



BRI **MONITOR**

Cambodia's National Road 6: Case Study of Public Procurement in Cambodia

Prepared by
Future Forum



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Introduction

National Road 6 (NR 6) is a 415.5 km Cambodian highway stretching from the capital city of Phnom Penh to Banteay Meanchey Province in northwestern Cambodia on the border of Thailand¹. This major road connects both the cities of Phnom Penh and Siem Reap to the Thai border, designating it a crucial international trade and transport corridor for the Kingdom. Investment in the road's upkeep and maintenance is therefore essential, and the Royal Government of Cambodia (RGC) has welcomed overseas investment to this end. NR 6 is sectioned in line with its crossing of provincial borders and according to administrative authority. One such example is the Ang Kroeung-Thnal Kaeng (AKTK) section. Having been identified for rehabilitation, the section was officially inaugurated in a ceremony under Prime Minister Hun Sen on June 11, 2018². The section spans 248.5 km in length from Ang Kroeung in Siem Reap Province, the home of Angkor Wat and the most popular tourist destination in the country, to Thnal Kaeng in Kampong Cham Province, near the outskirts of Phnom Penh.³

In 2012, Shanghai Construction Group Co., Ltd. (SCG), a Chinese state-owned enterprise (SOE), secured the contract to repave and expand the AKTK section, with project oversight from Guangzhou Wanan Construction Supervision Co., Ltd. (GWCSC).⁴ Reports suggest that 95 percent of the total budget of USD \$255 million came from a Chinese concessional loan and 5 percent from the Cambodian government.⁵ As shown in Appendix I, NR 6's AKTK section has the largest budget for the construction of completed roads in the Kingdom under Chinese funds. Two roads—the Phnom Penh to Sihanoukville Expressway and Phnom Penh's Third Ring Road—have larger budgets, but both are still under construction, as seen in Appendix I.

¹ Ministry of Public Works and Transport (MPWT), "National Road No. 6 is 415,477 km long and passes through 5 provinces: Phnom Penh (Kandal), Kampong Cham, Kampong Thom, Kampong Thom, Siem Reap and Banteay Meanchey," MPWT News, November 16, 2018 <https://www.mpwt.gov.kh/en/press/5113>

² Sok Makara, "National Road No. 6, more than 248 km long, costing more than 255 million USD, was officially inaugurated," Kampong Thom Provincial Administration, June 11, 2018 ផ្លូវជាតិលេខ៦ ប្រវែងជាង២៤៨គីឡូម៉ែត្រ ដល់ចំណាយថវិកាជាង២៥៥លានដុល្លារ ត្រូវបានសម្ពោធជាផ្លូវជាតិលេខ៦ រដ្ឋបាលខេត្តកំពង់ធំ (kampongthom.gov.kh)

³ Cambodia Constructors Association, "Renovated 250km Stretch of National Road 6 Inaugurated," Construction & Property, June 11, 2018 <https://www.construction-property.com/renovated-250km-stretch-of-national-road-6-inaugurated/>; Makara, 2018

⁴ Cambodia Constructors Association, 2018

⁵ Cambodia Constructors Association, 2018; Hul Reaksmeuy and Simon Henderson, "Life as Living Nightmare Along National Route 6A," The Cambodia Daily, January 31, 2014 <https://english.cambodiadaily.com/news/life-as-living-nightmare-along-national-route-6a-51156/>; Makara, 2018

Figure 1: National Road 6, Ang Kroeung-Thnal Kaeng Section



Background: Road Infrastructure in Cambodia

As assessed by the Asian Development Bank (ADB), the main sectors driving economic growth in Cambodia—agriculture, tourism, construction, and manufacturing—rely heavily on roads to transport people, materials, and goods.⁶ As of 2019, Cambodian roads provided the means for an estimated 90 percent of total transport.⁷ Given this dependence on local transport systems, 12 percent, or USD \$910.40 million, of the country's 2014–18 National Strategic Development Plan (NSDP) budget was allocated for transport infrastructure improvement.⁸

Cambodia's prioritization of improved national infrastructure has seen significant change in a short time frame. In 2014, Cambodian roads totaled 55,000 km in length, of which 20 percent were national roads, 8 percent were provincial roads, and 72 percent were rural roads.⁹ All national 1-digit roads were paved, but only 38 percent of national 2-digit roads and 10 percent of provincial roads were paved.¹⁰

⁶ Asia Development Bank, "Cambodia: Transport Sector Assessment, Strategy, and Road Map," prepared by the Southeast Asia Department of the Asia Development Bank (ADB), September 2019 <https://www.adb.org/documents/cambodia-transport-sector-assessment-strategy-road-map>

⁷ Asia Development Bank, 2019

⁸ Asia Development Bank, 2019

⁹ Open Development Cambodia, "Overview of the Transport Infrastructure Sector in the Kingdom of Cambodia (5th Edition)," prepared by the Infrastructure and Regional Integration Technical Working Group (IRITWG), Ministry of Public Works and Transport, 2015 https://data.opendatacambodia.net/library_record/overview-of-the-transport-infrastructure-sector-in-the-kingdom-of-cambodia

¹⁰ Open Development Cambodia, 2015

By 2019, the total amassed road length was 61,534 km, of which 12 percent were national roads, 15 percent were provincial roads.¹¹ and 74 percent were rural roads. While one hundred percent of 1-digit roads were paved, the proportion of paved two-digit national roads nearly doubled, reaching 72 percent, and paved provincial roads increased to 30 percent.¹²

Funds for almost all road projects in Cambodia come from foreign sources. Sources for road funding in Cambodia are evenly split between two dominant and two secondary sources. Between 2014 and 2018, China funded 38.5 percent of Cambodia's national and provincial road projects (for a total of USD \$618 million), while Japan funded 37.9 percent (USD \$609 million), South Korea funded 12 percent (USD \$192 million), and multilateral development banks funded the remaining 11.6 percent (USD \$187 million).¹³ Nou Vaddhanak, a Ministry of Public Works and Transport (MPWT) official said that, "the intent of the government is to attract the private sector to participate, [however we] normally have road projects funded by other countries."¹⁴ This statement left out the detail as to why this is the case. Although road conditions are improving, research suggests that there will be a continued need for investment into Cambodia's road sector to improve connectivity both domestically and with neighboring countries, especially given that maintenance budgets in the Kingdom are currently insufficient for sustainable road use and upkeep.¹⁵ Like other countries in Southeast Asia, Cambodia suffers from the well-known "infrastructure funding gap," i.e., ASEAN states' lack of funds to provide the necessary infrastructure to achieve positive gains in economic growth stemming from increased economic integration.

