



KINGDOM OF CAMBODIA
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PUBLIC INVESTMENT MANAGEMENT SYSTEM REFORM STRATEGY UPDATE 2025-2028



GENERAL SECRETARIAT STEERING COMMITTEE
OF THE PUBLIC FINANCIAL MANAGEMENT REFORM



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PREAMBLE

The **Public Financial Management Reform Program (PFMRP)** was officially launched on **December 5, 2004** under the high presidency of **Samdech Akka Moha Sena Padei Techo Hun Sen**, in his capacity at that time as **Prime Minister of the Kingdom of Cambodia**, and as an outstanding great statesman without equal in unifying the nation and transforming Cambodia into a country full of peace, political stability, macroeconomic stability, national unity, and complete territorial integrity—most notably by leading the country toward comprehensive development across all sectors, guided by the principle: “**Reforming give us a 99% chance of survival, whereas failing to reform leaves us with only 1%.**” Furthermore, the Public Financial Management Reform Program has been implemented through in as step-by-step approach in four phases: 1) **Budget Credibility (2005–2008)**, 2) **Financial Accountability (2009–2015)**, 3) **Budget–Policy Linkage (2016–2022)**; and 4) **Performance Accountability (2023–2027)**. The overarching objective of the Public Financial Management Reform is the **gradual transformation of the budget system and public financial operations** from an **input-based and centralized budget system** toward a **results- or performance-based and decentralized budget system**, in line with international standards and best practices, while taking into account Cambodia’s specific context and conditions.

Over more than 20 years of implementation the Public Financial Management Reform Program has made significant progress in each field and phase, building and improving a more robust and crisis-resilient public financial management system. In particular, it has transformed Cambodia into one of the fastest-growing economies, with an average annual economic growth rate of around 7% prior to the COVID-19 crisis. At the same time, during the implementation of Phase III: “**Budget–Policy Linkage**”, the Royal Government of Cambodia approved “**the Public Budget System Reform Strategy 2018–2025**” on **12 January 2018**, and “**the Public Investment Management System Reform Strategy 2019–2025**” on **22 October 2019**, along with other key related reform strategies. The implementation of “**the Public Investment Management System Reform Strategy 2019–2025**” encountered several major challenges, including the **COVID-19 pandemic**, the outbreak of the **Russia–Ukraine war**, conflicts in the **Middle East**, compounded by abrupt shifts in global monetary policy and public fiscal policies in major economies, global economic uncertainty, threats to national sovereignty and territorial integrity, recurrent natural disasters, and increasing demands from citizens across all social strata—particularly constraints related to institutional capacity and human resources. These factors significantly impeded the achievement of the **2025 vision**, namely the establishment of an **integrated national public investment management system**. In this context, the Ministry of Economy and Finance (**MEF**) necessarily to review and update the Public Investment

Management System Reform Strategy in order to align with the Public Financial Management Reform Program, the Public Budget System Reform Strategy Update 2025–2028, the Pentagonal Strategy – Phase I, the National Strategic Development Plan of the Royal Government under the 7th Legislature of the National Assembly, and Cambodia Vision 2050, while continuing to address outstanding core tasks and identifying additional priority actions in line with the evolving public financial management reform agenda.

This updated strategy represents a continue action and adding key priority actions undertaken by the Ministry of Economy and Finance and relevant ministries and institutions, ensuring greater depth, coherence, comprehensiveness, and effective implementation, with the participation of all relevant stakeholders. **During Phase I of the implementation of the Public Investment Management System Reform Strategy**, the Ministry of Economy and Finance played a leading and proactive role in drafting, establishing, and implementing key foundational elements, including legal and regulatory instruments, overarching guidelines, common standard operating procedures, institutional development, and human resource capacity building. **Entering Phase II, namely the implementation of the Updated Public Investment Management System Reform Strategy for 2025–2028**, ministries and institutions are required to assume a greater and more active role in strengthening internal coordination mechanisms, work processes, and linkages between the national and subnational levels, including relevant technical departments. This includes developing detailed sector-specific and institution-specific policies and/or standard operating procedures that are comprehensive, implementable, and grounded in ownership and accountability, while ensuring that no bottlenecks occur in public investment projects at any stage that could hinder national development in general or sectoral development in particular.

The implementation and strengthening of the implementation of **the Public Investment Management System Reform Strategy Update 2025–2028** aims to establish a strong and integrated public investment management system, which will entail adjustments in mandates and accountability among certain ministries, institutions, and entities, as well as changes in operational practices. All relevant stakeholders act with greater proactivity and diligence to enhance public investment management so that it is better responds to priority needs, efficiency, effectiveness, accountability, and sustainability in the equitable and transparent allocation and use of public resources. To achieve the above objectives and goals, the **Public Investment Management System Reform Strategy Update 2025–2028** sets out both urgent short-term strategic measures and medium-term strategic measures, requiring coordinated implementation by all relevant government stakeholders as specified in this document, to ensure the establishment of an integrated **national public investment management system by the end of 2028**.

Finally, on behalf of the Royal Government of the Kingdom of Cambodia, and in my personal capacity, I would like to express my sincere gratitude to **H.E. Dr. Aun Pornmoniroth**, Deputy Prime Minister, Minister of Economy and Finance, and Chairman of the Steering Committee for Public Financial Management Reform, as well as to H.E. and Lok Chumteav, Ministers and Head of Line ministries, as well as all government officials, who have made the most significant efforts to lead and collaborate on the RGC’s reforms, especially in the areas of public investment management reform—demonstrating strong ownership and accountability, and achieving commendable results to date. Looking ahead, reform efforts will become increasingly deep, complex, interlinked, and challenging, requiring all of us to further strengthen our commitment and attentiveness in order to meet the needs and expectations of the people. In this regard, I urge all ministries and institutions of the Royal Government to embrace an implementation approach characterized by innovation, leadership, firm resolve, collaboration, and effective coordination, both internally and with all relevant stakeholders, on a continuous basis. At the same time, all line ministries must strengthen institutional capacity by continuing functional reviews and carefully selecting officials with strong competencies and high qualifications, in order to ensure operational effectiveness and sustained success. Moreover, they must uphold the highest principles and spirit of constant self-awareness and reform through the approach of **“taking bath, looking into mirror, scrubbing the dirt, being treated and admitting to surgery.”**

Phnom Penh, December 31st 2025

Prime Minister

(Signed and Stamped)

Samdech Moha Borvor Thipadei HUN Manet

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ABBREVIATIONS

MEF	Ministry of Economy and Finance
MPWT	Ministry of Public Works and Transport
MLMUPC	Ministry of Land Management Urban Planning and Construction
MME	Ministry of Mines and Energy
MRD	Ministry of Rural Development
MOWRAM	Ministry of Water Resources and Meteorology
MOP	Ministry of Planning
MOE	Ministry of Environment
CDC	Council for the Development of Cambodia
PFMRSC	Public Financial Management Reform Steering Committee
PFMRC	Public Financial Management Reform Commission of the Ministry of Economy and Finance
GSC	General Secretariat of Public Financial Management Reform Steering Committee
GDICDM	General Department of International Cooperation and Debt Management
GDP	General Department of Policy
GDB	General Department of Budget
GDNT	General Department of National Treasury
GDSNAF	General Department of Sub-National Administration Finance
GDPP	General Department of Public Procurement
GDPPP	General Department of Public-Private Partnerships
GDSPNTR	General Department of State Property and Non-Tax Revenue
GDDE	General Department of Digital Economy
EFI	Economics and Finance Institute
PAEs	Public Administrative Establishment
SOEs	State-Owned Enterprise
GDP	Gross Domestic Product
CAP	Consolidated Action Plan
MAP	Ministry Action Plan
GDAP	General Department Action Plan
CPAP	Capital and Provincial Action Plan
ESG	Environmental, Social, and Governance
PIMSRS	The Public Investment Management System Reform Strategy

Chapter 1

Introduction

Chapter 1

Introduction

1.1. Background

Over the past two decades, the Royal Government of Cambodia (RGC), under a precise and long-term vision leadership of **Samdech Akka Moha Sena Padei Techo Hun Sen**, former Prime Minister of the Kingdom of Cambodia, officially launched the **Public Financial Management Reform Program (PFMRP)** on **5 December 2004**. The PFMRP constitutes one of the RGC's priority reform initiatives, and aims, within the Cambodian context, to transform the public financial management system from an “**input-based and centralized budget system towards a result-oriented or performance-oriented and decentralized budget system**”. The reform has been implemented through a step-by-step approach across four phases: (1) **Budget Credibility** (2005-2008), (2) **Financial Accountability** (2009-2015), (3) **Budget–Policy Linkage** (2016-2022), and (4) **Performance Accountability** (2023-2027). Throughout the implementation of the PFMRP, Cambodia sustained an average annual economic growth rate of approximately 7% prior to the Covid-19 pandemic. This progress enabled Cambodia's transition from low-income to lower-middle-income country status by 2015 and supported ongoing preparations for graduation from least developed country (LDC) status, while continuing to pursue the long-term vision of achieving high-income country status by 2050.

Meanwhile, the PFMRP has generated substantial and progressive achievements across successive reform phases, contributing significantly to the strength, modernization, and resilience of Cambodia's public financial management system. In particular, **Phase I – Budget Credibility** successfully addressed Cambodia's chronic cash shortage and consolidated all government accounts into a Treasury Single Account (TSA), alongside the modernization of the Law on the Public Financial System in 2008. **Phase II – Financial Accountability** achieved key milestones, including the transition of civil servant salary payments to the banking system, the expansion of internal audit units, the development and implementation of the Financial Management Information System (FMIS), and the piloting Program Budgeting in selected ministries and institutions. Subsequently, **Phase III – Budget–Policy Linkage** was successfully implemented and achieved commendable outcomes through the active efforts of the General Departments/Entities under Ministry of Economy and Finance (MEF), in collaboration with line ministries and institutions. Key progress during this phase included: the strengthening of financial accountability, the expansion and institutionalization of program budgeting, as well as improving the public accounting systems and the financial audit and inspection system,

particularly through the gradual rollout of the FMIS. Notable achievements introduced during this phase included: “**Budget System Reform Strategy (BSRS) 2018-2025**” and the “**Public Investment Management System Reform Strategy (PIMSRS) 2019–2025**”, along with other complementary reform strategies, which laid a critical foundation for establishment of a “**Performance-Informed Budgeting System**”. During the implementation of **the PIMSRS 2019–2025** and Phase III of the PFMRP, both the global community and Cambodia have confronted with unprecedented challenges. These included, the COVID-19 pandemic, the Russia-Ukraine conflict, rapid and synchronized shifts in global monetary and fiscal policies, global economic uncertainty, emerging threats to national sovereignty and territorial integrity, natural disasters, and the need to address the growing demands from citizens across all segment of society. As a result, the implementation period of the **PFMRP Phase III** was extended to approximately seven years, exceeding the initial planned timeframe by two years, and led to the preparation of “**The Updated Detailed Action Plan 2022–2025 for the Implementation of the PIMSRS 2019–2025**”. The Updated Detailed Action Plan 2022–2025 was actively involved by key relevant General Departments/Entities under the MEF and selected line ministries and institutions, to support the implementation of the **PIMSRS 2019–2025**. It also guides the preparation of the Detailed Action Plans of General Departments/Entities under MEF (**GDAP 4**) and the Detailed Action Plans of line ministries and institutions (**MAP 4**) related to public investment management (**PIM**). Most of key priority actions focus on the preparation of key regulatory frameworks, including the Sub-Decree on PIM and the Sub-Decree on the Three-Year Rolling Public Investment Program (**3-Year Rolling PIP**), together with related guidelines, which are under the respective mandates of the MEF and the Ministry of Planning (**MOP**).

At the current phase, the implementation of the PFMRP is in the **Phase IV – Performance Accountability**, the final phase of the reform program, and has generated substantive outcomes. These include the Law on the Public Financial System (2023), the Law on Public Procurement (2023), the Law on Public–Private Partnerships (2021), the Policy Framework on the Development of Government Securities 2023–2028, the Revenue Mobilization Strategy of the Seventh Legislature of the National Assembly, the Public Debt Management Strategy 2024–2028, the BSRS Update 2025–2028, the Public Procurement System Reform Strategy (**PPSRS**) Update 2025–2028, the Master Plan on Non-Tax Revenue Management Reform 2025–2035, the Roadmap on Expenditure Arrears Management 2025–2028, the Strategic Action Plan for Capacity Building under PFMRP Phase IV, the Framework and Measures for Government Internal Audit and Inspection (2025), and the Consolidated Action Plan for the PFMRP Phase IV (**CAP 4**), update 2025-2027, together with other key reform initiatives.

The RGC of the Seventh Legislature of the National Assembly has launched the **Pentagonal Strategy – Phase I**, to promote **Growth, Employment, Equity, Efficiency, and Sustainability**, while sustaining development adopts five key priorities: **People, Roads, Water, Electricity, and Technology**, with a particular emphasis on **digital technology**. This strategy is designed to respond to the 4th Industrial Revolution and the digital transformation of Cambodia’s economy and society, while enhancing economic productivity as a critical foundation for achieving the **Cambodia Vision 2050**. In alignment with, and in support of, the RGC’s vision, the MEF, within the framework of the PFMRP, is responsible for reviewing and “**PIMSRS Update 2025–2028**”, to ensure consistency with **PFMRP Phase IV** and the **Pentagonal Strategy – Phase I**, with the objective of enhancing the coherence and comprehensiveness of reform implementation. The launch and strengthened implementation of “**PIMSRS Update 2025–2028**” aims to enhance and strengthen PIM to better meet the national development priorities and to improve efficiency, effectiveness, accountability, and sustainability in the allocation and utilization of public resources, grounded in principles of equity and transparency. In particular, during this updating phase, Line ministries and institutions are expected to develop the detailed guidelines or standard operating procedures (**SOPs**) by sector to strengthen the efficiency and accountability in the execution of their PIM responsibilities.

1.2. Progress in the Implementation of the Public Investment Management Reform Strategy 2019–2025

Over more than six years of implementation of the **PIMSRS 2019–2025**, significant momentum progress have been observed in the reform of PIM system. During the initial phase, the MEF has played an important role in the preparing and issuing of key legal documents including laws, sub-decrees, prakas, and guidelines, alongside relevant strategic frameworks. These efforts have also encompassed institutional development, including defining institutional roles and responsibilities, establishing governance mechanisms and SOPs, and strengthening human resources capacity in PIM, and the developing public investment project management systems across multiple financing sources.

Alongside the above key reform achievements, relevant ministries and institutions have also accomplished a series of foundational outcomes. These include the promulgation of the Environment and Natural Resources Code, the Law on Clean Water Management, the Law on Waterway Transport, the Law on Wastewater Systems, the Sub-Decree on the 3-Year Rolling PIP, the National Energy Efficiency Policy, the Circular Strategy on Environmental, and the Comprehensive Master Plan on Cambodia Intermodal Transport and Logistics System, together with other related policy documents and legal regulatory under the respective mandates of specialized line ministries and institutions.

1.3. Reasons for Updating the Public Investment Management Reform Strategy

The implementation of the **PIMSRS 2019–2025** was originally scheduled to be completed by the end of 2025. However, during the course of implementation, several major challenges have been encountered, notably constraints related to human resources, institutional capacity, and delays in the executing key activities under the strategy’s action plan. These constraints are the primary factors that hindering the achievement of the 2025 Vision of “**establishing an integrated national PIM system**”.

In response to these challenges, and emerging implementation needs, the Public Financial Management Reform Steering Committee of the MEF has recommended a review and update of the PIMSRS and its Detailed Action Plan, in order to continue advancing PIM reforms. This update is intended to ensure alignment with the objectives of the **PFMRP Phase IV – Performance Accountability**, which has been extended to 2027, as well consistency with the **BSRS Updated 2025–2028** and the **Pentagonal Strategy – Phase I**, particularly in contribute of achieving **Cambodia Vision 2050**. This process requires active participations from key ministries and institutions, alongside other relevant stakeholders, to ensure a comprehensive, coherent implementation across both the national and sub-national levels.

In this second phase of reform implementation, the MEF, together with relevant line ministries and institutions, are required to sustain and accelerate the implementation of key priority activities in a more in-depth, coherent, comprehensive, and effective manner. In this regard, line ministries and institutions are expected to play proactive and strategic roles in arranging internal coordination, establishing operational performance mechanisms, and facilitating vertical coordination between national and sub-national levels-including relevant technical departments. Furthermore, line ministries and institutions are tasked with developing detailed guidelines or SOPs by sector with their respective mandates to ensure reforms are comprehensive and implementable, and executed with clear responsibility and ownership, while avoiding bottlenecks or delays that could hinder national development or the development of specific sectors, particularly in cases where public investment projects may be stalled at any stage of the project cycle.

In addition, the **PIMSRS Update 2025–2028** has played a crucial role in advancing and strengthening regulatory frameworks, technical guidelines, and detailed operational procedures by sector to be more comprehensive and adequate. It also continues to further consolidate institutional arrangements, and clearly define the roles and responsibilities of all stakeholders across policy, strategic, and operational levels, at both national and sub-national levels. Moreover, the Strategy integrates considerations of environmental sustainability, climate change resilience, and sustainable development.

Based on the above consideration, and the development context of Cambodia in a new phase, the RGC recognizes the need for “**the PIMSRS Update 2025–2028**” under the framework of “**the PFMRP**”, by introducing strategic measures aimed at achieving following objectives:

1. Support and promote sustainable economic growth, economic diversification, and strengthened competitiveness,
2. Meet the growing demand of public investment capital,
3. Ensure that investment resources are utilized as effectively and respond with the real priority needs, and
4. Respond to the needs of public services while ensure social equity.

