Presenter 2

Infrastructure PPPs Responding to Socio-Economic Demand: Is PPP a Good Tool for Responding to Socio-Economic Infrastructure Demand?

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MINISTRY OF ECONOMY AND FINANCE
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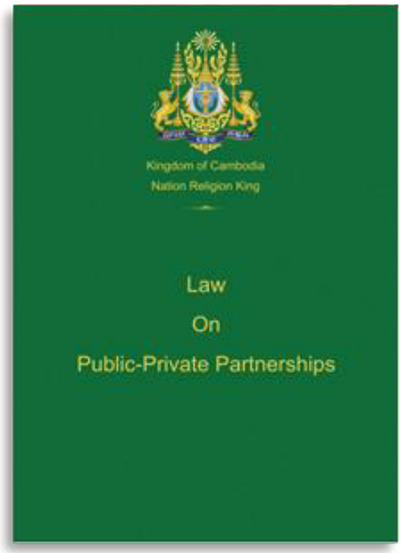
2
MINISTRY OF ECONOMY AND FINANCE
Contents
"Is PPP a Good Tool for Responding to Socio-Economic Infrastructure Demand?"
2026 APN Conference — Day 2 Roundtable Discussion, Seoul.
1. Introduction to the PPP Management Framework in Cambodia
2. Is PPP a Good Tool for Responding to Socio-Economic Infrastructure Demand?

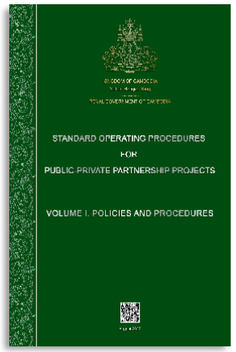
1. Introduction to the PPP Management Framework in Cambodia

Robust, Transparent, and Effective Mechanism for the Preparation and Development of PPP Projects in Cambodia

Law on PPPs
(2021)

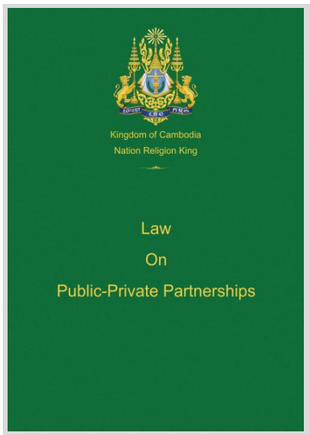


Standard Operating Procedures and Guidelines
(2022-2023)



4

Creating an Enabling Environment



- The Law on PPP was enacted in 2021, **replacing the Law on Concession** (2007)
- MEF acts a gatekeeper for PPP Projects
- Establish the detailed framework for managing PPP Projects;
- Establish the procurement procedures for PPP Projects

Government Support Measures

- Viability Gap Financing
- Availability Payment
- Government Contingent Liability
- Asset Contributions
- Investment Incentives

Eligible Sectors :
(Article 8)

- Mine and Energy
- Laboratory, Food Processing, Product Storage, Trade Promotion
- Transport and Logistics
- Industry, SEZ, SME, and Innovation Park
- Health and Education
- Clean Water and Sanitation
- Agriculture and Irrigation
- Posts, ICT, Telecom, and Digital Technology
- Others (as permitted by law)

5

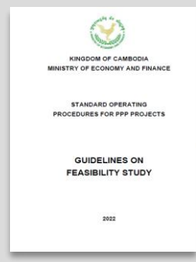
SOP FOR PPP: Providing Clear Guidance

General Overview:

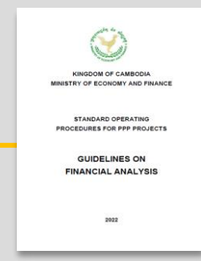
- SOPs contains **policies, guidelines and procedures** for the identification, preparation, procurement, implementation, and management of public investment projects delivered as PPP Projects.
- Covers requirements as set out in the Law on PPPs

Volume I	**Policies and Procedures**	
Volume II	**Guidelines**	➢ Project Identification and Selection (PIS) ➢ Project Development Facility (PDF) ➢ Government Support Measures (GSM) ➢ Contract Management (CM)
Volume III	**Procurement Manual**	➢ Selection of Consultants ➢ Selection of Private Partner

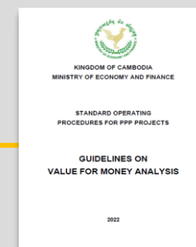
Additional Supporting Guidelines



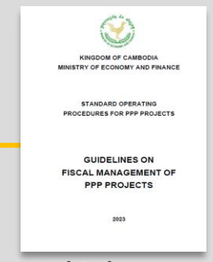
Guidelines on Feasibility Study



Guidelines on Financial Analysis



Guidelines on VfM



Guidelines on Fiscal Management of PPP Projects

6

Relevance of PPPs in mobilizing private investment for infrastructure

Cambodia face the potential issue as follow which further limiting the Government Fiscal space

Infrastructure Funding Gap	**US$28–30 billion** between 2016 and 2040 to sustain the current average GDP growth of 7% per annum.
LDC Graduation by 2029	Lost favorable concessional financing and Preferential Trade Benefits, widening the funding gap
Adherence to SDGs	**US$ 36 billion** over 3 decades to achieve SDGs agenda. Plus, the development of social & resilient infrastructure adhering to SDGs are costly.

PPP is the most efficient tool for Cambodian Government to address these problems

- ✓ Supported by **Pentagonal Strategy Phase 1,** Pentagon 3 - Side 3: Strengthening of the PPPs by promoting the management of Public Investment Projects through PPP mechanism
- ✓ Further supported by **Blended Finance product** and other designed **Government Support** tool (VGF, AP, PDF) to increase the bankability of the project
- ✓ Better risk allocation with the support from Government

7

The Priority PPP Project List 2026

PPP Portfolio

A growing portfolio as we continue to proactively identify new projects.