Among Cambodia's development partners, China has provided a significant source of funding and expertise. At the time of the AKTK section's inauguration in June 2018, 23 roads totaling more than 2,300 km in Cambodia had been built on Chinese loans, while another 7—constituting 735 km—were under construction.¹⁶ By December 2020, China had reportedly funded more than 3,000 km of road construction in the Kingdom with more than USD \$3 billion in concessional loans, not including an additional USD \$2 billion for the Phnom Penh to Sihanoukville Expressway, which is currently in the works.¹⁷

¹¹ Asia Development Bank, 2019

¹² Asia Development Bank, 2019

¹³ Asia Development Bank, 2019

¹⁴ Spiess Robin, "Cambodia facing a dilemma on plan to give roads a facelift," *The Phnom Penh Post*, December 13, 2017 <https://www.phnompenhpost.com/business/cambodia-facing-dilemma-plan-give-roads-facelift>

¹⁵ Asia Development Bank, 2019

¹⁶ Geoff De Freitas, "BRI Investment in Cambodian Infrastructure Set to Top US\$2 Billion," Hong Kong Trade Development Council (HKTDC) Research, August 9, 2018 [https://www.hkfederation.org.hk/s3fs-public/2019-06/20180809%20BRI%20Investment%20in%20Cambodian%20Infrastructure%20Set%20to%20Top%20US\\$242%20Billion.pdf](https://www.hkfederation.org.hk/s3fs-public/2019-06/20180809%20BRI%20Investment%20in%20Cambodian%20Infrastructure%20Set%20to%20Top%20US$242%20Billion.pdf); Xinhua News, "China-funded national road inaugurated in Cambodia," Xinhua News Asia & Pacific Edition, edited by Liu, June 11, 2018 http://www.xinhuanet.com/english/2018-06/11/c_137246369.htm

¹⁷ Cambodia Constructors Association, "Over 3,000km of Roads in Cambodia Built by China with over US\$3 billion in Loans, says Transport Minister," *Construction Focus*, December 4, 2020, <https://www.construction-property.com/over-3000km-of-roads-in-cambodia-built-by-china-with-us3-billion-loan-says-transport-minister/>; Thou Vireak, "Over 3,000km of roads funded by China loans, says minister," *The Phnom Penh Post*, December 6, 2020 <https://www.phnompenhpost.com/business/over-3000km-roads-funded-china-loans-says-minister>; Xinhua News "Cambodia inaugurates China-funded national road in Western provinces," Xinhua News Asia & Pacific Edition, edited by Xuxin, February

Despite the economic benefits of increased Chinese funding in Cambodian road construction—an area previously dominated by Japan and Japanese-funded Official Development Assistance (ODA) programming—concerns have been raised by Sam Chow, an East Asia transport consultant for global firms Arup and a senior official from Cambodia’s Ministry of Public Work and Transport (who asked not to be named) about the sustainability of such investments; given that many Chinese-funded roads (which are typically built by Chinese contractors) have used cheap construction methods, such as pouring rubberized asphalt over crushed stones, which may lead to high maintenance costs.¹⁸ National Road 6A, a road section which connects Phnom Penh to the AKTK section, was built using this method.¹⁹ Concrete, rather than asphalt, is a superior method for road construction in Cambodia given the high volume of precipitation in the country, according to industry experts.²⁰ However, this has yet to be included in Cambodian road standards.²¹ In addition to concerns regarding construction practice, Chinese-funded national roads have also been criticized for a lack of transparency surrounding the procurement process, which is believed to contribute to the common misuse of funds during road projects.²²

By contrast, a perceived reliance on Chinese investment is partially born out from the “required” nature of China’s foreign investment schemes.²³ The expansion and improvement of Cambodia’s transportation infrastructure is crucial for supporting trade and investment, which provides much-needed employment opportunities and socioeconomic growth.²⁴ Cambodia, along with most other emerging markets, struggles to find the funds necessary for realizing such crucial infrastructure development.²⁵ China’s continued funding of Cambodia’s infrastructure is considered by some stakeholders representative of their supportive and collaborative relationship as “iron-clad friends.”²⁶

Project Stakeholders

Figure 1 below shows the stakeholder map of NR 6’s AKTK Section Project, which was constructed by SCG and overseen by GWCSC working under the local jurisdiction of the MPWT. Official documents or contracts listing the project specifics, such as budgets, timelines, equipment sources, or subcontractors, do not seem to be publicly available. The MPWT, which established in 1996, is responsible for managing all road development, construction, and improvements.²⁷

¹⁸ Siv Meng, “National Roads built with Chinese aid under fire,” *The Phnom Penh Post*, February 25, 2016 <https://www.phnompenhpost.com/real-estate/national-roads-built-chinese-aid-under-fire>; Robin, 2017

¹⁹ Meng, 2016

²⁰ Meng, 2016; ACPLM, “What Are the Effects of Heavy rain on Asphalt?” *ACPLM News*, accessed May 23, 2021 <https://www.acplm.net/rain-on-asphalt/>

²¹ Meng, 2016

²² Meng, 2016

²³ Janelle, 2017

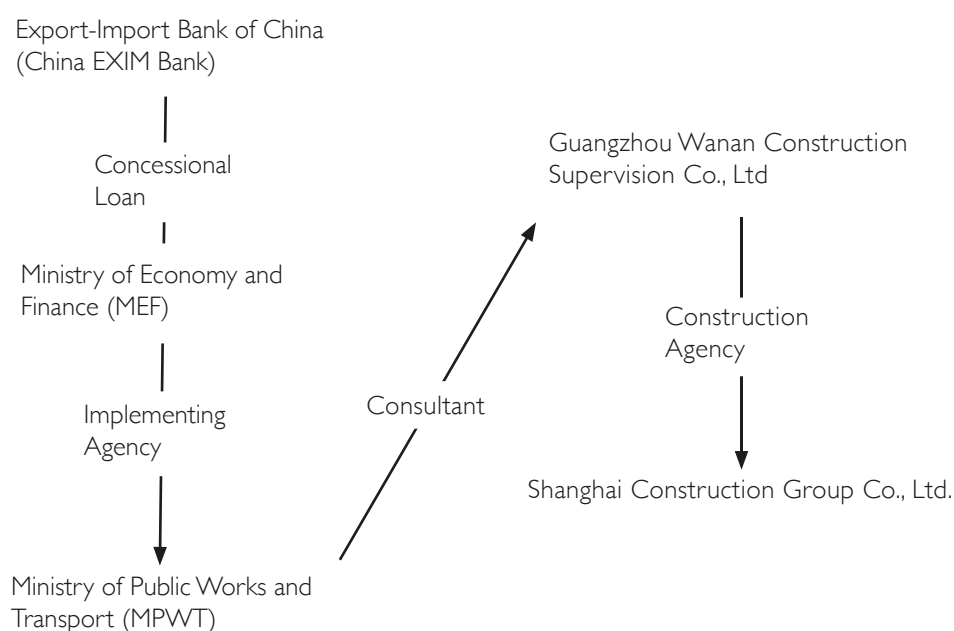
²⁴ Vireak, 2020; *Xinhua News*, 2020

²⁵ Vireak, 2020

²⁶ Ministry of Foreign Affairs of People’s Republic of China, “China and Cambodia Hold Grand Handover Ceremony of China-funded Stadium in Cambodia,” September 13, 2021 https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1906620.shtml

However, there is no confirmation of whether the MPWT was the executive/implementing agency (EA) and/or carried out procurement activities for this project, as the MPWT only has procurement documents publicly available from 2017 onward. While a 2020 Phnom Penh Post article detailing the MPWT procurement unit's work on five new roads indicates the MPWT currently has a procurement unit in operation, it is unclear whether it had a procurement unit at the time of AKTK's procurement.²⁸

Figure 1: Stakeholder Map



GWSCS was established in 1995 under the supervision of the Chinese Association of Engineering Executives.²⁹ GWSCS entered the international market in 2002 and has since supervised more than 50 projects in more than 30 countries³⁰. On February 10, 2015, GWSCS also established a foreign branch registered with Cambodia's Ministry of Commerce Business Registration Department.³¹ GWSCS previously conducted various road projects in Cambodia, including the construction of National Road 210 and the extension of National Road 62 under a USD \$57.8 million loan in 2011; the 172 km road from the eastern provinces of Monduliri to Ratanakiri under an estimated USD \$90 million loan in 2017; and National Road 55 under a USD \$140 million loan in 2020. At the opening ceremony of National Road 210 and the extension of National Road 62 under a USD \$57.8 million loan in 2011;