In this regard, “**the PIMSRS Update 2025–2028**” has been prepared in accordance with current context of Cambodia and international best practices, The strategy outlines:

1. Strategic measures to establish a comprehensive and effective legal framework, institutional mechanisms and financial support mechanisms, and
2. A detailed, sharp, comprehensive and coherent action plan, clearly defining the lead responsible institutions, and as well as specifying an implementation timeframe.

This Strategy is considered to be “**living document**” that may eventually be reviewed to ensure consistency with the revolutionary in context of Cambodia.

1.4. Challenges

During the implementation of the **PIMSRS 2019–2025**, several challenges that have been encountered, and remain to be addressed, including:

- Lack of integration of the PIM database system, both among coordinating ministries (the MEF and the MOP) and relevant line ministries and institutions (Covering all sources of finance);
- Limited internal coordination mechanisms with ministries and institutions,
- Insufficient coordination between the national and sub-national levels,
- The need to review and update legal and regulations, guidelines, SOPs, and institutional mechanisms, including the integration of Climate Change consideration and other emerging required conditions,
- Limited engagement of line ministries and institutions in the preparation of detailed action plans to support effective public investment management; and
- Lack of capacity development and awareness among relevant stakeholders involved in public investment management reform.

Chapter 2

Vision

Chapter 2

Vision

By the end of 2028, RGC shall establish an integrated national PIM system, with responsiveness, efficiency, effectiveness, transparency, accountability and sustainability of allocation and utilization of public resources in accordance with international best practices and current Cambodia context, aiming to accelerate economic diversification and strengthening competitive capacity which is the foundation for ensuring high economic growth in a sustainable and inclusive manner towards successfully reaching the Cambodian 2050 vision.

Chapter 3

Purpose and Goal

Chapter 3

Purpose and Goal

This updated strategy aims to define a common conceptual framework for setting up a public investment system including green investment and climate change from all sources of funding (national budget, external financing, financed through public-private partnership mechanism, blended financing, financed through privatization of state assets, financed through commercial loans, and other lawful sources of financing), and at all administrative levels (national and sub-national administrations, public administration establishments, state-owned enterprises, and equivalent public entities) to be effective, efficient, transparent, accountable and sustainable, in order to contribute to economic development and social equity.

To achieve the objectives and vision mentioned above, the strategy aims to:

- 1) Continue to review and update the legal frameworks for ensure consistency with the principles of public investment project management, including the integration of green investment and climate change consideration at all stages of the project cycle, across all sources of financing (national budget, external financing, financed through public-private partnership mechanism, blended financing, financed through privatization of state assets, financed through commercial loans, and other lawful sources of financing) and at all administrative levels (national and sub-national administrations, public administration establishments, state-owned enterprises, and equivalent public entities);
- 2) Continue to strengthen prioritization of the three-year rolling public investment plan, public investment budget formulation, and integration of public investment budgets from government with external financing, as well as the integration of current and capital budget based on Cambodia context;
- 3) Continue to strengthen the integration of Sub-National Administrations' (SNAs) three-year rolling investment program to enhance the effectiveness complementarity of interrelations among SNA, while ensuring alignment with action plans of the Municipal/Provincial Departments to achieve common goals. This integration involves the preparation of comprehensive and consolidated action plans to provide clear guidance, allocate functions, and define responsibilities;
- 4) Continue to improve the quality and efficiency of implementation, and the linkage of public investment planning with public investment formulation;
- 5) Continue to strengthen the institutional mechanism for PIM, especially the internal

coordination mechanisms of line ministries and institutions, as well as the public investment coordination mechanisms between the national and sub-national levels. This applies to all stage of the project cycle, including project prioritization and planning, project feasibility study, project proposal preparation, project appraisal, project selection and budgeting, project monitoring and evaluation, and project completion evaluation while also integrating green investment and climate change considerations; and

- 6) Update the guidelines on principles and SOPs for managing public investment projects by financing source across all stages of the project cycle, including considerations for green investment and climate change.

Chapter 4

Public Investment Management Framework

Chapter 4

Public Investment Management Framework

Public investment refers to the expenditure on public infrastructures and public services for each project, in both the economic and social sectors. Public infrastructures are divided into two categories: economic infrastructures, such as roads, irrigation, bridges, airport, ports etc., and social infrastructures such as schools, hospitals, and health centers etc. Public investment can be financed by 1) projects financed from the National Budget, 2) projects externally financed, 3) projects financed through public-private partnership (PPP) mechanism, 4) projects financed through blended financing, 5) projects financed through privatization of state assets, 6) projects of state-owned enterprises (SOEs), public administration establishments (PAEs) and other equivalent public entities, 7) projects financed through commercial loans, and 8) projects financed from other lawful sources of financing. Public investment that requires construction, modernization, or rehabilitation of public infrastructure is financed by the capital budget during the construction stage and by current budget during the operation and maintenance stage. Such investment shall be implemented with due consideration for environmental aspects, including green mechanism and climate change, environmental, social, and governance (ESG).

PIM system refers to the interrelated and complimentary system managing expenditure on public infrastructures between:

- 1) **“Development and Management of Public Investment Plan”** aiming to respond to priority needs for medium-term national development,
- 2) **“Budget Management”** aiming to ensure that the investment budget allocation is made in response to and in accordance with medium-term budget framework (MTBF) and is considered with current budget preparation for expense of public infrastructure operation and maintenance, and
- 3) **“Development and Management of Public Investment Project for All Stages of Project Cycle”** aiming to ensure the efficiency, effectiveness and sustainability of public infrastructures.

4.1. International Experiences

Based on global implementation, public investment project cycle is divided into 8 phases, which are: 1) Project Identification and Preparation of Initial Project Proposal, 2) Feasibility Study, Appraisal and Preparation of Formal Project Proposal, 3) Assessment and Evaluation of Project Proposal by Independent Institution, 4) Selection of Project Proposal and Budgeting, 5)

Project Management and Implementation, 6) Project Adjustment, 7) Use of Infrastructure Built Under the Project, and 8) Assessment of Completion of Project Implementation. Meanwhile, the PIM system should have six key fundamental components: policy framework, legal framework, institutional mechanism, principles and SOPs, financial support mechanism, and human capital and institutional capacity.

Learning and gaining practical experiences and global context analysis shall provide a basis for considering and developing an integrated PIM system for Cambodia. In this regard, international experience's part shall focus mainly on: 1) PIM framework, 2) stages of public investment project cycle, and 3) global trends.

4.1.1. PIM Framework

Conceptually, the major international financial institutions and countries in the world have practiced and realized that in order to build a comprehensive, efficient and fully integrated PIM system, a country needs to have certain components in place as follows:

- Policy and Legal Framework

The policy framework is a national policy paper devising the government's vision and medium and/or long-term strategic plans, which identify policy objectives, key priority sectors and total public investment needs. The basic policy framework is the basis for setting up the public finance framework, the budget framework, and the country's medium-term public investment plan/program. The policy framework was developed to guide the sectoral strategies and activities of the government line ministries in order to enhance the efficiency of the interrelation and complementary of public investment by sector, aiming to achieve the overall goal of the government as well as to provide an estimate of the funding needs and resource availability of public investment. It is every importance for the involvement of all stakeholders in the preparation and management of public investment projects from all sources of financing.

The legal framework has been mandated to provide fundamental rules for the management and implementation of public investment projects, identifying institutional mechanisms, SOPs and detailed guidelines for ensuring efficiency, effectiveness, transparency, accountability and sustainability of resources allocation and utilization on the management of public investment projects. Some countries have adopted the law on public investment, but some countries have adopted the legal documents which are below the law in hierarchy, in order to maintain its flexibility and suitability in accordance with actual context in implementing public investment projects in their respective countries.

- Institution Mechanisms

The roles and responsibilities of the relevant line ministries concerning the project cycle,

starting from the stage of project identification until the project completion evaluation stage, have to be clearly defined and clearly divided among seven major functions, including:

- 1) **The function of identifying, preparing and managing the project implementation:**
Generally, is the duty of the line ministries in the sector in identifying the projects to be invested and outlining projects in response to policy framework, the overall objectives of the national development plans and the sector development strategies. Project identification and preparation must be conducted based on “**Guideline on Project Identification and Preparation**” which is mandated by the government.
- 2) **The function of preparing the list of priority projects:** is generally the duty of the line ministries that are in charge of the economic and/or investment planning, leading the coordination with relevant line ministries to incorporate potential public investment projects into the list of priority government projects.
- 3) **The function of examining and approving the list of priority projects:** is the duty of the Head of Government, which generally use the meeting mechanism of Council of Ministers.
- 4) **The function of evaluating and appraising the project proposals:** is generally the duty of the Ministry of Finance in reviewing the project proposals to ensure compliance of project proposals with “**Guideline on Project Identification and Preparation**”, the review of project price and risk, mechanism on project management and implementation as well as to determine the necessary measures to rectify project adjustment and risk management.
- 5) **Project selection and budgeting function:** generally, is the duty of the Ministry of Finance in selecting projects from a list of priority projects for budget formulation in order to ensure the responsiveness to priority needs, economic efficiency, social equity, availability of funds, project readiness and project deliverables.
- 6) **Project implementation monitoring and evaluating function:** in general, is the duty of the Ministry of Finance to monitor and supervise the implementation and control of projects, and evaluate the compliance with the rules, principles, and standard operating procedures in order to ensure efficiency, effectiveness, transparency, accountability and sustainability of the utilization of public resources.
- 7) **Project completion evaluation function:** in general, is the duty of the line ministry managing the project, or the third party, an independent organization, to draw lessons learnt and experiences, as well as to provide key recommendations to improve the design and implementation of new public investment projects in future.

- Financial Support Mechanism

Financial Support Mechanism for public investment aims to provide fund to line ministries to study and develop projects, possibly from feasibility stage until contract award, but the preparation of the mechanism depends on the institutional capacity, the availability of budget, and the actual situation in each country. Some countries, especially those with advanced economies, have been able to allocate funds to the line ministries or create another responsible entity to study the feasibility of public investment projects, especially for large and complex projects. On the other hand, some developing countries have not yet been able to adequately finance line ministries to study and develop projects.

4.1.2 Phases of Public Investment Project Cycle

Some countries have divided the phases of the project cycle into six or eight stages, depending on the circumstances of the PIM procedures in their countries. However, the international financial institutions have found that the countries with a robust or rapid PIM system have divided project cycle into 8 phases below:

Phase 1: Project Identification and Preparation of Initial Project Proposal: Line ministries must identify the projects, prepare initial project proposals or prepare project concept by considering the alignment to national policy priorities, sector policies, medium-term fiscal framework (MTFF), and MTBF Project identification and preparation must be based on the “Guideline on Project Identification and Preparation”, adopted by the government. The main purpose of this strategic guideline is to combine and align each specific project proposal to the common purposes and objectives of the National Development Plan and Sector Policies or Strategies by clearly defining the purpose of purposes, objectives, outputs and outcomes along with time frame of the clear milestones.

After this, the MOP or the line ministry responsible for the preparation of economic and/or investment planning shall coordinate to prioritize investment project proposals provided by the relevant line ministries, to incorporate selected ones into the public investment plan or program.

Phase 2: Feasibility Study, Appraisal and Preparation of Formal Project Proposal: Line ministries must do the feasibility study and evaluate the project proposal on relevant aspects, including: technical, prices, risks, economics, finance, laws, social and environmental safeguard, institutional mechanism for project management and implementation, according to the existing detailed guidelines and standard operating procedures, as well as prepare official project proposals for approval from authorized institution.

Phase 3: Assessment and Evaluation of Project Proposal by Independent Institution: It is the stage to review the evaluation of project proposals by other authority separated from

the line ministries which are the project owners. In general, the role of the review on the evaluation of the project proposals is the duty of the Ministry of Finance or in other countries, the government creates an independent body to review and provide feedback on project proposals.

Phase 4: Selection of Project Proposal and Budgeting: The Ministry of Finance must select projects from a list of prioritized projects that pass-through phase 3, for identifying sources of funding and budgeting, in order to ensure economic efficiency, social equity, and the availability of funds in the investment and operation phases. Only eligible projects compliant with the existing applicable criteria and rules, are selected from the list of prioritized projects for budgeting. Some countries have adopted the principles of medium-term public investment budget preparation to ensure the expenses and resources allocated to the construction of multi-year infrastructure. In addition, some countries are fully cognizant of the maintenance phase of the infrastructure, too.

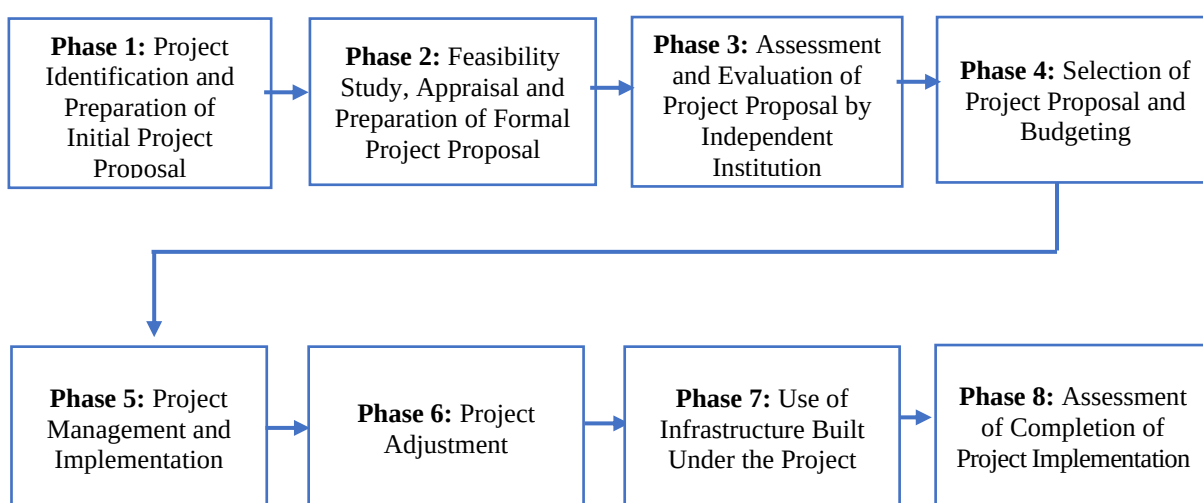
Phase 5: Project Management and Implementation: The line ministries, the project owners, in collaboration with the Ministry of Finance and other relevant line ministries, begin to carry out procurement, including procurement planning, procurement implementation and contract management. In the case of medium, large, and complex investment projects, there is a need for project preparation within multi-year budget framework, organizational chart, and clear implemented time frame to ensure effective project implementation and mitigate or reduce the risks involved potential risks, especially during the procurement phase.

Phase 6: Project Adjustment: The line ministries and the Ministry of Finance or other relevant line ministries are responsible for monitoring the project implementation by verifying the progress of the project implementation to the approved project implementation plan, and if necessary, there can lead to project modifications, such as delays or overhead expenses, etc. In the case of estimated revising costs higher than the ceiling, the Ministry of Finance or the responsible line ministries have the right to request the line ministries to reassess the project in order to adjust the component / activities, the scope of the project, or to stop financing the project. If necessary, it is possible to design new additional project to complete the project as indicated its objectives.

Phase 7: Use of Infrastructure Built Under the Project: The line ministries have the obligation to supervise and evaluate the construction completion of the infrastructures in order to carry out the handover and registration of state property in accordance with the existing procedure in place. In this regard, it is necessary for line ministries to establish jurisdiction in managing the infrastructure and plan their budget to ensure the operation and maintenance of the infrastructure in the stage of using infrastructure to provide public services.

Phase 8: Assessment of Completion of Project Implementation: The line ministries who are the project owners, or responsible third party other than the project must collect the data regarding the project's total expenses, achievements and timeframe compared with the original plan, output/outcome, and targets. In general, the assessment of completion of the project implementation should be done immediately or within two or three years after the project is completed, to prepare the report on achievements, both outputs during the project implementation and outcomes as well as its challenges to become lesson-learnt for preparing and implementing subsequent public investment projects.

Stage of Public Investment Project Cycle



Source: International financial institutions

According to the assessment of the major international financial institutions on the countries' capacity level of the PIM, there are generally two major groups of countries:

- 1) **Countries with sound or advanced PIM systems**, overall, are mainly determined by the following factors:
 - Sufficient and comprehensive policy framework documents that form the basis of the formulation of MTFF, MTBF, and medium-term public investment plan/program.
 - Legal framework, SOPs, institutional mechanisms, and human resources capacity to support the preparation and implementation of public investment projects.
 - Financial support mechanism for feasibility study and preparation of public proposals.
 - Preparing multi-year budgeting plan for project implementation.
 - Paying attention to managing total expenses (investment, operations, and maintenance) and defining the roles and duties of each ministry, which are responsible for the implementation of public investment projects.
 - Clear mechanisms and procedures for reassessing and adjusting projects.

- Clear procedures for recording the registration of state property and clear mechanism for managing, using and maintaining the infrastructures.
- Monitoring and evaluation system of the project completion.
- A central entity or secretariat which is responsible for gathering and managing all public investment project data to monitor progress and evaluate the effectiveness of project design and implementation.