TOTAL PROJECTS

23

SOLICITED PROJECTS

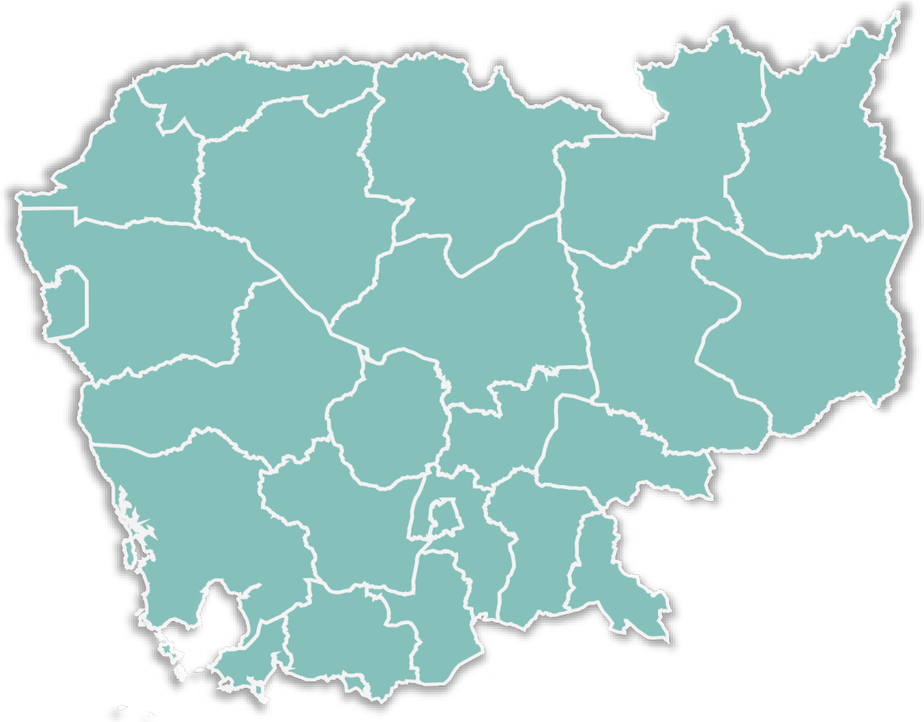
12

- 11 under Preparation
- 1 under Contract Management

UNSOLICITED PROJECTS

11

- 8 under Preparation
- 3 under Contract Management



Is PPP a Good Tool for Responding to Socio-Economic Infrastructure Demand?

What are the key CORE ROLES of PPP?

- Private Capital Mobilization
- Optimal Risks Allocation
- Enhancing Operational Efficiency & Innovation
- Accelerating Socio-Economic Infrastructure Delivery

8

Overview of Socio-Economic Benefits of PPP Projects in Cambodia

- Reduces logistics costs, stabilize power and boosts regional trade
- Generates thousands of jobs across urban and rural provinces
- Eases pressure on the national budget by tapping private equity and capital
- Leverages private-sector efficiency

Phnom Penh–Sihanoukville Expressway – 1st Cambodia Expressway

9

PROJECT INFORMATION

Sector
Transportation Infrastructure

Project Cost
US$1.9 Billion

PPP Structure
BOT (Unsolicited)

Financing
Private BOT Financing (CRBC)

Strategic Context
National Logistics Corridor Phnom Penh to Sihanoukville Port

Implementing Agency
Ministry of Public Works and Transport

BENEFITS FOR GOVERNMENT

- Uses private capital — eases the government's budget for other priority projects
- Boosts economic growth and strengthens trade competitiveness
- Job creation during construction and ongoing operations

BENEFITS FOR THE PEOPLE

- Save travel time and fuel consumption between Phnom Penh and Sihanoukville
- Improves road safety — fewer accidents than the old National Road 4

Kampot International Tourism Port

10

PROJECT INFORMATION

Sector

Tourism Infrastructure

PPP Structure

O&M (Solicited)

Project Cost

US$9.27 Million

Financing

ADB Concessional Loan for Construction

Strategic Context

Cross-border Gateway on Southern Coastal Corridor

Implementing Agency

Ministry of Public Works and Transport

BENEFITS FOR GOVERNMENT

- Utilize the Private Capital for Operation and Maintenance e.g. waterway dredging and equipping navigation aids
- Improve Asset Lifecycle Management
- Strengthens Cambodia's position within GMS regional tourism connectivity

BENEFITS FOR THE PEOPLE

- Creates income and business opportunities for local enterprises in Kampot
- Enhanced coastal and island accessibility and boost tourism
- Stimulates employment through ongoing port operations

PPP: The Right Tool, Under the Right Conditions

11

Yes — PPP is a tool when the right conditions are met

Yes

PPP is a Tool

but subject to the right conditions

01 Strategic Alignment

The project is bankable and economically viable

02 Project Viability

The project is bankable and economically viable

03 Value for Money

PPP provides better whole-life value than alternatives

04 Fiscal Affordability

User charges and/or government payments are sustainable

05 Appropriate Risk Allocation

Risks are assigned to the party best able to manage them

06 Government Capacity

Government can prepare, procure and manage the PPP contract over its lifecycle

Ministry of Economy and Finance

General Department of Public-Private Partnerships

Access to Law on PPP, SOP, & GDPPP's website

Access to Facebook Page

We are excited to share that the General Department of Public-Private Partnerships (GDPPP) Facebook page is now officially verified.

Thank you for your continued support and trust in our work. Make sure to follow us for the latest insights and development.

THANK YOU