²⁷ Ministry of Public Works and Transport (MPWT), "Mission and Vision," accessed May 25, 2021 <https://www.mpwt.gov.kh/kh/about-us/mission-and-vision>

²⁸ Long Kimmarita, "Five road and bridge projects get approval," *The Phnom Penh Post*, April 15, 2020, <https://www.phnompenhpost.com/national/five-road-and-bridge-projects-get-approval>

²⁹ ChinaAidData, "China provided a US\$302M loan to Cambodia for roads and irrigation projects (Linked to Project ID#32155)," China Aid Data.org, accessed March 02, 2021 <https://china.aiddata.org/projects/32160>; Guangzhou Wanan Construction Supervision Co., Ltd. (GWSCS), "Brief introduction of the company: About Us," accessed March 2, 2021 http://www.wajl.net/en/about.asp?n_id=183&cur=Brief+introduce+of+the+company

³⁰ Guangzhou Wanan Construction Supervision Co., Ltd (GWSCS), "Honor of the Enterprise: About Us," accessed March 02, 2021 http://www.wajl.net/en/about.asp?n_id=187&cur=HONOR+OF+ENTERPRISE

³¹ "Open Corporates, "Guangzhou Wanan Construction Supervision Co., Ltd.: Branch," Open Corporates Database, accessed March 5, 2021 <https://opencorporates.com/companies/kh/00011658>.

The 172 km road from the eastern provinces of Monduliri to Ratanakiri under an estimated USD \$90 million loan in 2017; and National Road 55 under a USD \$140 million loan in 2020.³² At the opening ceremony of National Road 210 in 2011, Prime Minister Hun Sen presented the “High-level Medal of Honor of National Cooperation” to Xiao Xinming, the director of GWCSC, and Zhang Chaoying, the general manager and chief supervisor of GWCSC.³³ GWCSC also has a USD \$219 million supervision contract for National Road 3, as well as a USD \$188 million contract for National Road 10, both currently under construction.³⁴ Moreover, GWCSC oversaw the Achang Irrigation Project in Kampong Chhnang Province, as well as the Vaico Irrigation Project in Prey Veng Province, both funded by concessional loans from the Export-Import Bank of China (China EXIM Bank).³⁵

Construction was conducted by SCG.³⁶ Originally founded in 1953 as the Construction Engineering Bureau of Shanghai Municipal People's Government, it was restructured as the group enterprise Shanghai Construction Engineering Group Co. in 1994 and is 100 percent owned by the Shanghai Municipal Government State-owned Assets and Supervision Administration Commission. A subsidiary, Shanghai Construction Engineering Group Co., Ltd., was listed on the Shanghai Stock Exchange by 1998.³⁷ The Engineering News-Record has listed SCG among its “Top Ten Global Contractors” every year since 2016.³⁸ SCG's home page boasts that it has conducted projects in more than 150 cities domestically and 42 countries abroad—36 of which are Belt and Road' countries—with more than 2,100 projects currently in progress.³⁹

³² Guangzhou Wanan Construction Supervision Co., Ltd (GWCSC), “Ceremony of No. 62 road being opened to traffic,” Enterprise News, December 12, 2011 http://www.wajl.net/en/news.asp?n_id=297&n_type=1&cur=Enterprise+news; ChinaAidData, “China provided a US\$302M loan to Cambodia for roads and irrigation projects (Linked to Project ID#32155)”;³³ Center for Strategic and International Studies (CSIS), “Pursat-Thmorda Road (Construction),” Reconnecting Asia Database: Projects, accessed April 28th, 2021 <https://reconnectingasia.csis.org/database/projects/pursat-thmorda-road-construction/9522b319-78a7-46ee-aec3-bfd76bae8858/>; Phoung Vantha, “Chinese Investments to Develop Two National Roads in Cambodia,” Cambodianess, September 3, 2020 <https://cambodianess.com/article/chinese-investments-to-develop-two-national-roads-in-cambodia>

³³ Guangzhou Wanan Construction Supervision Co., Ltd (GWCSC), 2011

³⁴ Lixin Group, China funds more than 3,000 km of roads in Cambodia,” Media News, March 10, 2020 http://www.lixin-kh.com/en/news_detail/20B5e416f02DD230; Kimmarita, 2020

³⁵ ChinaAidData, “China provides 283.5 million RMB to Cambodia for the Achang Irrigation Development Project (linked to Project ID#35573),” China Aid Data.org, accessed March 13, 2021 <https://china.aiddata.org/projects/35569>;

Council for the Development of Cambodia, “Vaico Irrigation Development Project - Phase I: Project Summary Reports: Project/Program Information and Implementation Arrangements,” Council for the Development of Cambodia, updated November 2019 http://www.odacambodia.com/reports/Individual_project_summary_report2008.asp?RecordId=China%2D2012%2DDDE42&DonorName=China; Guangdong Hydropower Planning & Design Institute, “Achang Irrigation Development Project: Overseas Projects,” accessed December 23, 2013 <http://www.gpdw.com/en/webview/?artid=40753>; NGO Forum Cambodia, “Visiting Achang Irrigation,” Bi-Monthly e-Newsletter, Sep-Oct, 2017 http://www.ngoforum.org.kh/wp-content/uploads/2018/01/Sep-Oct-2017-e-Newsletter_Final.pdf

³⁶ Shanghai Construction Group Ltd., Co. (SCG), “Group Profile: About Us,” accessed April 29, 2021 https://www.scg.com.cn/about_company.html

³⁷ Shanghai Construction Group Ltd., Co. (SCG), “Group Profile: About Us”

³⁸ Engineering News Record, “ENR 2017 Top 250 Global Contractors 1-100,” accessed April 29, 2021, <https://www.enr.com/toplists/2017-Top-250-Global-Contractors-1>

It is a self-proclaimed “life-cycle” construction company, assisting clients with procuring investment, surveying, designing construction, performing construction, operating and managing projects, and providing project maintenance and refurbishment.⁴⁰ A local subsidiary of the company, Shanghai Construction (Cambodia) Co., Ltd., was established in Cambodia in July 2016, and SCG is listed as its main shareholder, though the percentage of holdings is not disclosed.⁴¹

However, multiple sources list SCG as the contracted construction agency for NR 6’s AKTK section, which suggests that the Chinese parent company, rather than the local subsidiary, completed the construction, given that the local Cambodian subsidiary was established only the year before construction on the AKTK section was completed.⁴²

SCG is certainly no stranger to road construction in Cambodia. The year 2012 alone saw the completion of three national roads constructed by SCG: National Road 8 in Prey Veng Province, National Road 78 linking Ratanakiri Province to Stung Treng Province, and National Road 62 in Preah Vihear Province, all financed—at least partially—by Chinese loans.⁴³ SCG completed the Fourth Chinese-Cambodia Friendship Bridge, stretching 855 m across the Tonle Bassac River, in 2014 under a USD \$33 million loan from China.⁴⁴ Additionally, SCG also constructed a 10 ha container terminal at the Phnom Penh Autonomous Port in 2013 under a USD \$28 million soft loan from China, facilitating the direct shipment of goods from Cambodia to neighboring countries as well as to Singapore, Malaysia, and China.⁴⁵

Not only do SCG and GWCSG have histories of conducting major projects in Cambodia, but the two have frequently partnered on construction projects in the country, especially in road construction. GWCSG and SCG worked together on National Road 62’s rehabilitation and National Road 59’s construction in 2011; National Road 78 and 5 in 2012; and National Road 61 in 2013, among others.⁴⁶