2) **Countries without sound PIM system or in a phase of further strengthening and reforming** generally, still have some shortcomings at each stage of the project cycle, including:

- Linkages of the preparation of public investment plan/program with the policy and budget framework.
- Legal framework, SOPs, institutional mechanisms, and human resource capacity to support the preparation and implementation of public investment projects.
- Quality of project identification, project design, and evaluation of project proposals.
- Effectiveness and compliance of procurement practices and quality of infrastructures.
- Efficiency and sustainability of management, utilization and maintenance of infrastructures.
- Inter-agency coordination with key stakeholders.

4.1.3. Global Trend

Currently, the experience of global practices shows that even if there is a group of countries with sound or advanced PIM systems, they still have not fully complied with the existing procedures in place. Thus, they still continuously improve, or revise relevant components in relation to their PIM system to be more effective in accordance with the respective country context. Meanwhile, countries without sound investment management system in a phase of further strengthening and reforming, need to establish or strengthen their PIM system, to serve three main objectives: 1) response to public infrastructure needs, 2) management of public debt growth pressure, and 3) enhancement of efficiency and sustainability of public investment, contributing to economic diversification and competitive capacity.

In this regard, international financial institutions and development partners (**DPs**) have been leading the initiatives to help countries create or further strengthen integrated framework for PIM, which can provide cycle aiming to ensure the responsiveness, efficiency, effectiveness, transparency, accountability and sustainability of the allocation and utilization of public resources with social equity.

In short, the establishment or strengthening of an integrated framework for PIM requires that the countries without robust PIM system begin to improve and strengthen its policy framework,

regulatory framework, SOPs, institutional mechanism, human capital capacity, and financial support mechanisms to be more effective in order to reach the level of development like the countries with robust or advanced investment management system.

4.2. Cambodia's Context

Over the past three decades, the RGC has emphasized PIM, by introducing and implementing of the Triangular Strategy, the Rectangular Strategy across four phases, the Pentagonal Strategy – Phase I, together with relevant legal frameworks, policies, strategies, and related legal documents. In particular, the National Strategic Development Plan (**NSDP**) serves as a cross-sectoral framework, provides strategic guidance on public investment expenditure priorities aimed at promoting and sustaining national economic growth as well as social development. Within this policy framework, public investment expenditure has been predominantly prioritized toward the rehabilitation, construction, and upgrading of physical infrastructure that supports economic and social sectors. Key priority areas include: 1) the rehabilitation, construction, and improvement of logistics systems and transport infrastructure (roads, railways, waterways, and airways), 2) water resources management and irrigation systems, 3) energy sector development, 4) clean water supply development, 5) the development and upgrading of wastewater systems, 6) the development of information and communication technology (**ICT**) and digital infrastructure, and 7) preparation for the digital economy and for responding to the Fourth Industrial Revolution. The above priority areas will be further elaborated in Sections 4.2.1 and 4.2.2 below.

4.2.1. Policy Framework

The RGC has adopted the **Pentagonal Strategy – Phase I**, together with necessary related policies and strategies, which provide the foundation for the development of the **PIM system in Cambodia**, while integrating considerations related to **green investment and climate change**, as outlined below:

- **The Pentagonal Strategy – Phase I**, approved in August 2023, set out **the First Strategic Objective 1**, which to ensure crisis-resilient economic growth at an average annual rate of around 7% by accelerating the diversification of economic to create new growth pillars; enhancing competitiveness; and maintaining macroeconomic stability through controlling inflation rate at low level, ensuring exchange rate stability, striving to regularly increase reserves, and strengthening PFM, including improvements in state asset management efficiency and sustainable public debt management. **The fifth Strategic Objective** is to ensure the sustainability of socio-economic development and build resilience to climate change through optimizing demographic dividends and strengthening demographic resilience; promoting gender equality; sustainably managing natural resources; increasing

sustainable and green financing in the total loans portfolios to expand financial flows toward green investment and green economy; promoting climate-resilient and low-carbon public investments; and ensuring environmental sustainability and readiness to responding to climate change.

- **The NSDP of the RGC – Seventh Legislature of the National Assembly**, approved on 12 June 2025, serves as a roadmap for the implementation of the RGC’s policy agenda, as well as for the execution of the Pentagonal Strategy – Phase I. The NSDP identifies the strategic needs for public investment expenditure, aim at promoting and sustaining national economic growth and overall social development. Concurrently, the RGC has implemented the Three-Year Rolling Public Investment Program (**3-Year Rolling PIP**), which presents data on high-priority investment projects proposed by line ministries, aligned with the Pentagonal Strategy – Phase I, and serves as a key instrument for implementing the NSDP.

In addition to the policy frameworks outlined above, there are also sectoral policy frameworks have also been developed and implemented by ministries and institutions.

4.2.2. Legal Framework

Through sustained efforts over time, the RGC has established key legal frameworks that provide the foundation for sustainable public investment management, while supporting and contributing to the development of Cambodia’s PIM system to ensure high responsiveness, efficiency, effectiveness, and optimization of economic returns. The key frameworks include the following:

- **The Law on the Public Financial System**, promulgated on March 10, 2023, replacing the 2008 Law on the Public Financial System. This law serves as the core legal framework governing public financial management and applies to line ministries and institutions, equivalent public entities, sub-national administrations, SOEs, PAEs, and other legal entities benefiting from public finances. The law also governs interactions between national public finance, international public finance, domestic private finance, and international private finance. In additional, it defines state budget expenditures, which comprise current and capital expenditures, classified into six categories: (1) personnel expenditures; (2) operating expenditures; (3) financial charges; (4) investment expenditures; (5) transfers; and (6) other expenditures. Investment expenditure include both current and capital expenditures related to the acquisition of long-term tangible and intangible assets, as well as long-term financial assets. Investment credits are defined for investment projects or programs initiated during the fiscal year, with total expenditure requirements calculated in

consistency with medium-term investment project plans. In addition, ongoing investment projects or programs implemented by ministries and institutions, equivalent public entities, and capital/provincial administrations that remain unfinished during fiscal year, unused capital expenditure balances may be carried forward to subsequent years for completion of necessary investment projects or programs. Current and investment expenditure plans are prepared by both national and sub-national administrations for the implementation of the entire programs and activities. Investment expenditure plans are developed based on individual investment projects or programs that have received prior approval in accordance with PIM regulations and are designed to achieve the objectives of the RGC's policy agenda. All investment projects and programs serve as the basis for estimating total investment costs and for determining duration of commitment and payment credit for each implementation stage within the fiscal year.

In addition to the Law on the Public Financial System, other key related laws include:

- **Law on the Management, Use, and Disposal of State Property**, promulgated on 14 November 2020;
- **Law on Government Securities**, promulgated on 26 December 2020, replacing the 2007 Law on Government Securities;
- **Law on Public-Private Partnerships**, promulgated on 18 November 2021, replacing the 2007 Law on Concessions;
- **Law on Public Procurement**, promulgated on 16 May 2023, replacing the 2012 Law on Public Procurement.

In parallel, key sub-decrees and regulatory instruments related to PIM include:

- **Sub-Decree on PIM**, approved on 25 March 2020, aims to ensure efficiency, effectiveness, transparency, accountability, and sustainability of public investment project management across all phases of project cycle, from all sources of financing and at levels of administration, thereby contributing to the economic development and social equality in the Kingdom of Cambodia. This sub-decree serves as an overarching legal framework, establishing fundamental and systemic principles for the management of public investments across all financing sources and at all levels of administration as follows: principles and requirements for the management of public investment projects, general phases of the public investment project cycle, roles and responsibilities of the ministries/institutions, public entities, and SNAs across all phases of the project cycle, linkage between the public investment plan and public investment budgeting, SOPs for preparing and managing public investment projects at all phases of the project cycle, and reporting obligations.

- **Sub-Decree on the Management of the 3-Year Rolling PIP**, approved on July 8, 2024, covering PIPs financed through: (1) national budget financing; (2) external financing; (3) public investment projects financed through PPP mechanism; (4) public investment projects financed through blended financing; (5) public investment projects financed through privatization of state assets; (6) public investment projects of SOEs, PAEs and other equivalent public entities; (7) public investment projects financed through commercial loans; and (8) other legitimated financing sources.
- **Sub-Decree on the Promulgating the SOPs for Implementing All Externally Financed Projects/Programs**, approved on December 2, 2019.
- **Sub-Decree on the amendment article 1 of Sub-decree No 181 ANK.BK date December 2, 2019, on the Promulgating the SOPs for Implementing All Externally Financed Projects/Programs**, approved on September 15, 2022.
- **Sub-Decree on the Promulgating the SOPs for the PPP Projects**, approved August 31, 2022.
- **Sub-Decree on the Management of the Viability Gap Financial Fund (VGF) for PPP Projects**, approved on October 18, 2024.
- **Sub-Decree on the Promulgating for the SOPs for Land Acquisition and Involuntary Resettlement for Externally Financed Projected in Cambodia**, approved on February 22, 2018.
- **Prakas on the Promulgating for the SOPs for Domestically Financed Project (Direct Investment Projects)**, approved on November 24, 2022.
- **Prakas on Managing and execution budget for feasibility study of Direct Investment Projects by the National Budget**, approved on August 18, 2023.
- **Prakas on the Promulgating the Guidelines to Support the Implementation of the Sub-decree No.174 ANKr.BK date August 31, 2022 on the Promulgating the SOPs for the PPP Projects**, approved on October 31, 2022.
- **Prakas on the Promulgating for the SOPs for Preparation and Management of Project Investment Projects of SNAs**, approved on January 9, 2023.
- **Prakas on the Principles for the Use of Budgetary Support for Project Preparation and Engineering Design Studies, and for Advance Expenditure, under the Framework of Projects Financed by DPs or Funds Raised from Government Bond Issuance**, approved on June 3, 2024.
- **Prakas on the Implementation of the Digital Ecosystem Architecture Framework for Public Investment Project Management**, approved on December 11, 2025.

In addition to the legal frameworks above, there are also sectoral legal frameworks that have been developed and implemented by line ministries and institutions. Concurrently, key

legal guidelines and instruments need to be review and updated to ensure alignment with international best practices and Cambodia’s economic and social context, thereby enhancing the effectiveness and efficiency of the implementation of the PIMSRS Update.

4.2.3. Institutional Mechanisms

4.2.3.1. Roles and Duties of Ministries and Institutions

A. Roles and Responsibilities of the MOP

The MOP shall assume roles and responsibilities as following:

- Lead, coordinate, and develop the 3-Year Rolling PIP, with the involvement of all ministries and institutions;
- Develop guidelines on the preparation of the 3-Year Rolling PIP, including criteria in project prioritization, scoring methodologies, weighting coefficients for each criterion, the calculation of overall average project scores, and ranking priority based on total average scores of each project;
- Notify ministries and institutions to prepare sectoral PIP in line with defined deadline;
- Consolidate the 3-Year Rolling PIP prepared by Line ministries into a draft document, including a summary list of ongoing projects, candidate projects with committed financing sources, and candidate projects seeking financing sources;
- Lead and organize inter-ministerial working group meetings to jointly review the draft 3-Year Rolling PIP, and subsequently submit it to the MEF for review and verification of the project list, prior to its submission to the Council of Ministers (**COM**) for final review and approval;
- Conduct performance evaluations on the 3-Year Rolling PIP, in term of its contributions to economic and socio-economic development, as well as improvements of citizens’ living standards.

B. Roles and Responsibilities of Line Ministries and Institutions

Line ministries, equivalent public entities or SNAs acting as project owners shall have the following roles and responsibilities:

- Identify and develop Project Concept Notes;
- Conduct project prioritization;
- Undertake public investment planning
- Prepare project proposal documents, including feasibility study reports and project appraisal/evaluation reports
- Manage project implementation
- Prepare project implementation progress reports, post-completion evaluation reports,

and other related reports, and

- Perform other related roles and duties as necessary.

C. Roles and Responsibilities of the Ministry of Economy and Finance

The MEF has the following roles and responsibilities:

- Use the 3-Year Rolling PIP, as approved by the COM, as key input for the preparation of the MTFF, the MTBF, and the Annual Financial Law;
- Use the projects in the 3-Year Rolling PIP, together with other projects approved by the Prime Minister of the RGC, as a basis for project review, appraisal, selection, and budgeting;
- **Review and appraise project proposals:** Review the project's eligibility, costs and risks, socio-economic, and environmental impacts, economic and financial returns, project management and implementation mechanism, and determine necessary measures for project adjustment and risk mitigation;
- **Select projects and budgeting:** Select projects from the prioritized list for budgeting to ensure responsiveness to national priorities, economic efficiency, social equity, budget availability, implementation readiness, and feasibility;
- **Monitor and supervise project implementation:** Monitor and supervise the management and implementation of the project and evaluate compliance with rules, principles, SOPs and contractual conditions;
- And perform other roles and duties as required.

D. Roles and Responsibilities of the COM

The COM has roles and responsibilities to review and approve the draft 3-Year Rolling PIP before approving draft of annual budget law.

E. Roles and Responsibilities of the Council for the Development of Cambodia

The Council for the Development of Cambodia (CDC) has roles and responsibilities to leverage the approved 3-Year Rolling PIP as basis for and mobilizing development assistant to support the implementation of public investment projects seeking financing, and to provide timely information on the outcomes of development assistant mobilization to the MEF and MOP.

4.2.3.2. Public Investment Project Preparation Process

Within the framework of public investment projects, the preliminary study (project identification and project concept notes), the feasibility studies, and the project design are responsibility of the line ministries and institution (as project owners). This preparation will be subjected of review and evaluate by the MOP and the MEF at different stages, prior to submission for RGC to final review and approve, as outlined below:

A. Sectoral Planning Stage

At this stage, the MOP takes leads in the preparation of national development plans and programs for long, medium, and short-term, in coordination with relevant ministries and institutions. This process aims to ensure alignment across economic and social sectors, and to formulate policies, strategies, and prioritize both private and public investment in order to maximize and effectively utilize the potential of domestic and external resources. The outcomes of this preparation are incorporated into the NSDP and the 3-year rolling PIP for submission to the government for final review and approval.

Concurrently, the preparation of the 3-Year Rolling PIP begins in November, with the MOP issuing notifications and providing guidance to line ministries and institutions on preparation of public investment projects with their respective sectors. By January, all ministries and institutions are required to submit their sectoral PIP projects to the MOP. Furthermore, the preparation of sectoral PIP projects by ministries and institutions must be based on the evaluation of the implementation results of the previous 3-year rolling PIP, with the participation of the relevant budget working groups. The submissions shall then be submitted to the MOP with the formal confirmation signature of the Minister or Head of the respective ministries and institutions. In February, the MOP convenes the inter-ministerial working group meeting to jointly review the consociated draft of the 3-year rolling PIP. The draft is subsequently submitted to the MEF for review and verification of the project list, and the revised draft is then submitted to the COM for review and decision. Additionally, in March, the COM reviews and approves the draft of 3-year rolling PIP. In April, upon the COM approval, the MOP proceeds with the official publication and dissemination of the approved 3-year rolling PIP to all relevant stakeholders.

Following the approval of projects lists by the COM, ministries and institutions are required to proceed with the budgeting of approved public investment projects by integrating them in their annual budget plans, in compliance with the circular on the preparation of Budget Strategic Plan (**BSP**) and the Draft Law on Finance for the annual management of the RGC. In General, the MEF prepares a draft circular on the preparation of the BSP and the preparation of the draft law on finance for annual management in early May of each fiscal year. Based on this circular, the MEF has subsequently issues additional circular for sub-national administrations to support the preparation of their respective annual budgets.

B. Strategic Budget Planning Stage

Following the sectoral planning stage, the MEF leads the formulation of the budget framework, based on macroeconomic framework, the MTFF, the MTBF, and the Annual Budget Law adopted by the RGC, to inform ministries and institutions of expenditure possibilities and

priorities, as well as potential revenues for the fiscal year and subsequent two years. On this basis, all line ministries and institutions at both national and sub-national levels are required to medium-term budget strategic plan. These framework and strategic plans are updated annually, presenting a three-year rolling forecast.

For public investment projects financed through concessional loans, DPs in coordination with the MEF and in consultation with relevant line ministries and institutions, prepare medium-term partnership cooperation framework. These frameworks, identify the priority programs/projects and sectors that contribute to the development of the RGC. This partnership cooperation framework is designed based on DP's strategic agendas, while ensuring alignment with the government's priority needs as set out in the three-year rolling PIP in accordance with the Pentagonal Strategy – Phase I, the NSPD, and Sectoral Development Strategic Plan.

In this regard, the CDC also jointly formulated and implemented the strategy on mobilization and management of development cooperation, and mobilized and allocated grants to implement the priority goals set out in the National and Sector Strategic Development Plan and Sector Development Plan, as well as coordinated in setting the priority order of investment programs and projects in receiving grants from DPs for the medium-term and a fiscal year.

C. Budget Preparation and Approval Stage

The process of preparing and approving the annual budget is followed by the fiscal calendar laid down by the Public Financial System Law.

The preparation of the budget package of the line ministries, including provincial departments, is based on the RGC's circular on the preparation of Law on Financial Management for annual management of fiscal year. Meanwhile, the budget preparation of SNAs is based on the MEF's circular. The line ministries and institutions, including all municipal/provincial departments and the PAEs at national and sub-national level, have more than six weeks to prepare their budget. After receiving the endorsement from the head of the RGC, the draft Annual Financial Management Act is submitted to the legislature for review and approval.

For the preparation of budget for public investment projects financed by DPs, the legal representatives of RGC, led by the MEF, organizes negotiation meeting with DPs to conclude cooperation financing agreements for approval from the Board of Director of DPs. These projects are subsequently implemented in accordance with the consolidated and updated procedures governing the implementation of externally financing projects at the project implementation phase.

