governor, Kampot Province
H.E. Khim Bo	First Governor, Kandal Province
Mr. Chiem Him	Second Governor, Koh Kong Province
Mr. Ke Phay	Deputy Director General, MOC
Mr. Prak Nork	Director, Export Promotion Dept., MOC
Mr. Ruos Sam Ear	Director, Planning Development Dept., Ministry of Tourism
Mr. Vann Narith	Deputy Director, Export Promotion Dept., MOC
Mr. Var Roth San	Deputy Director, Intellectual Property Dept., MOC
Mr. Thon Virak	Deputy Director, Foreign Trade Dept., MOC

## Japanese Side:

JICA Advisory Committee

Mr. Nobuhiro Koyama	Chairman
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JICA Headquarter

Mr. Shunsuke Mabuchi	Study Coordinator
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## JICA Experts

Mr. Yoshishige Sekimoto	
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Study Team

Mr. Koji Yarnada	Team Leader/Regional Development
Mr. Shigeki Kawahara	Deputy Team Leader/Development Economics
Mr. Yoichi Matsui	Legal and Institution Framework
Mr. Isamu Asakura	FDI Promotion/ EPZ
Mr. George Terahara	Transportation/Distribution System
Mr. Seiichi Aoki	ICT/Telecommunications
Mr. Jun Kuwabara	Team Coordinator

*Attachment 6: Minutes of Meeting (M/M)  
on Submission of Draft Final Report*

[25 April 2003]

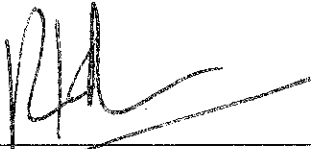
MINUTES OF MEETING  
ON  
SUBMISSION OF DRAFT FINAL REPORT

FOR

THE STUDY ON REGIONAL DEVELOPMENT  
OF  
THE PHNOM PENH-SIHANOUK VILLE GROWTH CORRIDOR  
IN  
THE KINGDOM OF CAMBODIA

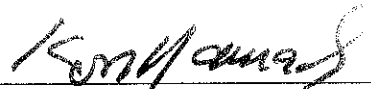
AGREED UPON BETWEEN  
THE MINISTRY OF COMMERCE  
AND JICA STUDY TEAM

PHNOM PENH  
25 APRIL 2003



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H.E. KHEK RAVY  
CHAIRMAN OF THE STEERING COMMITTEE  
SECRETARY OF STATE,  
MINISTRY OF COMMERCE



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MR. KOJI YAMADA  
TEAM LEADER,  
JICA STUDY TEAM FOR  
THE GROWTH CORRIDOR PROJECT



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WITNESS; MR. SHUNSUKE MABUCHI  
PROJECT COORDINATOR FOR THE GROWTH CORRIDOR PROJECT,  
JICA FIRST SOCIAL DEVELOPMENT STUDY DIVISION



## 1. I. INTRODUCTION

On 25 April 2003, the fourth Steering Committee Meeting, chaired by H.E. Khok Ravy, Secretary of State, MOC, was held in Phnom Penh in order to discuss the Draft Final Report with attendance of representatives of MOC, other concerned government agencies, local administrations, the JICA Advisory Committee and the Study Team members.

This Minutes of Meeting summarizes the major points of discussions. The list of attendants is given as Attachment 1.

## II. DISCUSSION AND CONFIRMATION

1. The Cambodian side highly appreciates the Draft Final Report in view of analyses, content and composition, as the Report provides with visions and proposals with regard to the central issue of industrial development of Cambodia. On top of this, the participants of the committee appreciated that more specific plans and recommendations had been prepared, particularly on the development of the SPZ, following the framework of regional development established in the Interim Report.
2. Importance of SPZ as a Showcase for National Reforms
  - It was emphasized that Cambodia must step forward to thorough reforms and restructuring of its administrative systems, and the proposed SPZ has a great importance as a showcase for this. The Steering Committee in this context appreciated good results of the feasibility analysis presented in DF/R on the Free Zone in Sihanoukville, which is the core element of Special Promotion Zone.
  - The Study Team fully agreed that the rule of law needed to be secured in SPZ to enable a best business environment with accountable, transparent and legitimate administrative procedures within SPZ as a model for the future development of Cambodia.
3. Conceptions of SPZ
  - With regard to the conceptions of SPZ, the Steering Committee requested that definitions and functions of Free Zone and Promotion Zone should be clearly mentioned.
  - The Study Team confirmed that the definitions and expected functions of the Free Zone and Promotion Zone would be clearly explained in the Final Report.
4. Local Resources
  - A Steering Committee member expressed a concern that potentials of local resources use were not fully addressed in the report.
  - The Study Team explained that they were well aware of the importance of local resources use, such as agro fishery products. At the same time, it is also true that the level of supply of the local resource base is not yet either stable or large enough to attract export-oriented FDIs in the short-term. Thus, it is viable to



emphasize on attracting industries that may or may not be dependent upon supply of local resource base. Once FDIs are in place, they could generate demand for local resources and eventually facilitate growth of local supply capacity.