³⁹ Shanghai Construction Group Ltd., Co. (SCG), “Group Profile: About Us”

⁴⁰ Shanghai Construction Group Ltd., Co. (SCG), “Group Profile: About Us”

⁴¹ Open Corporates, “Shanghai Construction (Cambodia) Co., Ltd.,” Open Corporates Database, accessed April 29, 2021, <https://opencorporates.com/companies/kh/00015101>

⁴² ASEAN-China Center, “Cambodia building 248-km national road with Chinese aid,” Xinhua, November 23, 2013, http://www.asean-china-center.org/english/2013-03/05/c_132210075.htm; Cambodia Constructors Association, 2018; Xinhua News, 2018

⁴³ ASEAN-China Center, “Cambodia inaugurates China-funded road in eastern part,” Xinhua News, November 23, 2012 http://www.asean-china-center.org/english/2012-11/23/c_131994724.htm; Global Times, “Cambodia inaugurates China-funded 121-km road in northeast,” The Global Times, December 6, 2012 <https://www.globaltimes.cn/content/748620.shtml>; Open Development Cambodia, “Cambodia Inaugurates China-funded Road in Provinces: Shanghai Construction (Group) General Company News,” originally sourced from Xinhua News, originally published in China Plus, August 8, 2012 <https://opendevdevelopmentcambodia.net/news/cambodia-inaugurates-china-funded-road-in-n-provinces-2/>

⁴⁴ People’s Daily, “Work on 4th Cambodia-China Friendship Bridge almost completed,” People’s Daily English, April 3, 2014 <http://en.people.cn/90883/8588659.html>

⁴⁵ Global Times, “Cambodia inaugurates China-financed new container terminal,” The Global Times, January 22, 2013 <https://www.globaltimes.cn/content/757393.shtml>

⁴⁶ ChinaAidData, “Concessional loan for Cambodia National Road No. 78,” China Aid Data.org, accessed May 19, 2021 <https://china.aiddata.org/projects/32119>; ChinaAidData, “EXIMbank concessional loan for expansion of Cambodia National Road No. 5,” China Aid Data.org, accessed May 19, 2021 <https://china.aiddata.org/projects/33064>; ChinaAidData, “EXIM Bank concessional loan for Rehabilitation of NR62 (Tbeng Meanchey — Preas Vihear) & NR210,” China Aid Data.org, accessed May 19, 2021 <https://china.aiddata.org/projects/38785>; China Daily, “New road to link Cambodia’s west to other parts,” China Daily, February 15, 2011 https://www.chinadaily.com.cn/imqq/china/2011-02/15/content_12020874.htm;

Center for Strategic and International Studies (CSIS), “Construction of National Road No 61 (Thnal Keang - Prek Kdam Bridge),” Reconnecting Asia Database, accessed April 28, 2021 <https://reconnectingasia.csis.org/database/projects/thnal-keang-prek-kdam-bridge/e9b11448-af5e-4a73-8a8f-bc55cf03b29b/>

GWCSG and SCG also partnered in constructing the USD \$117 million National Road 214 and Stung Treng Bridge in 2015 and the USD \$123 million National Road 58 in 2019.⁴⁷ Additionally, GWCSG and SCG have a USD \$237 million contract for Phnom Penh's Third Ring Road, currently under construction, while their USD \$58 million Cambodia–China Stung Trang-Kroch Chhmar Friendship Bridge unofficially opened in late March 2021.⁴⁸

It is not surprising that the AKTK project was contracted to Chinese firms, as it was under a concessional loan from China which requires at least 50 percent of the project be contracted to Chinese suppliers—a further exemplar of China's lack of adherence to global best practices.⁴⁹

Research from Inclusive Development International concludes that while both private and state-owned Chinese companies invest in Cambodia, private companies usually pursue projects in the real estate, tourism, industry, and manufacturing sectors, while Chinese SOEs have dominated infrastructure sectors such as roads, bridges, irrigation, and energy generation and transmission.⁵⁰

Project's Association with the Belt and Road Initiative (BRI)

The President of the People's Republic of China, Xi Jinping, launched a massive infrastructure initiative, sometimes referred to as the New Silk Road, but more commonly known as the Belt and Road Initiative (BRI).⁵¹ Beginning officially in 2013, the BRI outlined an investment-led Chinese foreign policy towards developing crucial infrastructure in partnership with, or on behalf of, qualifying nations. The AKTK section is an example of such investment in Cambodia.⁵²

⁴⁷ Center for Strategic and International Studies (CSIS), "National Road No 214 and Stung Treng-Mekong River Bridge," *Reconnecting Asia Database: Projects*, accessed April 28, 2021 <https://reconnectingasia.csis.org/database/projects/national-road-no-214-and-stung-treng-mekong-river-bridge/406332f0-4d66-4cab-a13d-1ac88e93f58b/>; Nika. C, "US\$120 Million NR58 Put Into Official Use," *Official Council of the Ministers: Press*, February 26, 2020 <https://pressocm.gov.kh/en/archives/63958>

⁴⁸ Johnny Bobby, "Latest Mekong Bridge Unofficially Declared Open," *Cambodia News English*, March 23, 2021, <https://cne.wtf/2021/03/23/latest-mekong-bridge-unofficially-declared-open/>; *Cambodia News Gazette*, "Minister of Public Work and Transport Signs Agreements on 4 Infrastructure Projects with Chinese Companies," October 17, 2016 <https://cambodianewsgazette.com/minister-of-public-work-and-transport-signs-agreements-on-4-infrastructure-projects-with-chinese-companies-2/>; Michael Marray, "SGC digs ring road in Phnom Penh," *The Asset*, January 22, 2019 <https://www.theasset.com/belt-road-online/35691>

⁴⁹ Mark Grimsditch, "The Role and Characteristics of Chinese State-owned and Private Enterprises in Overseas Investments," *Friends of the Earth US*, June 2015 <https://11bps6437gg8c169i0y1drtgz-wpengine.netdna-ssl.com/wp-content/uploads/2018/01/Role-and-Characteristics-of-SOEs-Overseas-1.pdf>

⁵⁰ Inclusive Development International, "Briefing Paper: Reassessing China's Investment Footprint in Cambodia," *Inclusive Development International*, August 2020 https://www.inclusivedevelopment.net/wp-content/uploads/2020/08/2020_IDI_Briefing-on-Chinas-Footprint-in-Cambodia-Update.pdf

⁵¹ Andrew Chatzky and James McBride, "China's Massive Belt and Road Initiative," *Foreign Affairs*, January 28, 2020 <https://www.cfr.org/backgrounder/chinas-massive-belt-and-road-initiative>

Both Cambodian Prime Minister Hun Sen and Chinese Ambassador to Cambodia Xiong Bo attended the June 2018 inauguration ceremony for the AKTK section.⁵³ During the ceremony, Prime Minister Hun Sen described China as a good friend whose support of Cambodia's transportation infrastructure has been crucial for Cambodia's continued development.⁵⁴ Although it remains unclear which projects are and are not included under the BRI, the Prime Minister lauded BRI at the road's inauguration ceremony for Beijing's bolstering of infrastructure in Cambodia and around the world: "The Chinese friend has helped construct our internal transport infrastructure very well... Cambodia has also got benefits from this Belt and Road Initiative."⁵⁵ This report utilizes the Prime Minister's statement as confirmation that the project can be classified as part of the BRI. Ambassador Xiong Bo also delivered remarks at the ceremony, claiming that the road will aid poverty reduction and socioeconomic development and adding that China will always support Cambodia's development choices.⁵⁶

Additionally, an August 2018 report by the Hong Kong Trade Development Council, a Hong Kong government-linked organization, described that China had recently constructed a container terminal for the Phnom Penh Autonomous Port, 7 new bridges, and 2,000 km of new roads—a highlight of which was the expansion of the AKTK section—"with funding provided from within the framework of the Belt and Road Initiative (BRI)."⁵⁷ Meanwhile, during the virtual eleventh annual International Infrastructure Investment and Construction Forum in 2020, the MPWT expressed gratitude to China's BRI for spurring infrastructure development in Cambodia, specifically road construction.⁵⁸

History of the NR 6

During the Cambodian Civil War and the occupation by the Khmer Rouge, NR 6 incurred significant damage. In particular, a part of the AKTK section between Kampong Thom and Siem Reap was susceptible to Khmer Rouge attacks until 1989.⁵⁹ This devastation, however, ultimately paved the way for redevelopment.