D. Budget Execution and Monitoring Stage

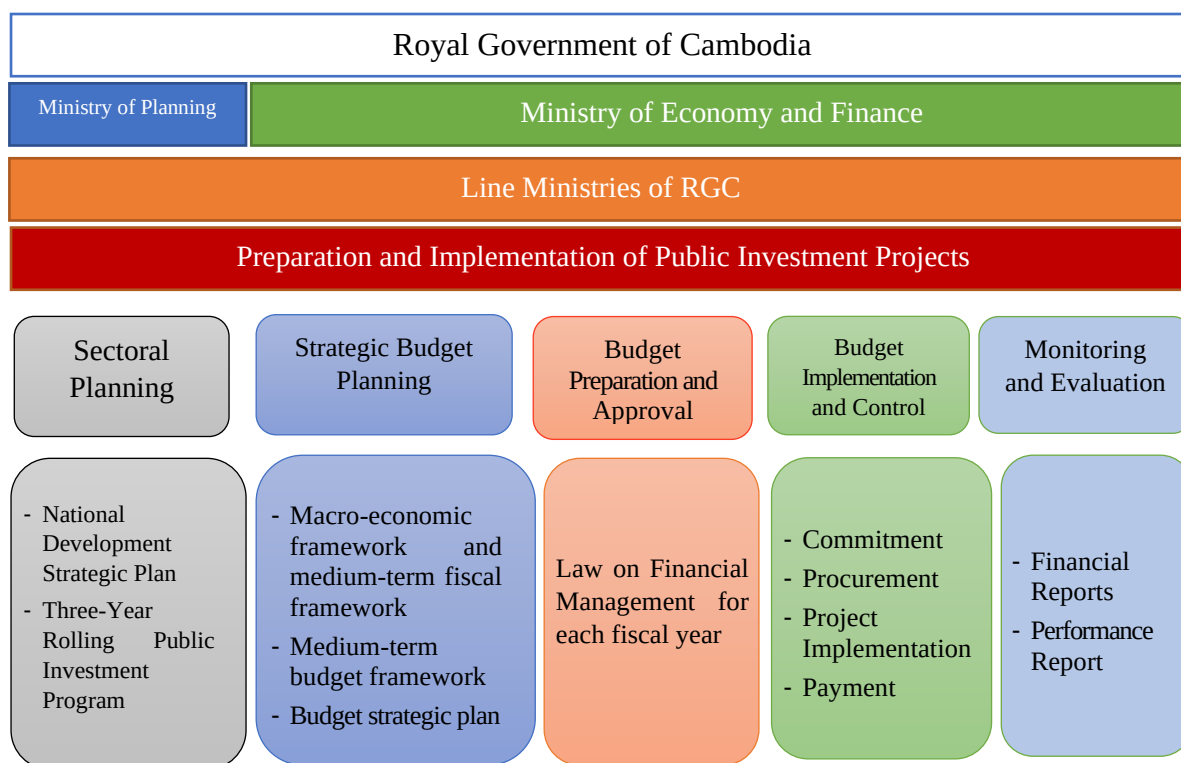
Following the approval of the Law on Financial Management for each fiscal year, called the Annual Budget Law, the line ministries and institutions, main authorizers, are required to

request from the MEF for expenditure commitment. In the expenditure commitment stage, all subsequent processes, including procurement, mandate, and payment execution must be carried out in compliance with the applicable legal documents and mechanisms.

E. Budget Execution Monitoring and Evaluation Stage

During the budget execution, ministries and institutions are required to prepare financial reports in accordance with the general accounting principles of the state, as well as performance reports according to the semi-annual and annual programs, based on the reporting format formulated by the MEF. Concurrently, all ministries and institutions shall establish their own performance evaluation working group to review and evaluate the results and effectiveness of the implementation of PIP within their respective sectors. Furthermore, all ministries and institutions, as project owners, are obligated to submit performance reports in accordance with the reporting systems for the implementation of the three-year rolling PIP to the MOP, the MEF, and the CDC. They shall also cooperate and facilitate coordination with these three ministries and institutions in conducting performance assessments of the project implementation at the sectoral level. Where necessary, the MOP, the MEF, and the relevant ministries and institutions shall cooperate in consultation to propose adjustments to the three-year rolling PIP, ensuring alignment with national development priorities and strategic objectives.

Brief Table of Institutional Mechanisms



4.2.4. Financial Support Mechanisms

The MEF, in the Public Financial Management Reform Program framework, is responsible for develop the Overall Guideline on Project Development Facility (Overall PDF Guidelines), which clearly define the common financial support mechanisms and financing sources. Generally, these mechanisms are implemented through each of following financing windows:

a. Financial Support Mechanisms for Public Investment Projects Financed by the National Budget

+ National Level

Currently, public investment projects financed by the national budget has gradually increased in scale and now account for approximately one-third of total public investment, while the proportion of projects supported external financing has decreased to about two-thirds. In response to this evolving financing support the MEF, with the General Department of Budget (GDB) serving as operational arm, has define rules and procedures for the management and implementation of feasibility study budgets for direct investment projects to ensure the effectiveness, efficiency, and transparency of public investment projects financed by the national budget. Furthermore, feasibility study budgets for direct investment projects are managed by GDB of the MEF. Project feasibility study refers to the assessment of relevant aspects, including: technical, cost, risk, economic, financial, legal, environmental and social impacts, conducted in accordance with the actual needs of each project, in compliance with the Prakas of the MEF the operating procedures for the management, preparation, and implementation of direct investment projects financed by the national budget. Meanwhile, ministries, institutions, and public entities, as project owners are allowed to plan budgets for the feasibility studies of direct investment projects, subject to review and approval based on annual budget availability. The formulation and planning of the project feasibility study budgets shall comply with the budget classification ranking under MEF management and meet the requirements as defined in the operational procedures for the management, preparation, and implementation of public investment projects financed by the national budget (direct investment projects). The direct execution of feasibility study budgets direct investment projects consists of four stages, including: expenditure commitment, procurement implementation, feasibility study implementation, and payment.

Furthermore, the financial support mechanism for public investment projects financed by the national budget will be adjusted as necessary to incorporate, consideration of green investment, climate change, and other necessary priorities to ensure the responsiveness, efficiency, and sustainability of public investment project implementation.

+ Sub-National Level

Public investment projects financed by the SNAs budget are implemented in accordance with the scale and type of each project, and based on the budget capacity of each SNA. Currently, public investment projects are classified into two categories: basic infrastructure projects and service delivery projects, but there is no financial support mechanism for feasibility study and project planning yet. Therefore, it is necessary to consider and establish a financial support mechanism for feasibility study and project planning, including consideration of green investment, climate change, and other necessary requirements to ensure the responsiveness, efficiency, and sustainability of public investment project implementation.

b. Financial Support Mechanisms for External Financing Public Investment Projects

With the achievement of Lower-Middle-Income status country in 2015 and the dynamic move towards achieving an upper middle income status country in the future, Cambodia faces a shifting of preferential conditions from traditional financing sources to new financing conditions based on the Charter of DPs, drier grant sources, and lower concessional loan levels.

In order to accelerate the effectiveness of the implementation of public investment projects supported by external financing, the MEF, with the General Department of International Cooperation and Debt Management (**GDICDM**) serving as operational arm, has established “**the Project Preparation and Detailed Engineering Design Fund and Advance Actions Fund for Externally Financed**” which will be implemented in the form of a revolving fund. The expenditures will be diverted from the project’s “**retroactive financing**” after the project come into effect.

c. Financial Support Mechanisms for Public Investment Projects under PPP

The financial support mechanism is defined in Chapter 5 of the Law on PPP. In particular, to supports the implementation of public investment projects through the PPP mechanism, two funds have been established: the PDF for PPP and the Viability Gap Financing (**VGF**) Facility for PPP.

Financial Contribution Fund for PPP. The PDF for PPP has been established to strengthen project study preparation, and project development, including: (a) project feasibility studies, (b) monitoring and re-evaluation of project feasibility studies, (c) studies on any part of the full project feasibility report, such as: project needs assessments, environmental impact assessments, and financial feasibility studies, (d) support for the procurement process, including the selection of private sector partners, and (e) preparation of PPP contracts and project implementation monitoring plans, etc.

This fund is necessary for hiring operational advisory services for the preparation of PPP

projects initiated by the state. In the case of PPP projects, all project development costs, including: monitoring and re-evaluation of project feasibility studies, and preparation of PPP contracts, will be borne by the private partners based on the framework agreement for project development. However, if necessary, the PDF for PPP can be used for projects initiated by private, and private partner will reimburse the above costs to replenish the budget of the PDF for PPP, based on any agreement.

The VGF Facility for PPP Projects, is used to provide financial support in the form of direct capital expenditure subsidies for public infrastructure investment under the PPP framework, with the objective of enhancing project to increase the project's financial returns and provide support for public infrastructure investment in PPP projects or priority projects of the RGC with private sector participation. To receive VGF support, PPP projects must meet all criteria in accordance with article 10 of the Sub-Decree on the Management of the VGF for PPP Projects.

4.2.5. Principles and Approaches for the Management of Public Investment Projects

Currently, public investment projects across all sources of financing (national budget, external financing, financed through PPP mechanism, blended financing, financed through privatization of state assets, financed through commercial loans, and other legitimated financing), and at all administrative levels (national and SNAs, PAEs, SOEs, and equivalent public entities) are prepared and implemented under varying principles and approaches, however, these practices have not yet been ensure the effectiveness of coherence and complementarity.

A. Public Investment Projects Financed by the National Budget

Public investment projects financed by the national budget are categorized into two types: 1) national budgets and 2) SNA budgets.

+ National Level

Ministries, institutions, equivalent public entities, PAEs, or SOEs, as project owners, are required to identify project investment projects in accordance with the national policies, the NSDP, the sectoral policies, the MTFF, and the MTBF. Furthermore, proposed projects must demonstrate clear socio-economic and environmental necessity, specifically incorporating climate change consideration, and respond to the national development priorities as articulated in the Pentagonal Strategy-Phase I, the NSDP, the sectoral master plans, and other relevant policies and strategies of the RGC. Project owning ministries and institutions shall prepare project studies, based on the requirement of each project, to support project screening and prioritization and to enable with informed-decision making during the project selection and budgeting stage.

The MEF is responsible for reviewing and re-assessing the appraisal results of project

proposal prepared by project owning ministries and institution. The project selection and budgeting steps, are managed by the GDB (Department of Investment) of the MEF, which prepare a prioritized list of projects for submission to the head of RGC for review and approval. Large scale projects with complex technical characteristics, macro-economic and public financial implications, or cross-sectoral linkages, are subject to review and appraisal by the Public Investment committee (**PIC**) of the MEF. Following approval project owning ministries and institutions, and relevant stakeholders, in coordination with the MEF, responsibilities for implementing the budget execution procedures, procurement processes, and contract management in accordance with applicable laws and legal regulations. The project owning ministries and institutions with the MEF are responsible for monitoring project implementation, including verifying implementation progress against the project implementation plan. In principle, project owning ministries and institutions may propose project adjustments where necessary, and if they really providing benefits project implementation. Upon project completion, project owning ministries and institution, are required to prepare and submit a project completion evaluation report to the MEF.

+ **Sub-National Level**

For local development, SNAs receive financial resources through subsidies or budget transfer from the national level and locally generated revenue at the local level. In addition, the RGC has also implemented conditional funds for financing strategic public investment projects, with the aim of promoting and enhancing economic development in sub-national level.

Based on the programs and priorities reflected in the five-year development plan and the three-year rolling investment program, each SNA identifies projects and prepare a “**Preliminary Investment Project List**” for the evaluation and selection of priority projects. In selecting priority projects from the preliminary investment project list, each SNA needs to focus on technical, economic, and social aspects, including: project construction techniques, cost, economic, financial, law, risk, social, and environmental impacts, as well as project management and implementation mechanisms. Priority projects must be submitted to the Council of Administration for review and approval, and then forward to the Municipal-Provincial Administration for integration into the Municipal - Provincial Budget Strategic Plans.

The governor of the municipal and provincial administration plays role in advising and coordinating with the municipals, districts, khans, and communes on matters related to the public investment projects proposal in order to integrate priority projects into the capital and provincial BSP. The integration of priority projects aims to ensure effective linkages among the plans/programs of each SNA, thereby enabling the efficient use of limited resources to achieve maximum results.

The selection of project proposals and project budgeting are stages in which each SNA determines the source of financing to prepare the annual budget. The selection of priority projects for budgeting must ensure that these priority projects are qualified based on the seven key principles of project budgeting, namely: rationalization principles, economic and financial outcome principles, best choice principles, budget sustainability principles, green development principles, feasibility principles, and readiness principles for project implementation.

SNAs and stakeholders involved in investment projects must exercise their rights and roles in implementing public investment projects in accordance with the guidelines, technical standards, contracts, contract terms, and relevant legal standard in force. Public investment projects of SNAs are managed and implemented within the framework of the annual implementation of each SNA and must adhere to the core principles set out in the Guidelines on the Operational Procedures for the Preparation and Management of Public Investment Projects of SNAs.

The municipal, province, district, khan, commune, sangkat, together the MEF are responsible for monitoring project implementation by verifying the implementation progress in accordance with the project implementation plan.

B. Public Investment Projects by External Financing

Based on the NSDP, the MOP, in collaboration with relevant ministries and institutions, reviews and prioritizes proposals for public investment projects proposed by line ministries and institutions for inclusion in the 3-year rolling PIP, which is subsequently submitted to the COM for review and approval. Concurrently, DPs, in coordination with the MEF and in consultation with relevant ministries and institutions, develop a medium-term partnership framework. These frameworks identify priority programs/projects and sectors to which each DPs will contribute to support the development of the RGC. The partnership cooperation frameworks are formulated based on the development agendas of each DPs and responds to the priority needs of the RGC as reflected in the 3-year rolling investment program, in accordance with the Pentagonal Strategy-Phase I, the NSDP, and the Sectoral Development Strategy.

The MEF is responsible for designating institutions that perform as an Executing Agency (EA) and Implementing Agency (IA) of the projects based on the duties and mandates of each ministry and institution, as well as leading the negotiation of financing agreements with DPs. After the project become effective, the implementing ministry and institution lead and manage project implementation in accordance with the provisions of the financing agreements and the overall procedures for implementing projects financed by financing cooperation from DPs.

C. Public Investment Projects through PPP Mechanism

Public investment projects can be developed and implemented through PPP mechanisms

only if they are included in the 3-year rolling PIP and/or sectoral master plans, and if they meet the conditions stipulated in Article 9 of the Law on PPP during the project identification phase. Following project identification, the relevant ministries or institutions are required to prepare and submit a proposal to the MEF requesting the inclusion of the project in the list of potential PPP projects. As part of the subsequent procedure, the General Department of Public-Private Partnerships (**GDPPP**) conducts an initial review of the proposal prior to its submission to the PIC for review and assessment of the strategic rationale and necessity of developing the project under PPP mechanism, and for onward submission for approval by the Minister of the MEF. Only the projects that have received approval for inclusion in the priority project list are eligible to proceed under PPP mechanism.

In general, Public Investment projects under PPP mechanism are classified into two categories: 1) solicited projects and 2) unsolicited projects. Solicited projects refers to the PPP Projects that are identified and proposed, by the implementing ministries and institutions, and are potential for implementation under the PPP mechanism. Unsolicited projects refer to PPP Projects that are potential for implementation under the PPP mechanism and proposed by the private sector entities through the implementing ministries and institutions.

In accordance with Article 8 of the Law on PPP, the qualified sectors for infrastructure projects and/or the delivery of public services under the PPP mechanism include: transportation, logistics, postal services, telecommunications, information technology and digital technology, energy, and public services, such as clean water supply, solid waste management and wastewater treatment, health, education, employment and vocational training, tourism, culture and arts, sports and social housing, industry, science and technology, agriculture and irrigation, as well as other sectors permitted under applicable laws and regulations.

Furthermore, the selection of private partners for solicited project and unsolicited projects are carried out in accordance with the following methods:

+ Solicited Projects

The selection of Private Partner for the solicited projects is conducted through a competitive bidding process, or through a direct negotiation/selection process. In the case of competitive bidding, the first-ranked bidder is invited to negotiate the draft PPP contract with the RGC's working group led by the implementing ministries and institutions, in accordance with the Law and the common operating procedures for PPP projects. If the first-ranked bidder fails to participate the negotiations as invited, the implementing ministries and institutions shall invite the next ranked bidder to negotiate the draft PPP contract until a contract is successfully concluded with the private partner. Separately, the direct contract signing process for solicited projects can be implemented through approval from the RGC, upon the joint request from the MEF and the implementing ministries and institution.

+ Unsolicited Projects

Implementing ministries and institutions may accept unsolicited project proposals only if the project introduces new concepts, technologies or innovations that can be beneficial to the Kingdom of Cambodia and has received in principal approval from the RGC.

D. Public Investment Projects Financed by State Assets Privatization

To date, certain public infrastructure investment projects have been financed through the funds from state assets privatization, including the sales, lease, or exchange the state assets. In principle, revenues from state assets privatization constitute national budget resources and are managed by the government for priority expenditures and public investment in accordance with applicable expenditure procedures. However, based on the previous implementation in some exceptional case, state assets privatization has been undertaking through exchange arrangements for the construction of public infrastructure by the private sector entities, using a “**Turnkey Contract**” approach for subsequent handover to the government. Under such arrangement, standard procedures and mechanisms for project implementation and management by ministries and institutions, as well the gatekeeping role of MEF, were not fully applied; as a result, the economic effectiveness of such public investment could not be adequately ensured. This requires RGC to establish clear rules and procedures for effectively managing the public infrastructure investment financed through state asset privatization.