5. SPZ and Agro-processing

- A steering committee member expressed a view that a proposed SPZ could be a good promoting factor for the export of agro-processing products once the supply-side is strengthened.
- The Study Team fully agreed with the view.

6. Institutional Settings for SPZ

- The Steering Committee appreciated a proposal of Law on Special Promotion Zone by the Study Team in DF/R. It was also discussed that introduction of the new law for SPZ could be time consuming and thus utilization of the existing framework may also be examined.
- The Study Team expressed the view that SPZ consists of new conceptions that may not be fully covered by the existing legal and institutional framework such as the one discussed for the Draft Law on Industrial Zone and the Amended Law on Investment. The Study Team requested the Steering Committee to ensure that the necessary legal and institutional framework should be devised so that the proposed SPZ would be managed in the most desirable manner with independency and accountability to investors, following the proposals and recommendations made in DF/R.

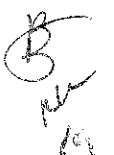
7. Urban Development for Secondary City Centers

- A Steering Committee member emphasized importance of secondary cities along NR4 and 3, besides the primary cities such as Phnom Penh and Sihanoukville.
- Study Team agreed that roles and functions of provincial centers should be reinforced and enhanced. The Study Team also recommended that better enforcement of urban planning should be established, with the formulation of urban master plans as stipulated in the law.

8. Measures for Environment Protection

- With regard to FZ development, a Steering Committee member remarked that the preventive environmental protection measures would be important, as recovery costs after the environment was polluted would be much greater than the cost for prevention.
- Study Team conveyed that appropriate preventive measures had already been proposed in DF/R to protect the environment. The proposed plan for FZ fully incorporates the cost for environmental protection in FZ.

End of Text



Attachment I

Attendant List of the Steering Committee Meeting on 25 April 2003

**Cambodian Side:**

H.E. Khek Ravy	Secretary of State, Ministry of Commerce (MOC)
H.E. Duy Thouv	Deputy Secretary General, Cambodia Investment Board (CIB), CDC
H.E. Leaph Vann Den	DSG, Cambodia Reconstruction and Development Board (CRDB)
H.E. Prak Sihara	Second Governor, Municipality of Sihanoukville
H.E. Keo Khemara	Under Secretary of State, Ministry of LMUPC
Mr. Prak Nork	Director, Export Promotion Dept. , MOC
Mr. Thon Virak	Deputy Director, Foreign Trade Dept., MOC
H.E. Khim Bo	First Governor, Kandal Province
(Mr. Khem Sophal	Deputy Director, Commercial Department, Kandal Province)
H.E. Seng Tong	Vice Governor, Municipality of Phnom Penh
(Mr. Um Sotha	Director, Commercial Department, Municipality of Phnom Penh)
Mr. Kith Seng	Director of Planning, Ministry of Agriculture, Forestry and Fishery
(Mr. Tourt Saravuth	Deputy Director, Planning Department, MAFF)
H.E. Sarak Khann	Under Secretary of State, Ministry of Planning
(Mr. Soun Sokhim	Director of Inter-Relation, MoP)
(Mr. Peng Kieng Say	Head of Office, MoP)
H.E. Ouk Chan	Under Secretary of State, Ministry of Public Works and Transport
(Mr. Vasim Sorya	Director, MPWT)
Mr. Lou Kim Chhun	Director General, Port Authority of Sihanoukville
(Mr. Nong Soyeth)	

**Japanese Side:**

JICA Headquarter

Mr. Shunsuke Mabuchi      Project Coordinator

Study Team

Mr. Koji Yamada	Team Leader/Regional Development Planner
Mr. Shigeki Kawahara	Deputy Team Leader/Development Economist
Mr. Yoichi Matsui	Legal and Institution Framework Expert
Ms. Kimiko Abe	Rural Development/ Social Dimension Expert
Mr. Jun Kuwabara	Team Coordinator

End of Attachment