⁵² Vannarith Chheng, "BRI Project in Cambodia and Lao Roll On Despite Covid-19," ISEAS, July 27, 2021 https://www.iseas.edu.sg/wp-content/uploads/2021/07/ISEAS_Perspective_2021_99.pdf

⁵³ Xinhua News, 2018

⁵⁴ Xinhua News, 2018

⁵⁵ Xinhua News, 2018

⁵⁶ Xinhua News, 2018

⁵⁷ De Freitas, 2018

⁵⁸ Vireak, 2020

⁵⁹ Office of the Council of the Minister, "Selected Comments Samdech Techo Hun Sen at the Inauguration of National Road 6 Renovation and Enlargement between Thnol Kaeng of Kompong Cham and Angkorng of Siem Reap [Unofficial Translation]," Office of the Council of the Minister, June 11, 2018 <https://pressocm.gov.kh/en/archives/31794>

In 1997, Japan International Cooperation Agency (JICA) funded two sections of this NR 6: the 28 km section from Thnal Kaeng to Skun and the 17.5 km section from Siem Reap to Rolous (eastern Siem Reap).⁶⁰ Both projects were completed in 1999 and 2002, respectively.⁶¹

Following JICA's support, the ADB and World Bank also gave Cambodia financial assistance for other road sections of the NR 6.⁶² In 1999, ADB funded a road section project of NR 6, a 112 km section between Kampong Thmor and Siem Reap, which was completed in 2005.⁶³ In addition, the World Bank road project section of NR 6 was constructed in 2002 and completed in 2004, which stretches 72.5 km from the Kampong Thom-Siem Reap provincial border.⁶⁴ Throughout the history of the NR 6, the road and the AKTK section was constructed a few times with different donors. However, the latest project of this road, the AKTK section, is the longest section improvement.

Project Description

A 248.5 km stretch of NR 6 from Ang Kroeung in Siem Reap province, where tourists flock to the famous temples of Angkor, to Thnal Kaeng in Kampong Cham province, close to the outskirts of Phnom Penh, was redeveloped. The construction took 50 months, beginning in May 2013 and concluding in July 2017.⁶⁵ The MPWT, at the inauguration ceremony of NR 6 on June 10, 2018, explained that the new road was paved with 10 cm-thick AC rubber concrete and passes through three critical provinces including Kampong Cham (43.98 km), Kampong Thom (144.25 km), and Siem Reap (60.30 km).⁶⁶

However, the road construction was divided into three development phases.⁶⁷ The first 28 km section stretching from Thnal Keng to Skun (within Kampong Cham province) expanded the road to a 25 m width; the second section of 102.9 km from Skun to Steung Sen (also in Kampong Cham province) was widened to 12 m; and the third section which spanned 166 km from Steung Sen to Ang Kroeung (across Kampong Thom and into Siem Reap province) was also widened to 12 m.⁶⁸

⁶⁰ Embassy of Japan in Cambodia, "JICA's ODA to The Kingdom of Cambodia," JICA, August 2010 http://www.kh.emb-japan.go.jp/economic/oda/odalist_sept2010-e.pdf

⁶¹ Embassy of Japan in Cambodia, 2010

⁶² Asia Development Bank, "Cambodia: Primary Roads Restore Project," Asia Development Bank, December 2009, <https://www.oecd.org/derec/adb/47145261.pdf>; China Road & Bridges Corporation, "NR 6 Project in Cambodia," accessed October 04, 2021, China Road & bridges Corporation (CRBC) <https://www.crbc.com/site/crbcEN/514/info/2017/46841337.html?id=570e2bf6-b830-4fd4-80d9-1c51e2336193>

⁶³ Asia Development Bank, 2009

⁶⁴ China Road & Bridges Corporation, "NR 6 Project in Cambodia"

⁶⁵ Makara, 2018

⁶⁶ Press OCM (Office of the Council of Ministers), "(Live) Samdech Techo Hun Sen Inaugurates National Road No. 6," Press OCM's YouTube Video, June 10, 2018 <https://www.youtube.com/watch?v=9yEAn6Siw4M>

⁶⁷ Press OCM, 2018

⁶⁸ Press OCM, 2018

Project Financing

The loan financing for the construction of NR 6's AKTK section was granted in a USD \$430 million concessional package from China EXIM Bank in 2012. This included funds designated for the AKTK section, another National Road project, and a multipurpose dam in Battambang Province.⁶⁹

The signing of this loan package occurred at a meeting between Prime Minister Hun Sen, officials from the Cambodian People's Party (the Kingdom's ruling party), and China EXIM Bank representatives, during which the Chinese delegation presented a gift of two airplanes to Cambodian officials.⁷⁰ He Guogiang, a member of China Politburo Standing Committee and a senior leader of the Communist Party of China (CPC), chaired the signing ceremony.⁷¹

The details of the loan term were not publicly disclosed aside from the shared percentage of the loan, of which 95 percent came from China EXIM Bank and 5 percent from the Cambodian government (in a budget of USD \$255 million).⁷²

Project Benefits

The improvement of the road conditions is believed to make Cambodia's trade more competitive by reducing transportation costs. Sin Chanthy, president of Cambodia Logistics Association said, "National Road 6 is important because of its connection to many provinces. Goods transportation and people's travels can use road number 6 if the road expands wider because it saves time and reduces cost."⁷³ However, the project study report (i.e., feasibility study report) was not publicly available, leaving any specific assessment result unknown.

At the inauguration of the AKTK section, Sun Chanthol, the Minister of Public Works and Transportation, highlighted that this road completion will help boost the country's economy, increase tourism, and create job opportunities for the local people: "this road will facilitate travel and cargo transportation, reducing logistics costs and helping to further integrate Cambodia into the ASEAN community."⁷⁴

⁶⁹ Rann Reuy, "Cambodia takes \$430m China loan," *The Phnom Penh Post*, June 14, 2012 <https://www.phnompenhpost.com/business/cambodia-takes-430m-china-loan>

⁷⁰ Open Development Cambodia (ODC), "Bearing Gifts, Chinese Heads Visit Hun Sen," ODC's News, June 14, 2012, <https://opendevelopmentcambodia.net/km/news/bearing-gifts-chinese-heads-visit-hun-sen/>

⁷¹ Reuy, 2012; People daily online, "China eyes on all-round cooperation with Cambodia, says CPC senior leader," originally source from Xinhua, June 13, 2012, <http://en.people.cn/90883/7844924.html>