E. Public Investment Projects by Public Administrative Establishment, State-Owned Enterprises, and Other Similar Public Entities

+ Public Administrative Establishment (PAE)

The Public investment projects of the PAE are prepared and approved by the Board of Directors, the highest level of organization management, based on their medium-term and long-term development plans. The PAE’s budget plan is prepared by the Director of the PAE and submitted to the Board of Directors for review and approval, and then forwarded to their technical supervisory line ministries for review and approval before being submitted to the financial supervisory ministry for final review and approval, in accordance with the annual budget formulation calendar, as stipulated in the Law on Public Financial System.

+ State-Owned Enterprises (SOE)

Similar to PAE, public investment projects of SOE have been prepared and approved by the Board of Directors. The Board of Directors approve the annual budget for operation and investment based on the SOE development plans. All relevant documents are then submitted for approval from their technical supervisory line ministries or technical supervisory authorities, and financial supervisory ministry.

F. Public Investment Projects Financed through Commercial Loans

At present, Cambodia has issued government securities, which are domestic loans with commercial credit conditions, to finance public investment projects, starting from the initial issuance in 2022 to the present. The MEF serves as the sole operational arm of the RGC legally mandated to issue government securities. Within the MEF, the GDICDM is responsible for managing cooperation financing and public debt, including government securities. For the issuance of government securities, the GDICDM plays the central role of promoting the development and management of the issuance of government securities by fulfilling key tasks, including: coordinating and monitoring the implementation of policies, strategies, and legal frameworks related to the development of government securities development, coordinating technical matters related to government securities with key stakeholders, preparing and disseminating government securities issuance plans, conducting consultations with market participants; and managing, supervising, monitoring, and coordinating the implementation of financing projects/programs from financial institutions and development partners, involving direct lending, and government securities.

Currently, government securities that have been issued can only be traded among banking and financial institutions that are members of the National Bank of Cambodia's trading platform. In parallel, the RGC continues to promote the development of the government securities market in a timely, comprehensive, and systematic manner by accelerating the issuance of legal documents and establishing a financial market support system to facilitate government securities trading.

G. Public Investment Projects through blended finance

Public investment through blended financed sources is predominantly used for PPP projects, which leverage public investment capital as a strategic instrument to attract additional private sector investment towards achieving goals of sustainable development and economic growth. This public investment capital can be provided through Viability Gap Financing Facility to supplement the capital expenditures of private partners, or through the Project Development Facility to support the project feasibility studies, with the aim of reducing project development costs and increasing private sector confidence to investment in project development. In general, this type of investment focus on public infrastructure sectors such as energy, clean water supply, roads, and affordable housing.

In this regard, to maximize the benefits of blended financing, the RGC should encourage and promote the development of public investment projects through PPP mechanisms, while also establishing clear and flexible guidelines for the use of blended finance to contribute effectively to the achievement of sustainable development goals.

4.3. Challenges and opportunities

4.3.1. Challenges

To date, although legal documents, principles, approaches, institutional mechanisms, and operational management procedures have been established and are being continuously developed, the management of public investment projects in Cambodia continues to face a number of challenges as outlined below:

- **Legal Framework**

In the following stages, it is necessary to review and update some legal and regulatory documents to clearly and comprehensively define the approaches, principles, and institutional authorities for identifying, organizing, managing, and implementing public investment projects.

- **Identification and Preparation of Preliminary Project Proposal**

Medium-term Public Investment Plans: Public investment plans are prepared only for public investment projects financed by development partners through a three-year PIP. Meanwhile, plans for projects financed from other sources have not yet been fully developed.

The 3-year rolling PIP has not yet fully responded to the national development policy and strategic plan, as the “**Guidelines for 3-YEAR Rolling PIP: Formulation, Monitoring, and Evaluation**” have not yet been fully and comprehensively developed and implemented, as a basis guideline for line ministries and institutions to accurately identify, integrate, and align each specific project proposal with the objectives and goals of the national development plan.

Internal coordination within line ministries and institutions in identifying and preparing public investment project proposals and planning public investment projects remains limited.

There is no clear coordination mechanism at the stage of the integrating of public investment plans from all sources of financing and across all levels of administration to develop a comprehensive public investment plan, that ensure projects are interconnected and complementary, with the aim of enhancing economic efficiency and responding to the overall objectives of the NSDP.

Coordination mechanisms at the stage of public investment plan preparation remain incomplete.

Some sectors still lack master plans or sectoral development plans.

The management of public investment project at sub-national levels is remains fragmented across different types of SNA and is not well linked with investment projects implemented by ministries and institutions at the national level.

- **Feasibility Studies, Evaluation, and Design of Official Project Proposals**

The financial support mechanism for the feasibility studies and project preparation is currently being addressed through the development of general guidelines on the financial

support mechanism for the feasibility studies, while specific guidelines have already been prepared for certain financing sources, including the national budget financing source, PPP financing source, and external financing sources, except for sub-national budget financing source.

For public investment projects by certain financing sources, social and environmental impact assessments have not been fully conducted during the feasibility studies and project preparation stages. This is because, under the overall operational management procedures for PPP projects, the environmental and social impacts are studied and incorporated in the project feasibility study report, and these assessments are also carried out for each PPP project.

- **Project Proposal Review and Assessment**

It is necessary to further strengthen the gatekeeping role of MEF during the pre-budgeting stage of public investment.

Develop and strengthen management mechanism for pre-budgeting stage of public investment to: 1) review and assess the project proposals submitted by line ministries and institution, and 2) select qualified projects that do not impose excessive strain on the national budget for impact management, identify the appropriate financing sources, and ensure their inclusion in the budgeting stage.

- **Project Proposal Selection and Budgeting**

There is currently no comprehensive system for integrating the public investment budget with current capital budget for public investment projects, particularly for operation and maintenance budget. Currently, although BSP serves as tool for integrating current and public investment budget, the current budget allocation for supporting the operation and maintenance of constructed public infrastructure not been comprehensively planned to fully meets the necessary needs. This requires further comprehensive consideration.

- **Project Management and Implementation**

For public investment projects financed by the national budget, there are established operating procedures for the management, preparation, and implementation of the projects (direct investment projects). In addition, overall procedures for the management of the preparation, and monitoring the implementation of projects financed by development partners, and guidelines on SOP for the preparation and management of public investment projects of the SNA, which define the principles, approaches, procedures, and mechanisms for project preparation proposal review and evaluation, selection, budgeting, and project management and implementation at each stage of the project cycle. Where necessary, the SOP for the management, preparation, and implementation of public investment projects financed by the national budget (direct investment projects), the overall procedures for management, preparation, and monitoring the

implementation of the projects financed by DPs, and the guidelines on the SOP for the preparation and management of public investment projects of the SNA will be reviewed and updated to incorporate, climate change consideration and other emerging requirements. For PPP projects, contract management is carried out in accordance with the overall operational management procedures for managing PPP projects. Part 2: Guidelines on the Management of PPP Contracts for the Monitoring and Management of PPP Contracts, and may be updated as necessary.

- **Use of the Infrastructure Assets after project completion**

There remains a need to further strengthen and institutionalize the mechanisms, principles, and procedures for managing the operation and maintenance of the infrastructure assets upon completion of construction, in order to ensuring efficiency and sustainability of the infrastructure. In addition, the registration and recording of project assets have not yet been fully implemented.

- **Project Completion Evaluation**

For public investment projects supported through certain financing sources, post implementation evaluation mechanism has not yet been fully established to assess the project effectiveness, which serves as a basis for drawing lessons to improve the preparation and implementation of future investment projects. In the case of projects, the project completion mechanism is prepared in accordance with the common operational management procedures for managing PPP projects. Part 2: Guidelines on the Management of PPP Contracts, which stipulate the obligations of both public and private partners at the project contract completion stage, with the objective of ensuring the efficiency and quality of infrastructure prior to handover to the state.

- **Other Challenges**

- Public investment data management systems across ministries and institutions remain fragmented, and several systems have not yet been updated or modernized.
- A digital ecosystem for public investment project management has not yet been established.
- Limited Human resources in project owning ministries and institutions for conducting feasibility studies, reviewing and evaluating project feasibility documents, and examining estimated cost lists and technical plans.
- There is no public investment project database management system which serves as a basis for strengthening the effectiveness of investment project preparation as well as the monitoring of project cost,
- SNAs do not yet have an integrated public investment project data management system.

4.3.2. Opportunities

With the above challenges, in the context of Cambodia's new development phase, the RGC is working toward establishing an integrated PIM system that ensure responsiveness,

efficiency, effectiveness, transparency, accountability, and sustainability in an inclusive manner, based on the following opportunities:

- The RGC's strong commitment to achieving the 2050 vision of becoming a high-income country,
- The launch and active implementation of the Pentagonal Strategy - Phase 1 to promote and enhance the effectiveness of public investment implementation,
- The continued growth in demand for both quality and quantity of public infrastructure and services,
- The growth of national budget revenue, which will strengthen the RGC's capacity to expand the scale of public investment,
- Existing and potential development partners are continuing to expand the scale of cooperation financing,
- Priority support from major development partners for strengthening the public investment management system in Cambodia,
- Continued successful implementation of three major reform programs including; 1) Public Financial Management Reform Program, 2) Decentralization and Deconcentration Reform Program, and 3) National Program for Public Administration Reform.
- The introduction of priority sectors for the implementation of PPP projects over the 10-year period (2025–2035), focusing on transport and logistics, energy, and public services (including clean water supply and waste management), as stipulated in Sub-Decree No. 230, dated 29 November 2024.
- The introduction and active implementation of the BSRS Update 2025-2028, the 7th legislative Term Revenue Strategy of the Royal Government, the Public Debt Management Strategy 2024-2028, and other related strategies and policies, which will further contribute to enhance the effectiveness and success of public financial management reforms and strengthen the PIM system.

Chapter 5

Strategic Measures

Chapter 5

Strategic Measures

To achieve the vision, objectives, and goals, the key strategy of the RGC is to develop and implement strategic measures aimed at establishing a unified national system to strengthen PIM across all sources of financing and at all levels of administration, including national and SNAs, PAEs, SOEs, and other equivalent public entities. This will be undertaken in comprehensiveness, integrated, and step by step manner, including the following measures:

- Continue to prepare, review, and update legal and regulatory framework as necessary;
- Clearly define institutional competencies and strengthen institutional mechanisms at each stage of the project cycle;
- Implement overall guidelines on financial support mechanisms for feasibility studies and project preparation;
- Continue to develop and strengthen the public investment project data management system and develop an information technology system architecture for PIM;
- Review the preparation and implementation of financial support mechanisms for each source of financing to ensure effectiveness;
- Review the preparation and implementation of SOPs for public investment project management, including the integration of climate change consideration.

The establishment of a PIM system will entail changes the competencies and responsibilities of certain ministries and institutions, adjustments in working modalities, and higher requirements for the preparation of qualified public investment projects proposal, which requires from all stakeholders, especially the ministries and institutions of the RGC, to adopt a proactive, active, interactive, and decisive approach. Such efforts are essential not only to prevent delays or bottlenecks in national development arising from stalled public investment projects at any stage of the project cycle, but also improved the efficiency, effectiveness, transparency, accountability, and sustainability of public investment. In this context, the implementation approach of practice must be cautious, gradual, realistic, and flexible guided by a “**learning-by-doing**” principles.

Accordingly, the RGC has decided to adopt the following Immediate Strategic Measures and Medium-term Strategic Measures as follows:

5.1. Immediate Strategic Measures (2025–2026)

Based on global trends, and practices as well as the actual situation in Cambodia, as discussed above, the RGC has decided to introduce some of the following immediate strategic measures:

- 1) Review, update, and implement the Sub-Decree on PIM as a Sub-Decree
- 2) Adopt Joint Guidelines on Financial Support Mechanisms for Feasibility Study and Preparation Overall PDF Guidelines and review and develop guidelines on financial support mechanisms for feasibility studies and project preparation for each window (PDF for Each Window) as needed.
- 3) The Secretariat of the PIC shall develop a Public Investment System (PIM database/ PIM system) by incorporating all sources of financing.
- 4) Prepare for the completion of the procedures and workflows of the PIC.
- 5) Prepare a study report on the architecture of the digital ecosystem for public investment project management (PIM architecture) at both national and sub-national levels.
- 6) Finalizing guidelines for the preparation, monitoring, and evaluation of PIP; 3 years of rolling.
- 7) Update the 3-Year Rolling PIP Data Management System, taking into account climate change.
- 8) Continuing to develop and implement institutional and human resource capacity development plans for PIM.
- 9) Continuing to strengthen the quality, efficiency, implementation, and linkage of investment plans with investment budgeting:
 - Enhance the quality of public investment prioritization through the implementation of the **“Guidelines for the Preparation, Monitoring, and Evaluation of the 3-Year Rolling PIP”**
 - Strengthen the integration of the 3-year rolling investment program of the SNA and align it with the national public investment plan.
- 10) Continue to integrate the BSP at the SNA and align the plans/programs of the SNA with the plans/programs of the national administration.
- 11) Continue to integrate the 3-year rolling investment program of the SNA as a basis for the BSP 3-year rolling of the capital and provincial administrations.
- 12) Develop a strategy on the reform of the infrastructure maintenance management system for roads, rural roads, and irrigation systems, and related legal documents for implementation.
- 13) Establish a common technology system for managing road and irrigation infrastructure.
- 14) Promote and cooperate with relevant ministries and institutions to develop guidelines and technical standards for the construction, repair, and maintenance of infrastructure.
- 15) Encourage relevant ministries and institutions to prepare guidelines on project monitoring and continue to strengthen project monitoring mechanisms effectively.

- 16) Establish a clear mechanism in the phase of budgeting for public investment projects of the SNA. All approvals of public investment projects must ensure that they are included in the list of priority projects.
- 17) Consider and prepare a budget for operations and maintenance at the SNA level.

5.2. Medium-Term Strategic Measures (2027–2028)

Based on the implementation of Immediate Strategic Measures after Update the Sub-Decree on PIM and other related legal documents have been approved, in the medium term, the RGC will:

1. Review and update legal instruments to further strengthen the efficiency, effectiveness, transparency, accountability, and sustainability of public investment project implementation.
2. Conduct studies and review to upgrade the “**Sub-Decree on PIM**” into a “**Law on PIM**”.
3. Update the public investment project data management system and institutional capacity-building plans, including human resources, for PIM.
4. Develop policies or strategies related to public investment planning (Public Investment Planning).
5. Review or update SOPs for project preparation and management as needed, incorporating climate change and other essential conditions.
6. Review or update the issuance of notifications regarding the PIC, if necessary.

Chapter 6

Monitoring and Evaluation

Chapter 6

Monitoring and Evaluation

The MEF is responsible for coordinating the implementation of the monitoring and evaluation system for the implementation of strategic measures, as follows:

Reporting System: the action plan identified in Annex 2 will be incorporated in to the Consolidated Action Plans and Detailed Action Plans of the PFMRP (CAP, GDAP, MAP, CPAP), which are prepare implemented by the General Departments under the MEF, line ministries and institutions, and SNA. Therefore, the General Departments under the MEF, relevant line ministries and institutions, and SNA are required to submit quarterly and annual reports on preparation and implementation of action plan for implementation of the strategic measures to General Secretariat of the PFM Reform Steering Committee (**GSC**) to consolidate and report to the PFM Reform Steering Commission and PFM Reform Steering Committee.

Mechanism for addressing the challenges: PFM Reform Steering Commission and PFM Reform Steering Committee shall be responsible for reviewing and taking the necessary measures to address the challenge. In case of sensitivity, it is required to request the decision from the Economic and Financial Policy Committee (**EFPC**) and Prime Minister.

Monitoring and evaluation mechanism for regular progress: GSC shall be responsible for monitoring and evaluating on the progress of the implementation of the strategic measures and evaluation on the progress of the implementation of the strategic measures and the measures to address the challenges, which are adopted, and reporting to the PFM Reform Steering Commission and PFM Reform Steering Committee.

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Chapter 7

Conclusion

Chapter 7

Conclusion

In summary, alongside with the remarkable progress achieved in the implementation of the PIM reform framework, the remaining challenges need to be addressed in more proactive. In this regard, the RGC that the continued development, comprehensive, effective, and interconnected implementation of an integrated system for PIM is an important foundation for sustaining rapid socio-economic development, particularly in responding adequately to the quantity, quality, and efficiency of public services delivery to the people.

This updated strategy serves as a roadmap for the development of the public financial management system and represents a strategic decision of the RGC on identifying priority sectors for public investment projects across all sources of financing. Therefore, to fully implement a national integrated PIM system by the end of 2028, the RGC must continue to review, prepare, revise, or update legal or regulatory documents and SOPs, strengthen institutional mechanisms, including inter-ministerial and internal coordination mechanisms, establish and strengthen financial support mechanisms, and develop institutional and human resource capacities as necessary, as guided and outlined in the strategic measures of this strategy documents.

The RGC considers this strategy to be a “**living document**” that is subject to periodic revisions to ensure a consistency with Cambodia’s evolving development context in the future. Meanwhile, the RGC strongly hopes that the successful implementation of the **PIMSRS Update 2025-2028** will contribute to 1) accelerating economic diversification and strengthening competitiveness, which are the fundamental to achieving sustainable and inclusive high economic growth toward Cambodia’s vision 2050, and 2) strengthening public debt management by enhancing the capacity of line ministries and institutions to improve the predictability of state contingent liabilities.

In this regard, the RGC assigns the MEF to be the leading ministry in coordinating the implementation of the “**PIMSRS Update 2025-2028**”, with the full participation and close collaboration from the relevant line ministries and institution, and SNA, in a spirit of high responsibility.

Appendix

Appendix 1

Lexicon

Appendix 1

Lexicon

No.	English	Definition
1	Project Adjustment	Refers to the process of adjusting any part of the approved project such as: the adjustment of price, scope, activities, or timeframe of the project implementation etc.
2	Project Appraisal	Refers to process of appraising key aspects of the project proposals such as: technical, cost, risks, social-economic return, environmental and social impacts, and budget etc.
3	Feasibility Study	Refer to an in-depth study of the project proposal including the analysis of concerned aspects such as: technical, cost, risks, economy, finance, law, environmental and social impacts, budget affordability, as well as institutional mechanism and capacity for managing and monitoring project implementation in accordance with applicable detail guideline and procedures on preparing and managing operations.
4	Turnkey Contract	Refers to the contract in which the concessioner has been granted the rights to manage state properties through state asset privatization, i.e., concessioner is responsible for managing, preparing and constructing the public infrastructure to be ready for operation before handing over it to the government party.
5	Gatekeeping	Refers to the function of the Ministry of Economy and Finance in monitoring and evaluating project proposals, prioritizing, selecting and budgeting, as well as monitoring and evaluating project implementation.
6	Public Private Partnership – PPP	Refers to the agreement between the State and the Private Partner to restore, repair, expand, build, operate and/or maintain public infrastructure or Project Asset (s) or to provide public services within a specified period. Under this agreement, the Private Partner shall invest, bear part of the risks, and receive benefits based on performances in accordance with terms and conditions stipulated in the PPP Contract.

No.	English	Definition
7	Project Concept Note	Refers to the preliminary documents that identify the project rationality, objectives, needs and priorities, and linkage to the national policy, National Strategic Development Plan and sectoral policies.
8	Optimization	Refers to the process of maximizing efficiency or achieving optimal results using the least resources.
9	Retroactive Financing	Refers to the financing of project expenditures incurred by the Government prior to the effective date of the DP financing agreement.
10	Representative of State	Refers to individuals or entities that are authorized to present the state in contracts or agreement under the public-private partnership (PPP) mechanism.
11	Logistics	Refers a strategic function within supply chain management that coordinate the efficient and integrated forward and reverse flow of goods, services, and related information from the point of origin to the end user's accordance to customer demands.
12	Secondary Market	Refers to the government securities trading market in which securities have already been issued for sale are traded among investors.
13	Government Securities	Means bills and bonds and other instruments creating or acknowledging indebtedness and issued by or on behalf of the Government under this law, including without limitation: (a) Treasury Bills with the maturity of less than one year; (b) Treasury Bonds with the maturity of one year and more; (c) Other government securities. But not including securities issued by state-owned enterprise and any other government borrowing not made pursuant to this law on government securities.
15	Capital Expenditure Credit	It is an investment credit divided into commitment credits and payment credits.

Appendix 2

Detailed Action Plan

for the Implementation of the

Public Investment Management System

Reform Strategy Update 2025-2028

Appendix 2 Detailed Action Plan for the Implementation of the Public Investment Management System Reform Strategy Update 2025-2028

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
OI 1. Study and Review on legal Framework																		
CoA 1. Review and monitor the preparation of relevant legal documents under the Public Financial System Law																		
A 1. Review and monitor the preparation of relevant legal documents under the Public Financial System Law.	GSC Relevant General Departments of the MEF	Report on review and monitoring the preparation of relevant legal documents under the Public Financial System Law has been prepared.																
KPI 1. Report on review and monitoring the preparation of relevant legal documents under the Public Financial System Law has been prepared.						X				X				X				X
CoA 2. Develop and improve legal framework and regulatory documents related to public procurement to strengthen implementation.																		
A 1. Study and prepare sub-decree on the Implementation of Sustainable Procurement	GDPP	The Sub-Decree on the Implementation of Sustainable Procurement is prepared and approved																
KPI 1. Research on the preparation of Sub-Decree on the Implementation of Sustainable Procurement	GDPP	Research on the preparation of Sub-Decree on the Implementation of Sustainable Procurement					X	X	X									
KPI 2. Prepare a draft sub-decree on the implementation of sustainable procurement.	GDPP	A roadmap for implementation sustainable procurement has been adopted								X	X							
KPI 3. Consultative workshop on the draft Sub-Decree on the Implementation of Sustainable Procurement.	GDPP	The draft Sub-Decree on the implementation of Sustainable Procurement discussion and consultation.										X	X					

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
KPI 4. Submit the final draft of the Sub-Decree on the implementation of Sustainable Procurement to the Council of Ministers.	GDPP MOE COM	The Final draft of sub-decree on the implementation of Sustainable Procurement has been submitted to the COM.												X				
Action 2. Prepare and amend the Prakas on the management of procurement contract implementation.	GDPP	Prakas on the Management of procurement contract implementation is revised and signed for implementation.																
KPI 1. Prepare a draft of the new revision of the Prakas on the management of procurement contract implementation.	GDPP		X	X														
KPI 2. Consult on the revised Prakas on the management of procurement contract implementation.	GDPP	The Draft revision of Prakas on the management of the procurement contract implementation is submitted for discussion.		X	X													
KPI 3. Approve of the draft Prakas on the management of the procurement contracts implementation (new)	GDPP	Prakas on the management of the procurement contracts implementation (new) is signed and implemented.				X												
CoA 3. Study, develop or improve legal documents, policies, guidelines or detailed standard operating procedures and strengthen work mechanism for organizing and managing the implementation of internal public investment projects in ministries and institutions.																		
Action 1. Study and revise the sub-decree on the establishment organization and functioning of the Technical Coordinating Committee of the Provincial Council, the Technical Coordinating Committee of the Municipal Council, and the Technical Coordinating Committee of District Council.	MOI NCDD MEF GDSNAF	Sub-decree is revised																

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
KPI 1. Draft on the sub-decree on the establishment organization and functioning of the Technical Coordinating Committee of the Provincial Council, the Technical Coordinating Committee of the Municipal Council, and the Technical Coordinating Committee of District Council.									X	X								
KPI 2. Sub-decree on the establishment organization and functioning of Technical Coordinating Committee of the Provincial Council, the Technical Coordinating Committee of the Municipal Council, and the Technical Coordinating Committee of District Council.											X	X						
A 2. Study and revise the sub-decree on the establishment organization and functioning of the Technical Coordinating Committee of the Phnom Penh Municipal Council and the Technical Coordinating Committee of the Khan Council of Phnom Penh.	MOI NCDD MEF GDSNAF	Sub-decree is revised																
KPI 1. Draft sub-decree on the establishment organization and functioning of the Technical Coordinating Committee of the Phnom Penh Municipal Council and the Technical Coordinating Committee of the Khan Council of Phnom Penh.									X	X								

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
KPI 2. Sub-decree on the establishment organization and functioning of the Technical Coordinating Committee of the Phnom Penh Municipal Council and the Technical Coordinating Committee of the Khan Council of Phnom Penh.											X	X						
A 3. Prepare circular on strengthening the quality linkage between investment program and the investment budgeting of SNA.	GDSNAF	Circular on strengthening the quality linkage between investment program and the investment budgeting of SNA is prepared.																
KPI 1. Draft circular on strengthening the quality linkage between investment program and the investment budgeting of SNA.						X												
KPI 2. Circular on strengthening the quality linkage between investment program and the investment budgeting of SNA.							X	X										
A4. Prepare Circular on the preparation of the budget plans for operation and maintenance infrastructure at SNAs.	GDSNAF	Circular on the preparation of the budget plans for operation and maintenance infrastructure at SNA have been prepared.																
KPI 1. Draft Circular on the preparation of the budget plans for operation and maintenance infrastructure at SNAs											X	X						
KPI 2. Circular on the preparation of the budget plans for operation and maintenance infrastructure at SNAs.													X	X				

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
A 5. Prepare law on “State-Owned Enterprise and State Shareholding Management”	GDSPNTR	Law on “State-Owned Enterprise and State Shareholding Management”																
KPI 1. Preliminary draft submission to the Management of the MEF.							X											
KPI 2. Preliminary draft submission to the Economic and Financial Policy Committee.								X										
KPI 3. Draft submission to the COM and the Legislature.									X	X								
A 6. Prepare State-Owned Enterprise Reform Strategy 2025-2030.	GDSPNTR	State-Owned Enterprise Reform Strategy 2025-2030																
KPI 1. State-Owned Enterprise Reform Strategy 2025-2030 is implemented.						X												
A 7. Prepare supporting documents for the implementation of the Law (one sub-decree)	GDSPNTR	One sub-decree is prepared																
KPI 1. Prepare sub-decree at GDSPNTR level											X	X	X	X				
KPI 2. Draft sub-decree is submitted to the management of the MEF.													X					
KPI 3. Draft sub-decree is submitted to the COM for approval.														X				
A 8. Prepare the PIMSRS Update.	GSC	The PIMSRS Update was approved.																
KPI 1. Prepare draft of the PIMSRS Update.			X															
KPI 2. Consultative Workshop on the PIMSRS Update was organized.				X	X													
KPI 3. The PIMSRS Update was approved.						X												
KPI 4. Dissemination workshop on the PIMSRS Update is organized.								X										

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
A 9. Sub-decree on green environment label	MOE	Sub-decree is adopted																
KPI 1. Finalize the draft and internal review of the Green Economy Department.			X															
KPI 2. Submit to General Department of Policy and Strategy for review and decision.				X														
KPI 3. Consult with management of the General Department under the Ministry of Environment.					X	X												
KPI 4. Consult with inter-ministries and relevant institutions.							X											
KPI 5. Submit to the COM for review and decision.								X	X									
A 10. Roadmap on Sustainable Public Procurement	MOE	Roadmap is adopted																
KPI 1. Finalize the draft and internal review of the Green Economy Department.				X														
KPI 2. Discuss with the legal team of the MOE and complete the spelling check in both Khmer and English.						X												
KPI 3. Discuss with the Procurement Department and relevant General Departments of the MEF.							X											
KPI 4. Submit to the MOE for approval from the Ministry Management's.								X										
KPI 5. Submit to the MEF for approval from the Management of Ministry.									X									

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
A 11. Prakas on the Implementation of the Guideline and Certificate of Green Building.	MOE	Prakas is adopted																
KPI 1. Prepare a draft (internal ministerial meeting, inter-ministerial meeting, technical working group, and meeting with the Ministry of Land Management, Urban Planning, and Construction.)			X	X														
KPI 2. Prepare a draft for a technical and management meeting with the Ministry of Land Management, Urban Planning, and Construction.					X	X	X											
KPI 3. Submit to Management of the Ministry of Environment and the Ministry of Land Management, Urban Planning, and Construction for approval.								X										
A 12. Prakas on the Establishment National Commission of Green Building.	MOE	Prakas is adopted																
KPI 1. Prepare a draft (internal ministerial meeting, inter-ministerial meeting, technical working group, and meeting with the Ministry of Land Management, Urban Planning, and Construction.)			X	X														
KPI 2. Prepare a draft for a technical and management meeting with the Ministry of Land Management, Urban Planning, and Construction.					X	X	X											
KPI 3. Submit to management of the Ministry of Environment and the Ministry of Land Management,								X										

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Urban Planning, and Construction approval.																		
A 13. Establish the Committee for the Formulation of the Policy on the Development of Road, Inland Waterway, Railway, and Logistics Sectors in Cambodia.	MPWT	Issue a decision	X															
A 14. Establish a Working Group to Monitor, Supervise, and Evaluate the Implementation of Development Strategies, Plans, and Policies of the MPWT.	MPWT	Issue a decision	X															
A 15. Establish the Public Investment Management Reform Working Group	MPWT	Issue a Decision on the Establishment of a Technical Working Group		X														
A 16. Adjust, and disseminate of Budget Working Groups in Accordance with the Public Financial Management Manual (FMM).	MPWT	Issue of a Decision on the Amendment of a Technical Working Group						X										
A 17. Strengthen the roles and responsibilities of the Committee for Coordination and Guidance on the Management and Implementation of Public Works and Transport Infrastructure Projects and the Secretariat, in Compliance with FMM.	MPWT	Issue of a Prakas on the Amendment of Guidelines or the Reorganization of the Committee and Secretariat						X										
A 18. Develop the Public Financial Management Manual of the MPWT.	MPWT	Issue of a Prakas on the Implementation of the Manual				X												
A 19. Prepare Consultation on the SOPs for PIM of the MPWT.	MPWT	Consultative Workshop on the Standard Operation Procedures.					X											
A 20. Develop the SOPs for the Public Investment under the MPWT.	MPWT	Issue of a Prakas on the Implementation of the SOPs.								X								

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
A 21. Prepare of the Legal instruments related to the Public Works, Transport, and Wastewater systems.	MPWT	Implement of legal instruments																
KPI 1. Prepare of a Draft Law on the Amendment of the Road Law (Adjusting the Weight Limit from 40 Tons to 45 Tons for Semi-Trailer Trucks from Axle 6 onwards) in accordance with specific freight transport requirements.	MPWT	Implementation of the Law								X								
KPI 2. Draft Sub-decree on the Determination of Wastewater Service Fees.	MPWT	Finalize at the internal level of the Ministry				X												
KPI 3. Draft on Logistics	MPWT	Finalize at the internal level of the Ministry				X												
A 22. Develop policies for land, water, rail, and logistics transportation.	MPWT	Finalize at the internal level of the Ministry						X										
A 23. Law on Water Resources Management in the Kingdom of Cambodia.	MOWRAM	Law on Water Resources Management in the Kingdom of Cambodia has been implemented.																
KPI 1. Continue disseminating and implementing the law on water resource management in the Kingdom of Cambodia across provinces.			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
A 24. Sub-decree on the River Basin Management.	MOWRAM	Sub-decree on the River Basin Management is implemented.	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
A 25. Sub-decree on Water License		Draft Sub-decree on Water License																
KPI 1. Consultative meeting on the draft sub-decree on Water License.			X	X	X	X												
OI 2: Preparation and Implementation of the Sub-decree on Public Investment Management.																		
CoA 1: Review and Amendment the Sub-decree on Public Investment Management, when necessary.																		

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
A 1. The Updating sub-decree on PIM.	GSC	The Sub-decree on PIM has been approved and implemented.																
KPI 1. Draft Sub-decree on PIM has been prepared.			X	X	X	X												
KPI 2. Consultative Workshop on the Updating Sub-decree on PIM has been prepared.				X			X											
KPI 3. Sub-decree on PIM has been submitted to the Management of the MEF.									X									
KPI 4. Sub-decree on PIM is approved and implemented.										X								
KPI 5. Sub-decree on PIM is published.											X							
OI 3: Strengthening the Implementation of Guidelines on Project Identification and Prioritization																		
CoA 1: Preparation and Dissemination of Guidelines for 3-Year Rolling Public Investment Programme: Formulation, Monitoring, and Evaluation.																		
A 1. Prepare Guidelines for 3-Year Rolling PIP: Formulation, Monitoring, and Evaluation	MOP	Guidelines for 3-Year Rolling PIP: Formulation, Monitoring, and Evaluation is prepared.																
KPI 1. The Decision on Guidelines for 3-Year Rolling PIP: Formulation, Monitoring, and Evaluation has been prepared.			X															
KPI 2. Consultative Meeting on the Guidelines for 3-Year Rolling PIP: Formulation, Monitoring, and Evaluation.				X	X													
KPI 3. Guidelines for 3-Year Rolling PIP: Formulation, Monitoring, and Evaluation has been promulgated.						X												
KPI 4. Guidelines for 3-Year Rolling PIP: Formulation, Monitoring, and Evaluation have been disseminated.						X				X				X				X

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
CoA 2: Training on the Use of Guidelines for 3-Year Rolling Public Investment Programme: Formulation, Monitoring, and Evaluation																		
A 1. Training on the Use of Guidelines for 3-Year Rolling PIP: Formulation, Monitoring, and Evaluation has been organized.	MOP					X				X				X				X
CoA 3: the Update of the 3-Year Rolling Public Investment Program database annually.																		
A 1. The 3-Year Rolling PIP database has been updated.	MOP					X				X				X				X
A 2. Update data on 3-Year Rolling PIP.	MME EDC																	
KPI 1. 3-Year Rolling PIP data has been updated.						X				X				X				X
A 3. 3-Year Rolling PIP has been updated.	MOSVY	3-Year Rolling PIP has been updated.																
KPI 1. Consultative meeting to review and adjust PIP.			X				X				X				X			
KPI 2. The 3-Year Rolling PIP has been updated.			X				X				X				X			
KPI 3. List of 3-Year Rolling PIP has been submitted to the PIP system.			X				X				X				X			
CoA 4: Establishment of mechanism to identify sub-national administration investment projects at the Ministry of Economy and Finance.																		
A 1. Compile a list of investment projects into the investment project data management system.	GDSNAF	List of SNA investment projects.																
KPI 1. List of Project				X				X				X				X		
A 2. Develop a data system and mapping for the management of all investment projects of the SNA.	GDDE GDSNAF	Concept Noted is prepared																
KPI 1. Concept Noted						X												
OI 4: Preparation and Implementation of Guideline related to Public Investment Management and the Development of a Digital Ecosystem for Public Investment Management.																		
CoA 1: Preparation of the General Guideline on Public Investment Management.																		