⁷² Cambodia Constructors Association, 2018; Office of the Council of Ministers, "Samdech Techo Hun Sen Inaugurates National Road No. 6, More Than 248 Kilometers from Kampong Cham Provincial Road to Siem Reap: Press," June 11, 2018 <https://pressocm.gov.kh/archives/32053>; Makara, 2018; Sum Manet, "National Road 6 officially in service," *Khmer Times*, June 12, 2018 <https://www.khmertimeskh.com/499590/national-road-6-officially-in-service/>; Xinhua News, 2018

⁷³ Ben Sokhean, "Plans to widen Nat'l Rd 6 between Siem Reap and Kampong Cham," *Khmer Times*, July 23, 2021 <https://www.khmertimeskh.com/50899681/plans-to-widen-natl-rd-6-between-siem-reap-and-kampong-cham/>

⁷⁴ Manet, 2018

It is important to note that the completion of the rehabilitation of the 248.5 km stretch of the AKTK section is set within an upgrading road network whereby the entire NR 6 road network runs from the capital city of Phnom Penh to the northwest province of Sisophon where it connects to National Road 5, which runs to Poipet Province on the Thai border.⁷⁵ The entire NR 6 is the longest road in the country, supporting critical regional integration and trade by connecting the capital city to the Thai border and serving as a portion of the “Inter-Corridor Link” ASEAN Highway 11.⁷⁶ The road’s construction also reduces travel time from Siem Reap to Poipet and from Phnom Penh to Siem Reap.⁷⁷ In addition to increasing travelers to the popular tourist destination of Siem Reap, the AKTK section was also applauded for drawing more tourism and investment to the lesser known but historically rich provinces of Kampong Thom and Preah Vihear NR 6.⁷⁸

Governance Gaps / Project Issues

Several project governance gaps are discussed in detail below including a lack of transparency, misuse of funds, and construction quality.

A Lack of Transparency

A primary area of concern regarding the AKTK section development is a lack of project transparency around the bidding process, awarding of the contract, and funding allocation. There are multiple news sources acknowledging the existence of the project, but there are competing stories of timelines and financing.

A 2013 press release from the ASEAN-China Center states that construction of the 248.5 km stretch of NR 6 broke ground on March 5, 2013, was funded by a USD \$248 million loan, and had a projected completion date of 42 months.⁷⁹ An article published on Kampong Thom’s Provincial Authority website states that the road’s inauguration ceremony took place four years later in 2018, with construction beginning in May 2013 and lasting 50 months and a total budget of USD \$255 million.⁸⁰ The MPWT also indicated a USD \$255 million budget and 50-month duration during the June 10, 2018, inauguration ceremony for NR 6.⁸¹ At the ceremony, the Ministry also stated that after the spending for demining, impacts of road expansion, and taxes, the total expenditure was USD \$315 million.⁸²

⁷⁵ I2GoAsia, “Construction of National Route 6 in Cambodia Is Officially Completed,” News in Asia, June 18, 2018 <https://i2go.asia/en/post/5441/construction-of-national-route-6-in-cambodia-is-officially-completed>

⁷⁶ ASEAN-China Center, “Cambodia building 248-km national road with Chinese aid,” Xinhua, November 23, 2013, http://www.asean-china-center.org/english/2013-03/05/c_132210075.htm; Open Development Cambodia, 2015; Manet, 2018

⁷⁷ Manet, 2018; I2GoAsia, 2018

⁷⁸ Manet, 2018; Xinhua News, 2018; I2GoAsia, 2018

⁷⁹ The ASEAN-China Center is an inter-governmental organization co-founded by ASEAN member states and China. ASEAN-China Center, 2013

⁸⁰ Makara, 2018

⁸¹ Press OCM, 2018; Manet, 2018

⁸² Press OCM, 2018

Despite recent improvements in transparency with respect to publishing procurement bids and contracts online, the MPWT only provides public records from 2017 to 2021. As this project began in 2013, it is not possible to access any official information or contracts regarding the project. However, after piecing together information drawn from various news reports, it is assumed that 42 months was the estimated project time and 50 months was the actual duration. While not explicitly stated, the project team is assuming a quality complaint and subsequent repaving of the road may have contributed to such delays, as detailed further below.

In addition, there is uncertainty regarding the loan amount, as different news outlets report different figures. Several sources report the project's total budget as USD \$255 million, of which 95 percent is derived from a concessional loan from China EXIM Bank and 5 percent from the Royal Government of Cambodia's budget, which included costs for demining and removing unexploded ordnance.⁸³ It is not clear whether the 5 percent funding was for the explicit purpose of demining efforts or for another purpose altogether.

In terms of the total amount, various sources report the Chinese loan amount as USD \$248.8 million, which is approximately 97 percent of the total USD \$255 million budget.⁸⁴ Since these numbers come from news reports and press releases rather than official documents, it could be that sources are simply rounding down to cleaner numbers, i.e., 95 percent instead of 97 percent, rather than indicating a factual discrepancy. However, due to a lack of transparent access to original documents or contracts, it is not possible to make a valid conclusion on this point.

Information on the project in general was extremely difficult to find. Most of this report was pieced together from news reports. The General Department of Public Procurement recently launched a new website, but it only has records from late 2020 and 2021. The MPWT website only has records publicly available for the years 2017–2021. Given that the AKTK section's construction began in 2013 and was not completed until 2017, official records for the project could not be found, including documents regarding the procurement process such as invitations for bids, a list of bidders, tender documents, and contracts of awarded contractors and/or subcontractors. This seems to be a direct violation of the Law on Public Procurement (LPP), which requires that all tender documents as well as notifications of prequalification, bidding, or amendments be displayed on the Public Procurement Website, in newspapers, and on the bulletin boards of procuring entities.⁸⁵

⁸³ Cambodia Constructors Association, 2018; Office of the Council of Ministers, 2018; Makara, 2018; Manet, 2018; Xinhua News, 2018

⁸⁴ ASEAN-China Center, 2013; Ros Chanveasna, "New Roads Not up to Standards says Minister," *The Khmer Times*, November 2016 <https://www.khmertimeskh.com/61732/new-roads-not-up-to-standards-says-minister/>; Vannarin Neou, "Hun Sen Says CPP Largess Will End if Election Is Lost," *Cambodia Daily*, March 7, 2013 <https://english.cambodiadaily.com/news/hun-sen-says-cpp-largess-will-end-if-election-is-lost-12645/>; Ven Rathavong, "Chinese road firm promises better work," *The Khmer Times*, January 6, 2017 <https://www.khmertimeskh.com/63692/chinese-road-firm-promises-better-work/>

⁸⁵ World Bank, "Law on Public Procurement 2012," World Bank Public Private Partnership Legal Resource Center, accessed October 2020 <https://ppp.worldbank.org/public-private-partnership/sites/ppp.worldbank.org/files/documents/Law%20on%20Public%20Procurement%20%28draft%29%202011.pdf>

Given this lack of information surrounding the project's procurement process, it remains unclear which institution performed procurement. The Ministry of Economy and Finance (MEF) is responsible for public procurement oversight, achieved by placing two representatives on the Procurement Review Committee which has a role in approving the final contract award selection.⁸⁶ Additionally, procuring entities must submit annual Procurement Plans (PP), which are reviewed and approved by the MEF. However, no PPs are publicly accessible online at this time. With public procurement, the ministry designated as the EA is responsible for all procurement activities.⁸⁸ The head of the EA is charged with establishing a Project Management/Implementation Unit to carry out all project activities, including procurement.⁸⁹ Although it is not explicitly mentioned in any available sources, it is assumed that the EA in the case of NR 6 is MPWT, particularly given the Ministry's presence and speeches at the road's inauguration ceremony.⁹⁰

The only information on NR 6 provided by a government source was from the Office of the Council of Ministers, which posted a short article regarding the inauguration ceremony in June 2018 as well as a recording of the ceremony on YouTube.⁹¹ Much of the information we gathered about NR 6 came from this YouTube video, including the specifics of the road's development and budget. Additionally, as the following section will explain, there is no documented monitoring of the environmental or social effects of the road's construction, nor is the Environmental Impact Assessment (EIA) accessible. All in all, without extensive time to comb through news reports and piece together a story about NR 6, it would be extremely difficult for an average citizen to gather information about the project. In general, this case study tells a larger story about the lack of centralized or transparent communication surrounding public procurement projects in the Kingdom.