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
A 1. General Guideline on PIM.	GSC	General Guideline on PIM.																
KPI 1. Consultative Workshop on General Guideline on PIM.				X			X											
KPI 2. Finalize the draft General Guideline on PIM.										X								
KPI 3. Dissemination Workshop on the General Guideline on PIM is organized (if necessary).											X							
CoA 2: Design and develop a digital ecosystem architecture for public investment management.																		
A 1. Establish mechanisms and frameworks to support the development of digital ecosystems for managing public investment projects.	GDDE Relevant Entities	The architecture documentation, data governance framework, and interoperability framework have been prepared.																
KPI 1. Prepare and update the digital ecosystem framework for managing public investment projects.			X	X	X	X								X				X
A 2. Develop a central data system for managing public investment projects, as well as continuously improve and innovate the system.	GDDE Relevant Entities	Central system is developed and updated.																
KPI 1. Prepare project proposal documents and system function requirements to support the development of a digital ecosystem for managing public investment projects.					X		X	X	X			X			X			
KPI 2. Develop infrastructure and information technology resources to support the development and operation of digital ecosystems for all public investment projects.					X	X			X				X				X	
KPI 3. Develop a centralized system for public investment management (i-PIM) step by step.					X	X	X	X	X	X	X	X	X	X				

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
KPI 4. Improve and strengthen the central system for public investment management (i-PIM) in stages (2026, 2027, 2028).							X	X	X	X	X	X	X	X	X	X	X	X
A 3. Disseminate awareness and capacity building for development stakeholders.	GDDE Relevant Entities	Dissemination workshop on Awareness raising and training have been organized.																
KPI 1. Organize programs/ workshops and training programs on the central system for public investment management.								X		X		X		X		X		X
A 4. Launch the central system, the first step and expand/strengthen the use of the system continuously.	GDDE	The system was Launched and strengthened/ expanded.																
KPI 1. Prepare legal documents, guidelines, measures, and procedures to support the use of the central system for public investment management (i-PIM).						X		X		X				X		X		
KPI 2. Implementation the central system for public investment management (i-PIM) across the relevant general departments of the MEF, all central ministries, and several SNAs.						X	X	X	X	X	X			X	X	X		
A 5. Integration with relevant systems.	GDDE Relevant Entities	The Central system has been integrated with the relevant systems.																
KPI 1. Feasibility study and promote the integration i-PIM with information technology systems within the MEF including the investment project implementation management systems of GDB (DI),							X	X	X	X	X	X	X	X	X	X	X	X

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GDICDM, GDPPP, GDSNAF and BSP, FMIS, SAMIS, DMFAS, including systems external the MEF. (If applicable).																		
CoA 3: Review and revise Overall Guidelines on Project Development Facility when necessary.																		
A 1. Overall Guideline on PDF is reviewed and revised.	GSC	Overall Guidelines on PDF is reviewed and revised (if necessary).																
KPI 1. Meeting on review overall guideline on PDF is organized.															X			
KPI 2. Report on the review overall guidelines on PDF, submitted to the management for review and decision.																X		
KPI 3. Establishment Technical Working Group on review overall guideline on PDF is organized (if necessary).																	X	
KPI 4. Technical Working Group meeting on reviewing overall guideline on PDF is organized (if necessary).																		X
OI 5: Strengthen and revise Budget Strategy Plan to integrate budgeting from all sources and from all expenditures.																		
CoA 1: Integrating current expenditures and capital expenditures based on the budget threshold defined by the medium-term budget framework in the Budget Strategy Plan (BSP).																		
A 1. Prepare a national budget direct investment expenditure threshold (direct investment projects) in the Circular on BSP.	GDB	Identify the ministries and institutions that must provide threshold expenditure data for public investment financed by the national budget (direct investment projects).																
KPI 1. 11 priority ministries and institutions are allocated base expenditures for public investment expenditures financed by the national budget (direct investment projects).				X				X				X				X		

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
A 2. Recommend priority ministries and institutions to include national budget financed public investment projects (direct investment projects) in the BSP by program and sub-program, using the submitted primary expenditure data.	GDB	Number of ministries and institutions that have included public investment expenditure projects financed by the national budget (direct investment projects) in the BSP.																
KPI 1. 7 priority ministries and institutions have included public investment expenditure projects financed by the national budget (direct investment projects) into the BSP.				X														
KPI 2. 8 priority ministries and institutions include public investment expenditure projects financed by the national budget (direct investment projects) into the BSP.								X										
KPI 3. 9 priority ministries and institutions include public investment expenditure projects financed by the national budget (direct investment projects) into the BSP.												X						
KPI 4. 10 priority ministries and institutions include public investment expenditure projects financed by the national budget (direct investment projects) into the BSP.																X		
A 3. Integration of current expenditures and public investment financed by the national budget in the threshold-based program.	GDB	Number of priority ministries/ institutions for integrating the budget as defined in the circular on the preparation of the annual budget.																

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
KPI 1. 7 (Approximately 86% of public investment expenditure financed by the total national budget.)					X													
KPI 2. 8 (Approximately 87% of public investment expenditure financed by the total national budget.)									X									
KPI 3. 9 (Approximately 88% of public investment expenditure financed by the total national budget.)													X					
KPI 4. 10 or 11 (Approximately 90% of public investment expenditure financed by the total national budget.)																	X	
CoA 2: Strengthen the integrated Budget Strategy Plan at Capital and Provincials.																		
A 1. Align SNA plans with specialized departments in the capital and provincials.	GDSNAF SNAs	Number of Capital and Provincials administration that have attached the BSP with specialized department of capital and provincials.																
KPI 1. 25 Capital and Provincials administration are linked to the BSP of the specialized departments.					X				X				X				X	
Action 2. Integrate the municipal and district administration plan	GDSNAF SNAs	Number of municipal and district administrations integrate budget strategy plan into the capital and provincials.																
KPI 1. Municipal and district administrations nationwide have plans for integration.					X				X				X				X	
A 3. Integrate the Commune/Sangkat administration nationwide plans	GDSNAF SNAs	Number of municipal and district administrations has plans for integration into the capital and provincial BSP.																

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
KPI 1. Commune/Sangkat administrations across the national have plans for integration.					X				X				X				X	
A 4. Strengthen the linkage of budgets to priority sectors in SNAs.	GDSNAF SNAs	Number of capital and provincial administrations that have attached the book of strategic budget plan/ list of investment projects of the capital and provincial administration when negotiating the budget.																
KPI 1. 6 Capital and Provincials administrations link the BSP and list of investment project during the 2026 budget negotiations.					X													
KPI 2. 6 Capital and Provincials administrations link the BSP and list of investment project during the 2027 budget negotiations.									X									
KPI 3. 6 Capital and Provincials administrations link the BSP and list of investment project during the 2028 budget negotiations.													X					
KPI 4. 6 Capital and Provincials administrations link the BSP and list of investment project during the 2029 budget negotiations.																	X	
OI 6. Establish a pre-budgetary mechanism for public investment to fulfill the administrative functions of public investment management.																		
CoA 1: Prepare the operational procedures of the Public Investment Commission (Working Procedures of the Public Investment Committee)																		
A 1. Support and promote the full implementation of the PIC through the preparation of relevant documents to support implementation and	GDP	Guidelines on workflow and operation of the PIC is prepared.																

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
capacity building to improve the quality and efficiency of work.																		
KPI 1. Guidelines on determining the size and type of projects to be reviewed by the PIC is prepared.						X												
A 2. Plan to strengthen the capacity of the Secretary of the PIC.	GDP	Plan to strengthen the capacity of the Secretariat of the PIC is prepared and implemented																
KPI 1. Plan to strengthen the capacity of the Secretariat of the PIC is prepared and implemented.				X			X			X				X				X
CoA 2: Study visit on international good practice in the public investment management.																		
A 1. Report of study visit on the sub-decree on the PIM to be enacted into law.	GSC	Report of study visit on the sub-decree on the PIM to be enacted into law.																
KPI 1. Draft concept noted on research law on PIM is prepared.											X							
KPI 2. Study visits and sharing experiences.												X				X		
KPI 3. Report on study visit is prepared.												X				X		
KPI 4. Report on the concept notes on the research of the law on PIM, submitted to the management for review and decision.																	X	
A 2. Strengthen the governance function of PIM through the development of tools to support project analysis and monitoring and evaluation mechanisms.	GDP	Analysis tools for examining and evaluating public investment project proposals are prepared.																
KPI 1. Study of international good practice of PIM is prepared.				X														

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
KPI 2. Analysis tools for reviewing and evaluating public investment project proposals is expanded for use.								X										
KPI 3. Analysis tools for reviewing and evaluating public investment project proposals is reviewed and quality enhanced.												X					X	
A 3. Study and prepare monitoring and evaluation mechanisms for public investment.	GDP	Monitoring and evaluation mechanisms for public investment are studied and prepared.																
KPI 1. Monitoring and evaluation mechanisms for public investment have been established.						X												
KPI 2. Monitoring and evaluation mechanisms for public investment are reviewed and revised.												X						
CoA 3: Coordinate the establishment of monitoring and evaluation mechanisms and prepare reports.																		
Action 1. Review and evaluate the mechanism of the PIC.	GDP	Annual progress report or analysis is prepared.																
KPI 1. The 2024 annual progress or analysis report is prepared.			X															
KPI 2. The 2025 annual progress or analysis report is prepared.							X											
KPI 3. The 2026 annual progress or analysis report is prepared.											X							
KPI 4. The 2027 annual progress or analysis report is prepared.															X			
OI 7: Reorganize and revise the standard operation procedures for public investment projects management through financing sources.																		
CoA 1: Prepare and update the Prakas on the standard operating procedures for domestically financed project (direct investment projects).																		
Action 1. Review and revise the SOPs for domestically financed	GDB	The SOPs for domestically financed project (direct																

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
project (direct investment projects) if necessary.		investment projects) shall be revised if necessary.																
KPI 1. Prepare, review, and revise the SOPs for domestically financed project (direct investment projects) related to climate change or related aspects as necessary.										X								
KPI 2. Approve and implement the SOPs for domestically financed project (direct investment projects).														X				
CoA 2: Review and revise the guideline on the standard operation procedures on the Public Investment Management of Sub-National Administration (if necessary).																		
A 1. Review and revise the guideline on the SOPs on the PIM of SNA (if necessary)	GDSNAF	Guideline on the SOPs on the PIM of SNA shall be revised (if necessary)																
KPI 1. Prepare, review, and revise the guideline on the SOPs on the PIM of SNA, if necessary, related to climate change or other related aspects.															X	X		
KPI 2. Approve and implement the SOPs on the PIM of the SNA.																	X	X
CoA 3: Review and revise the guideline on the standard operation procedures on the externally financed projects/programs (if necessary).																		
A 1. Review and revise the guideline on the SOPs on the externally financed projects/ programs.	GDICDM	Guideline on the SOPs on the externally financed projects/programs shall be revised.																
KPI 1. Prepare Guideline.							X											
KPI 2. Consultative Workshop is prepared.								X										
KPI 3. Submit the draft to the management of ministry for review and decision.									X									
KPI 4. Approve and implement.										X								
OI 8: Develop a legal framework as set out in the “Policy Paper on Public-Private Partnerships for Public Investment Project Management 2016-2020”																		

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
CoA 1: Prepare and implement the law on Public-Private Partnerships Mechanisms.																		
A 1. Organize training on the implementation of public investment projects through the PPP mechanism.	GDPPP	Organize sector-based training for relevant ministries and institutions.																
KPI 1. Training related to the implementation of the public investment projects through the PPP mechanisms were organized.						X				X				X				X
KPI 2. Develop a master plan for public investment projects under the PPP mechanism.																		
KPI 1. Information and data are collected and compiled.							X											
KPI 2. Prepare concept noted related to the master plan.								X										
KPI 3. The draft master plan is consulted and revised at the General Department level.									X									
KPI 4. The draft master plan is consulted and revised at the high level.										X								
KPI 5. Final draft master plan is revised and prepared for approval.											X							
A 3. The update guideline on the SOPs for the PPP Projects (SOP for PPP Projects)	GDPPP	Guideline on the SOPs for the PPP Projects (SOP for PPP Projects) is updated.																
KPI 1. Collect and compile points that need to be updated (Gap Analysis)											X	X						
KPI 2. Consultative Workshop on the update guideline on the SOPs for PPP Projects (SOPs for PPP Projects).													X					

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
KPI 3. The updated draft is submitted for consultation and revision at high level.														X	X			
KPI 4. Prepare a summary report, request for consensus principles for updating.																X		
KPI 5. The update SOPs for the PPP Projects (SOPs for PPP Projects) is approved.		Sub-Decree on the update SOPs for the PPP Project (SOPs for PPP Projects) shall be revised.															X	
A 4. Prepare a list of potential PPP Projects.																		
KPI 1. Identify and evaluate public investment projects for implementation under the PPP mechanism.								X										
KPI 2. Organize meeting or consultative workshops.									X									
KPI 3. Prepare reports, submit to the management for review and decision.										X								
KPI 4. Prepare a List of PPP projects.											X							
A 5. Develop a data system for Public Investment Projects under the PPP mechanism (Database for PPP Projects).																		
KPI 1. Prepare a Prototype system for Database for PPP Projects.							X											
KPI 2. Prepare to collect input on system usage after the pilot process.								X										
KPI 3. Review and revise the system development arrangement.									X									

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
KPI 4. The Database for PPP Public Investment Projects is officially launched.										X								
A 6. Prepare a Virtual Data Room – VDR system for public-private partnership projects.																		
KPI 1. Developing guideline on the virtual data systems (VDR Guideline) for PPP Projects								X										
KPI 2. Organize a technical meeting of the MEF to review and discuss the VDR Guideline.									X									
KPI 3. Prepare a report for submission to the management for review and decision on the implementation of the VDR Guideline.										X								
KPI 4. Update the VDR for PPP projects.											X							
Action 7. Develop guidelines on the Financial Management Manual for PPP Projects – FMM for PPP Projects.																		
KPI 1. Organize a meeting at the General Department to discuss the draft guidelines on FMM for PPP Projects							X											
KPI 2. Organize a technical meeting of the MEF to review and discuss the guidelines on FMM for PPP Projects.								X										
KPI 3. Review and revise the guideline on FMM for PPP Projects.									X									

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
KPI 4. Prepare a report to the management for review and decision on the implementation of the guideline on FMM for PPP Projects.										X								
OI 9: Prepare and implement the principles and procedures for managing the use and maintenance of public infrastructure.																		
Cluster of activities 1: Develop and implement guideline on principles and procedures for managing the use and maintenance of rural road infrastructure.																		
A 1. Guideline on principle and procedures for managing the use and maintenance of rural road infrastructure.	MRD																	
KPI 1. Dissemination workshop with central units and rural development departments of 25 Capital and Provincials was organized.					X													
KPI 2. Pilot the implementation of action plan in 25 target provinces.						X	X	X			X		X					
CoA 2: Develop and implement principles and procedures for managing the use and maintenance of irrigation infrastructure.																		
A 1. Develop and implement guideline on the implementation for the operation and maintenance of irrigation system (details contained in Annex 3) 1. Basic principles on cooperation of irrigation system 2. Calculate the estimated cost of materials for irrigation system operation and maintenance projects. 3. Budget Table formats.	MOWRAM	Guidelines on the implementation for the operation and maintenance of irrigation systems and 3 annexes is implemented.																
KPI 1. Disseminate and implement guidelines on the implementation for the operation and maintenance of irrigation systems and 3 annexes.				X		X		X		X		X		X		X		X
OI 10: Develop and implement a Public Investment Project Data management system.																		
CoA 1: Develop a public investment project data management system in ministries and institutions.																		

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
A 1. Set up a Dash-board system to monitor the implementation of transport infrastructure projects.	MPWT	The Dash-board system has been put into trial operation.				X												
A 2. Establish a system to monitor, track, and evaluate the achievements of the priority action plan for the public works and transport sector.	MPWT	Prakas on the implementation and dissemination							X									
A 3. Prepare software programs to manage annual project planning and public construction data.	MPWT	The software program to manage annual project planning and public construction data is prepared.				X												
A 4. Prepare software programs to manage annual project planning and public construction data.	MPWT	A software program to manage annual project planning and public construction data is launched.						X										
A 5. Prepare and implement the Irrigation Infrastructure Management System (IAMS).	MOWRAM	The Irrigation Infrastructure Management System (IAMS) is implemented.																
KPI 1. The development of the IAMS program will achieve 75%, including strengthening functions on input and data analysis.			X															
KPI 2. Training workshop on the official use of the IAMS program for Ministry officials and department officials in all capitals/provinces.				X														
KPI 3. Intermediate training for officials from 12 provincial departments, focusing on the use of IAMS for planning and prioritizing O&M.					X													
KPI 4. Continue to conduct intermediate-level training for officials from the remaining 12 provincial departments,						X												

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
focusing on the use of IAMS for planning and prioritizing O&M.																		
KPI 5. High-level training courses are open for officials from all 25 provincials/municipal departments, divided into 3 sessions on data analysis, decision-making, and forecasting.							X											
KPI 6. Organize training on strengthen the capacity for the full use of IAMS nationwide.								X										
KPI 7. Introduce real-time operation panels of the Ministry officials and department officials in all capital/provincials to monitor data and plan.									X									
KPI 8. Organize workshops for all stakeholders to strengthen the efficiency of using advanced IAMS software, including automated data updates and forecast analysis.										X								
KPI 9. Enable the maintenance prediction function using IAMS.											X							
KPI 10. Release the first three-year budget management report using live IAMS data and highlight the importance of national irrigation planning.												X						
CoA 2. Prepare a user guide on the use of the public investment project data management system.																		
Action 1. Prepare a user guideline on the use of the public investment project data management system.	GDP	A user guideline on the use of the public investment project data management system has been prepared.																
KPI 1. Update the user guideline on the use of the public analysis project data management system.							X								X			

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
CoA 3: Prepare to test the public investment project data management system.																		
A 1. Rural Road Data Management System (RRAMS)	MRD	Decision on establishing a technical working group to manage rural road data via the MRD’s information system.																
KPI 1. Establish a technical working group to manage rural road data through the Information Technology System of the MRD (RRMAS).					X													
KPI 2. Update the rural road management working group via the MRD’s information system.						X												
KPI 3. Study and coordinate rural road classification procedures and adjust rural road classification.						X												
KPI 4. Monitor, inspect, and evaluate the effectiveness of the rural road data management system (RRAMS).						X												
KPI 5. Management and transmission of rural road data via Information System (RRAMS).						X												
CoA 4: Improve the public investment project data management system.																		
A 1. Improve the public investment project data management system	GDP	Public investment project data management system is revised.																
KPI 1. The Public Investment Project Data Management System is further improved.						X												
KPI 2. The Public Investment Project Data Management System has been updated.										X				X				X

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Action 2. Strengthen and expand the scope of public investment project data for inclusion in the PIP_DBMS system.	GDP.	Public investment project data is strengthened and expanded																
KPI 1. Collect, check, verify and harmonize data with relevant entities.				X	X			X	X			X	X			X	X	
OI 11: Prepare and implement project development facility.																		
CoA 1: Prepare and implement project development facility.																		
A 1. Overall Guideline on PDF.	GSC GDICDM GDB GDSNAF GDPPP GDP	Overall Guideline on PDF is prepared.																
KPI 1. Consultative Workshop on overall guideline on PDF				X			X											
KPI 2. Finalized draft overall guideline on PDF.									X									
KPI 3. Dissemination Workshop on overall guideline on PDF is organized (if necessary).										X								
OI 12: Prepare and implement institutional and human resource capacity development plans.																		
CoA 1: Develop an action plan to build and develop the capacity of civil servants in public investment management skills.																		
A 1. Prepare, collect, compile data, and open training courses on national standards for irrigation systems and water resources technology (GIS for construction management, maintenance management).	MOWRAM	National Standards of Irrigation System																
KPI 1. Prepare national standards of irrigation systems.			X	X	X	X		X										
KPI 2. Complete the preparation of national standard of irrigation systems.							X		X									

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
A 2. 180 trainees participated in a training course on national standards of irrigation systems and water resource technology.	MOWRAM	180 trainees participated in a training course on national standards of irrigation systems and water resource technology.																
KPI 1. Training of national and sub-national officials.			X															
KPI 2. Community training for 90 target provinces.				X														
KPI 3. National and sub-national training for 90 target provinces.					X													
KPI 4. Prepare the results of the training course documents.						X												
KPI 5. Prepare training documents for national and sub-national officials.							X				X			X				
KPI 6. Disseminate national standard on irrigation systems to national and sub-national officials through training courses.								X	X			X			X	X		
KPI 7. Prepare and summarize the results of the training course documents.										X			X					X
KPI 8. Disseminate national irrigation standard to national and sub-national officials to continue training courses.												X						
CoA 2: Organize medium-term technical skills training certificate program for professional officers and leaders in charge of public investment management.																		
A 1. Organize training courses at the Certificate Program level on public investment project management skills for public investment project management officers of ministries, institutions, and SNAs.	EFI General Department/ Relevant Entity of the MEF	100 public investment project management officers from ministries, institutions, and SNAs received technical skills training at the certificate level, linked to positions, in all public investment project management skills.																

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
KPI 1. Organize technical-level certificate training courses linked to job functions for public investment project management officers from ministries, institutions, and SNAs.						X				X				X				X
A 2. Organize a study visit on the implementation of public investment projects and foreign experience for the leaders in charge of public investment project management of ministries, institutions, and SNAs, and trainers.	EFI General Department/ Relevant Entity of the MEF Ministries Institutions	Leaders responsible for public investment projects management of ministries, institutions, and SNAs, along with 30 trainers, participated in a study visit on the implementation of public investment projects based on foreign experience.																
KPI 1. Organize a study visit on the implementation of public investment projects and foreign experience for the leaders in charge of public investment project management of ministries, institutions, and SNAs, and trainers.										X				X				
A 3. Prepare to update the Certificate Program on technical skills training for public investment project management.	EFI General Department/ Relevant Entity of the MEF GSC	The Certificate Program for technical skills training at the certificate level on public investment project management is organized.																
KPI 1. Prepare to update the Certificate Program on technical skills training for public investment project management.		Level 2 and Level 3 Training Program							X	X								
CoA 3: Organize training courses on public investment management skills for trainers.																		

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
A 1. Organize training course for trainers on PIM skills.	EFI General Department/ Relevant Entity of the MEF	Ten trainers receive training on public investment project management skills.																
KPI 1. Organize training courses for trainers on PIM skills.										X								
CoA 4: Organize training courses and study visits on public investment management skills for professional officers and public investment management high leader.																		
A 1. Training on capacity building related to PIM inside and outside the country.	GSC Relevant General Department of the MEF Ministries Institutions and Sub-national administration	Training Report on capacity building related to PIM is prepared.																
KPI 1. Training and Study visit on capacity building related to PIM outside the country.							X		X		X		X		X		X	
KPI 2. Training course on capacity building related to PIM in the country (if necessary)								X		X		X		X		X		X
OI 13: Monitor and evaluate the public investment management system in Cambodia																		
CoA 1: Prepare and evaluate the public investment management system in Cambodia using the Public Investment Assessment Methods (PIMA and C-PIMA).																		
Action 1. The draft PIMA & C-PIMA reports are updated.	GSC	The draft PIMA & C-PIMA reports are updated.																
KPI 1. Technical Working Group for the preparation of the PIMA & C-PIMA reports are established.														X				
KPI 2. Technical Working Group meeting on the preparation of the PIMA & C-PIMA reports are organized.															X			

Package Measure/Action	Organization	Key Performance Indicators (KPIs)	Target of Key Performance Indicators (KPIs)															
			2025				2026				2027				2028			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
KPI 3. Collect input from general department/entity under the MEF, ministries, institutions, and SNAs to prepare the report.																X		
KPI 4. The draft report is prepared.																	X	
KPI 5. Report PIMA & C-PIMA is complete.																		X
CoA 2: Public Investment Management System (PIMSRS) Progress Monitoring and Evaluation Report																		
A 1. Quarterly, Semi-annually, and annual PIMSRS progress report.	GSC	The quarterly, semi-annual, and annual PIMSRS progress report was prepared.																
KPI 1. Quarterly, Semi-annually, and annual PIMSRS progress report.			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

Noted

- OI: Objective Indicator
- COA: Cluster of activities
- A: Action
- KPI: Key Performance Indicator

Appendix 3

Institutional And Human Resource

Capacity Development Plan

For Public Investment Management

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Chapter 1

Introduction

Recognizing the importance of reforming PIM in contributing to socio-economic development, the RGC has approved and implemented the institutional and human resource capacity development plan for PIM, as an appendix to the strategy on reforming the PIM system.

The RGC, with the MEF as operational arm, has launched key plans related to institutional and human resource capacity building, such as: 1) Institutional Capacity and Human Resource Development Plans for Public Debt Management; 2) Institutional Capacity and Human Resource Development Plans for PIM through PPP Mechanisms; and 3) An Updated Strategic Plan on Capacity Building within the framework of the Public Financial Management Reform Program, Phase IV. At the same time, several relevant ministries and institutions also have their own internal institutional capacity and human resource development plans.

In addition to the above-mentioned plans, they are not yet sufficient to respond to the realities of Cambodia and international development. Therefore, the RGC needs to develop a comprehensive capacity-building plan that covers public investment from all sources of funding (national budget, external financing, financed through PPP mechanism, blended financing, financed through privatization of state assets, financed through commercial loans, and other lawful sources of financing), and in all administrative levels (national and SNAs, PAEs, SOEs, and equivalent public entities) to supplement previously prepared plans, aiming to ensure the comprehensiveness, efficiency, effectiveness, transparency, accountability, and sustainability of public investment management.

Institutional Capacity and Human Resource Development Plan for PIM is an important and indispensable tool for supporting the implementation of “**The Public Investment Management System Reform Strategy Update 2025-2028**”. This plan will be used as a guide to the development of institutional and human resource capacity in PIM projects aimed at contributing to the acceleration of economic diversification and strengthening Cambodia’s competitiveness.

Institutional and Human Resource Capacity Development Plan for PIM is a “**Living Document**” that can be reviewed and updated as needed.

Chapter 2

OBJECTIVE, GOAL, and SCOPE

2.1. Objective

This plan is aimed at strengthening the institutional capacity and human resource related to PIM from all sources of financing (national budget, external financing, financed through PPP mechanism, blended financing, financed through privatization of state assets, financed through commercial loans, and other legitimated sources of financing), and at all administrative levels (national and SNAs, PAEs, SOEs, and equivalent public entities) to ensure the effectiveness, efficiency, transparency, accountability and sustainability of PIM, with the aim of contributing to accelerating economic diversification and strengthening Cambodia's competitiveness.

2.2. Goal

This plan aimed to introduce a consolidated action plan to strengthen the institutional and human resource capacity of the relevant line ministries to PIM.

2.3. Scope

This plan covers the institutional and human resource capacity development of the MEF, the relevant line ministries and institutions, and SNAs to PIM.

Chapter 3

SWOT ANALYSIS

3.1. Strengths

Within the framework of the current PIM in Cambodia, the RGC sees the following strengths:

- The RGC has a clear policy agenda to further build and develop the country, as outlined in the Pentagonal Strategy – Phase I, which gives first priority to the people
- The Royal Government is highly committed to the ongoing implementation of the five key reform programs, including: 1) Public Financial Management Reform Program, 2) Decentralization and Deconcentration Reform Program, 3) National Public Administration Reform Program, 4) Legal Reform Program, and 5) Justice System Reform Program, which also focuses on continuing to improve the quality of institution and human resources at the relevant line ministries.
- The MEF has a Strategic Plan on Capacity Building and development within the framework of the Public Financial Management Reform Program – Phase 4, which is being updated for implementation in 2025-2028.
- The MEF has the Institute of Economics and Finance as operational arm, responsible for organizing and implementing the Certificate Program for Technical Skills in PIM, in response to Sub-decree No. 45 on Professional Qualifications for Public Finance.
- Line ministries of the RGC are very concerned about the capacity building of relevant officials on regular basis, especially in the PIM through national training programs and referrals for training overseas.
- Recruitment of new, young, more capable and highly-motivated officials at relevant line ministries through transparent recruitment process.

3.2. Weakness

In addition to the above strengths, the RGC also sees some of the weakness of Cambodia in terms of the institutional capacity and human resource of the current PIM as follows:

- The current management structure in the line ministries and institutions involved in the PIM has not yet fully responded to the realities of Cambodia's economic development and international standards, which require them to continue to pay attention for further improvement.
- The capacity of relevant officials in the line ministries and institutions to the PIM at each stage of the project cycle is limited, although the relevant line ministries have

already worked hard to build some human resources, neither the amount nor the capacity to meet current and future workloads.

- The consequences of retaining existing human resources to keep working and attracting new human resources with high professional capacity and willingness to work due to the current incentive system not being competitive.

3.3. Opportunities

In addition to the above-mentioned strengths and weakness, the RGC sees an opportunity to develop the institutional capacity and human resource in relation to the PIM technically and financially as follows:

- **Technical Expertise:** Cambodia receives technical assistance from various development partners and international financial institutions (such as IMF, WB, and ADB, etc) through the assistance as international or technical experts to share knowledge and experience on the PIM by giving presentation during training courses or workshops.
- **Financial Support:** The RGC may use financial assistance from development partners and other sources to fund officials involved to attend local and international workshops, training courses, study tours, conferences, and forums. The RGC may also use the assistance to incentivize capable officials with strong professional background.

3.4. Threats

The RGC believes that the development of institutional capacity and human resource in relation to the PIM in Cambodia may be subject to some of the following external threats:

- The strong attractiveness of the jobs in the private sector and various organizations and institutions, which can be a major challenge for the relevant line ministries and institutions in retain and attracting the good human resources to stay and work.
- The continue evolution of the IT sector, as Cambodia may soon find it difficult to adapt to the way things are done.
- The eventual change in DPs assistance in providing technical assistance to Cambodia.
- The crisis of the war between Russia and Ukraine
- The changing political situation and new challenges related to the severe public health crisis, intensifying global geopolitical conflicts, and global economy uncertainty, treats to national sovereignty and territorial integrity, recurring national disasters, and the need to address the demand from all segments of the population.

Chapter 4

II INSTITUTIONAL AND HUMAN RESOURCES CAPACITY DEVELOPMENT ACTION PLAN 2025-2028

To strengthen the institutional capacity and human resources related to PIM, with the aim of contributing to the sustainability of long-term economic growth, the RGC authorizes the MEF to continue to use assistance from DPs and other sources in the implementation of institutional capacity and human resource development plans for the PIM projects as follows:

4.1. Institutional Capacity Development Action Plan

In order to develop a strong and fully-integrated public investment capacity with a regional and/or global competitiveness, the MEF and other relevant line ministries must implement the following action plan:

- 1) Take necessary actions in retaining highly capable officials with strong professional background by reviewing the incentive system;
- 2) Recruit additional capable officials with strong professional wills through transparent recruitment process to respond to the actual needs; and
- 3) Continue utilizing “**the Learning by Doing Approach**”.

4.2. Human Resource Capacity Development Action Plan

To strengthen human resource for the development plan of PIM, the MEF and other relevant line ministries shall implement the following action plan: Continue to pay attention to capacity building of officials with core skills related to public investment as follows:

- Preparation Project Conception Note
- Evaluate and prioritize of project proposals
- Feasibility study of project proposals, including studies on technical, economic and financial, legal, and social and environmental aspects
- Project screening/selection
- Defining project characteristics
- Output specification
- Project structuring
- Preparation Project contract
- Preparation Contract management plan
- Preparation procurement plan including developing bidding documents and proposal evaluation

- Risk allocations of public investment projects using PPP Mechanisms
 - Value for Money analysis and assessment
 - Financial model for optimization of project life cycle cost
 - Monitoring and evaluation of public investment projects
 - Risk management of public investment projects
 - Contingent Liability Calculation
 - Public Investment Management Assessment (PIMA and C-PIMA) of IMF
 - Other related skills.
1. Continue to train relevant officials using the approach below:
- **Local training include:** 1) Preparation of the MEF's Certificate Program for technical skills training, 2) organizing skill training courses instructed by international experts or officials from international specialized institutions, 3) organizing workshops, forums, or conferences with participation from national and international experts or specialists from relevant line ministries; and 4) Online training.
 - **Overseas trainings include:** 1) attending skill training courses organized by regional or international organizations/institutions; 2) attending regional or international workshops, forums, conferences on related topics; and 3) conducting study tours to specialized ministries/institutions in the region as well as other developed countries. In addition, there should be an internal training program at the ministries and institutions in order to share the knowledge of the officials who have attended the training abroad to other relevant officials.

4.3. Estimated Cost for Institutional and Human Resources Capacity Development Plan

Unit Thousand USD

Action Plan	Year 1	Year 2	Year 3	Year 4	Total
1. Locals	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>400</u>
a. Skills training	50	50	50	50	200
b. Workshops	25	25	25	25	100
c. Forums	10	10	10	10	40
d. Conferences	10	10	10	10	40
e. Online training	5	5	5	5	20
2. Overseas	<u>300</u>	<u>300</u>	<u>300</u>	<u>300</u>	<u>1 200</u>
a. Skills training	100	100	100	100	400

Action Plan	Year 1	Year 2	Year 3	Year 4	Total
b. Workshops	50	50	50	50	200
c. Forums	25	25	25	25	100
d. International conferences	25	25	25	25	100
e. Study tours	100	100	100	100	400
Total (1+2) =	400	400	400	400	1 200

Technical Working Group
on
Formulation of the Public Investment
Management System Reform Strategy
Update 2025-2028

The Public Investment Management System Reform Strategy Update 2025-2028 was prepared by the Technical Working Group on Formulation of the Public Investment Management System Reform Strategy Update 2025-2028, and led by His Excellency **Pen Thirong**, Secretary of State of the Ministry of Economy and Finance (MEF) and Deputy Secretary-General of the Secretariat of the Steering Committee for Public Financial Management Reform (GSC), and is composed of the following members:

- H.E. **Chhoun Samrith** Undersecretary of State of the MEF
- Working Group of General Department of Budget
- Working Group of General Department of Sub-National Administration and Finance
- Working Group of General Department of Resettlement
- Working Group of General Department of Policy
- Working Group of General Department of International Cooperation and Debt Management
- Working Group of General Department of Public-Private Partnership
- Working Group of Economy and Finance Institute
- Working Group of General Department of Digital Economy
- Working Group of General Department of Public Procurement
- Working Group of General Department of State Property and Non-Tax Revenue
- Mr. **Heang Soyaro** Senior Specialist of GSC
- Mr. **Lim Sokheng** Senior Specialist of GSC
- Mr. **Sun Heang** Specialist of GSC
- Ms. **Than Khengvicerany** Specialist of GSC
- Mr. **Chea Sophorn** Assistance of Specialist of GSC.

This technical working group consists of Senior Specialist and Specialist responsible for coordinating the following:

- Mr. **Heang Soyaro** Senior Specialist of GSC
- Mr. **Sun Heang** Specialist of GSC.



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