Corruption and Misuse of Funds

In April 2014, a National Assembly meeting was held to discuss the passage of a new Road Law, which set up a framework for government oversight over road construction, use, and maintenance.⁹² At the meeting, one lawmaker complained about the unpaved, poor conditions of National Road 6A, while another lamented regional authorities' failure to enforce weight limits on the roads.⁹³ As of 2019, ADB reported that the 2014 Road Law, which covered such areas as technical regulations, roads, uses, funding sources, inspections, and penalties, had yet to be properly implemented.⁹⁴

⁸⁶ Royal Government of Cambodia, "Standard Operating Procedures on Procurement for All Externally Financed Projects/Programs in Cambodia, Volume I," The Ministry of Economy and Finance, December 23, 2019 <https://gdicdm.mef.gov.kh/en/2020/07/22/10172.html>

⁸⁷ Royal Government of Cambodia, 2019

⁸⁸ Royal Government of Cambodia, 2019

⁸⁹ Royal Government of Cambodia, 2019

⁹⁰ Press OCM, 2018

⁹¹ Office of the Council of Ministers, 2018; Press OCM, 2018

⁹² Sustinat Green, "Law on Road NS/RKM/0514/008," adopted by the Royal Government of Cambodia on April 3rd, 2014 <http://www.sustinatgreen.com/uploads/document/prakas-on-general-guideline-for-conducting-iee-and-eia-reports-376-2009-en.pdf>

⁹³ Phaen Ana, "CPP Official Alleges Embezzlement of Roads Budgets," *The Cambodia Daily*, July 11, 2014 <https://english.cambodiadaily.com/news/cpp-official-alleges-embezzlement-of-roads-budgets-63875/>

⁹⁴ Asia Development Bank, 2019

Nhim Vanda, the first vice president of the National Committee for Disaster Management, later addressed these concerns at a World Bank Emergency Reconstruction and Rehabilitation workshop, claiming that he believed the poor quality of Cambodian roads often stemmed from the misuse of funds, citing that, at times, up to 60 percent of the roads' budgets were embezzled by construction officials.⁹⁵ Such embezzlement, he believed, was the reason for the often extremely long construction periods for roads in Cambodia, as disruptions in funds cause delays and confusion.⁹⁶ However, there is (naturally) a lack of clarity as to the distribution of potentially embezzled funds, raising a standard question in BRI programming as to how much "project mismanagement" can be attributed to China versus the weak capacity of the recipient state. Another point of importance regards corruption in the bidding process by Cambodian officials looking to extract charges on the bidding. According to Chandaroth Kang, an economist and independent consultant, "if we join the bidding together, they would always talk about unofficial expenses on documenting services. That's why the quality of the cement, the sand, or the stones used in the construction is also a problem."⁹⁷

The Phnom Penh Post covered SCG's 2011 announcement of its plans to conduct USD \$700 million of projects in Cambodia over the following five years. The article quotes a business and economics lecturer at the University of Cambodia who stated that large-scale investment in Cambodia by Chinese companies had been critiqued for "unfair bidding" practices, which catalyzed the introduction of a new law requiring multiple bidders for public investment projects.⁹⁸ However, the lecturer claimed that the law had yet to be proven effective.⁹⁹ Upon thorough analysis of the both 2011 draft and 2012 adopted Law on Public Procurement, however, there is no clause requiring multiple bidders; therefore, either the article is erroneous or it is referring to an alternate law of which the research team is unaware.¹⁰⁰ Either way, it appears that these "unfair bidding" practices remain unaddressed.

Quality Issues in Construction

Chinese road construction in Cambodia has been subject to criticism regarding the quality of work and materials used. Articles published in the Khmer Times explain that the paving of this NR 6's AKTK section, that MPWT inspected in 2016 found it not up to standards.¹⁰¹ SCG's Director-General of Overseas Operations, Tang Jun, met with MPWT in January 2017, with SCG agreeing to repave the entire road with an additional 3 cm of asphalt—an estimated USD \$10 million cost—that would come from SCG directly to assume responsibility for the lack of quality.¹⁰²

⁹⁵ Ana, 2014

⁹⁶ Ana, 2014

⁹⁷ Meng, 2016

⁹⁸ Don Weinland, "Shanghai firm lead the way," *The Phnom Penh Post*, September 20, 2011 <https://www.phnompenhpost.com/business/shanghai-firm-lead-way>

⁹⁹ Weinland, 2011

¹⁰⁰ World Bank, "Law on Public Procurement 2012," World Bank Public Private Partnership Legal Resource Center, accessed October 21, 2020 <https://ppp.worldbank.org/public-private-partnership/sites/ppp.worldbank.org/files/documents/Law%20on%20Public%20Procurement%20%28draft%29%202011.pdf>; Open Development Cambodia (ODC), "Law on Public Procurement 2012," ODC's legal document, accessed February 2021, https://data.opendevdevelopmentcambodia.net/laws_record/public-procurement-law

¹⁰¹ Chanveasna, 2016; Rathavong, 2017;

¹⁰² Rathavong, 2017

The same criticisms followed another SCG project, National Road 8, for being poor in quality.¹⁰³ A senior official from MPWT, who asked to remain anonymous, stated that, “the quality [National Road 8] is as weak as we’ve seen, but that’s because they hadn’t understood the [weather conditions] here in Cambodia.”¹⁰⁴ He further added that “the roads constructed by the Chinese companies are organized and managed by the companies themselves; we, the ministry, are in charge of technical inspection and consultation.”¹⁰⁵ Appendix I also shows that it is not the first time that SCG conducted road projects in Cambodia, as it has largely dominated this section in the country. Thus, SCG-constructed road quality should be deemed questionable.

Project Externalities

Social and Environmental Impacts

In addition to project-specific governance gaps, the construction of this project produced social and environmental impacts that should have been planned for. In particular, the construction of this road produced certain negative social effects on the surrounding communities, which was coupled with a lack of outreach or communication with residents, contributing to a general lack of transparency, including the unavailability of an Environmental Impact Assessment report (EIA). Residents affected by the construction were slated to receive compensation; whether such compensation was delivered or to what degree has not been disclosed.¹⁰⁶

No reporting or monitoring was found regarding the social or environmental effects of the AKTK section’s construction. However, the effects of National Road 6A were documented in a Cambodia Daily article in 2014. Since NR 6A was constructed around the same time and by the same companies as the AKTK section, we believe it is important to include this information, especially given the lack of similar information for NR 6’s AKTK section

Per Cambodia’s Sub-decree No. 72 on Environmental Impact Assessment Process, all projects conducted within the Kingdom are required to conduct an EIA, which also analyzes social impacts and provides mitigation strategies, before government approval.¹⁰⁷ However, no EIA for the AKTK section has been found, and it appears if one was conducted, it was not disclosed to the public.

The lengthy construction pattern referenced above was certainly characteristic of the construction of National Road 6A, a prior project connecting the larger AKTK section to Phnom Penh, effectively providing a brand new road between the Kingdom’s capital and largest tourist destination, Siem Reap.¹⁰⁸ In 2014—two years after construction on National Road 6A began—a reporter for the Cambodia Daily interviewed residents along the road who complained that, while they understood improving the road was necessary for development, it was taking far too long.¹⁰⁹

¹⁰³. Meng, 2016

¹⁰⁴. Meng, 2016

¹⁰⁵. Meng, 2016

¹⁰⁶. Press OCM, 2018

¹⁰⁷. Sithi.org, “Sub-decree on Environmental Impact Assessment Process, No. 72 ANRK.BK,” adopted by the Royal Government of Cambodia, August 11, 1999 [https://sithi.org/admin/upload/law/72%20on%20the%20Environmental%20Impact%20Assessment%20Process%20\(1999\).ENG.pdf](https://sithi.org/admin/upload/law/72%20on%20the%20Environmental%20Impact%20Assessment%20Process%20(1999).ENG.pdf)

¹⁰⁸. Hul Reaksmeuy and Simon Henderson, “Life as Living Nightmare Along National Route 6A,” *The Cambodia Daily*, January 31, 2014 <https://english.cambodiadaily.com/news/life-as-living-nightmare-along-national-route-6a-51156/>

Instead of constructing the road one section at a time, the construction was conducted all at once across the 40 km stretch, meaning that all 40 km was subject to construction disturbances for four years of restoration.¹¹⁰ Interviewed by reporters two years (halfway) into the Road 6A project, residents on the road lamented that the dust was inescapable, constantly covering all of their belongings and making breathing difficult.¹¹¹ Some had to borrow money to cover medical expenses after their children developed skin and lung irritations due to the large amounts of dust created by the project.¹¹² Additionally, the immense amount of dust in the air reduced patrons to local businesses and limited the mobility of local residents, as the cloudy air was difficult to see through and thus ride a motorbike.¹¹³ Villagers complained that no one had communicated to them any specifics of the project, including its duration, and they had been largely left in the dark as construction continuously upended their lives.¹¹⁴

While the Cambodia Daily article mentioned that SCG and the Chinese Embassy could not be reached for comment, interviewed construction workers explained that the long construction period was justified, as the removal and re-routing of electric cables and water pipes had lengthened construction times.¹¹⁵ Meanwhile, a senior Kandal District police official stated that many families had become sufficiently exhausted with the dust and its impact on their health and businesses that they moved away, leaving “for rent” signs on numerous roadside properties.¹¹⁶ He lamented that MPWT simply allowed companies to do whatever they wanted and failed to monitor or report any adverse effects.¹¹⁷ Field research conducted by Future Forum witnessed this transformation. Before construction there were many local businesses along the road, especially restaurants and cafeterias. Later on, in the construction process, many businesses had closed or their activities had declined due to the amount of dust.¹¹⁸

Many villagers refused to comment about the dust, worrying that complaints to the reporters would compromise their promised compensation if they owned land affected by the expansion.¹¹⁹ The NGO Housing Rights Task Force added that while it had offered local residents help in getting their issues noticed and addressed, most refused help out of fear of losing their promised compensation.¹²⁰

Additionally, Article 11 of the 2014 Road Law describes that for all slated road construction or expansion projects, “a public dissemination and draft construction project plan shall be made available to relevant competent authorities.”¹²¹ It remains unclear if or where such plans were made available to the public or

¹⁰⁹. Reaksmeuy and Henderson, 2014

¹¹⁰. Cambodia Constructors Association, “40km stretch of National Road 6A opens,” *Construction & Property*, May 24, 2017, <https://www.construction-property.com/40km-stretch-of-national-road-6a-opens/>; Reaksmeuy and Henderson, 2014

¹¹¹. Reaksmeuy and Henderson, 2014

¹¹². Reaksmeuy and Henderson, 2014

¹¹³. Reaksmeuy and Henderson, 2014

¹¹⁴. Reaksmeuy and Henderson, 2014

¹¹⁵. Reaksmeuy and Henderson, 2014

¹¹⁶. Reaksmeuy and Henderson, 2014

¹¹⁷. Reaksmeuy and Henderson, 2014

¹¹⁸. Future Forum Staff, “Field observation at National Road 6A,” *Future Forum*, 2014

¹¹⁹. Reaksmeuy and Henderson, 2014

¹²⁰. Reaksmeuy and Henderson, 2014

local residents. Moreover, the same article declares that legal ownership affected by the road construction or expansion must be compensated, but the vague language in the legislation leaves much uncertain about how or when it applies.¹²² However, the Road Law was introduced after construction on NR 6's AKTK and 6A had already started, and ADB reported in 2019 that the Road Law had yet to be properly implemented.¹²³

By the time NR 6's 6A and AKTK section were completed in 2017–2018, freedom of the press had become much more restricted.¹²⁴ No further reporting on the societal effects of the construction has been located, nor any information as to whether the compensation promised to affected villagers was ever properly distributed. In light of COVID-19 realities, it is not currently possible to follow up with field interviews to reach a definitive conclusion on this point.

Comparison with JICA-funded National Road 1

To facilitate public understanding of the transparency issues related to NR 6's AKTK, the research team conducted a further case study for the purposes of comparison, examining a Japanese-funded project: the improvement of National Road 1 (NR 1), funded by the Japan International Cooperation Agency (JICA). The review found some interesting differences and similarities between these different-donor projects. Unlike NR 6's AKTK section, the JICA NR 1 project's (the comparative case study discussed above) precise and detailed documents (project study reports), such as, the basic design study report, feasibility study report, preparatory survey report, and implementation study review report were accessible online through JICA's e-library, allowing the public access to key project documents via a single source. At the same time, the NR 6's AKTK section and JICA's NR 1 shared some transparency issues; for example, the failure to release the final, official EIA or Initial Environmental Impact Assessment (IEIA) report is a concern for both projects. The research team has not located the final, official EIA or IEIA reports for either project as of September 2021. As mentioned above, however, JICA disclosed the feasibility study report and preparatory survey report, which also studied NR 1's environmental impact and mitigation plan. Thus, the public can access information about the project's environmental impact even without official IEIA or EIA reports. Moreover, JICA clearly defined the roles and responsibilities between itself and Cambodia's government.

Similarly, neither project disclosed its tender documents. However, the JICA Cambodia office was forthcoming on the topic and, after inquiry, stated clearly that tender documents in this project are confidential, indicating that overall, NR 1 does not have the same serious transparency concerns in the procurement process. Compared to the NR 6 project, JICA's road project was much more proactive in providing detailed information through online access to a centralized source, its website (e-library), and its office in Cambodia. Even though NR 6's AKTK and NR 1 share some transparency issues, JICA's work has been broadly transparent and stands in significant contrast to that of the Chinese-funded NR 6 project. JICA's e-library could be a role model to any development agencies which implement their projects in recipient countries. The publishing of its project's study report showed that JICA opens its work and gives a fair chance to all stakeholders, especially for the country's policy communities. Another interesting point is that JICA plays a role independently with its standard or principle. As mentioned in

¹²¹. Green, 2014

¹²². Green, 2014

¹²³. Asia Development Bank, 2019

¹²⁴. USAID, "Civil Society Organization Sustainability Index, for Asia, 5th Edition," Developed by the United States Agency for International Development, Bureau for Democracy, Conflict and Humanitarian Assistance, Center of Excellence on Democracy, Human Rights and Governance, November 2019, <https://www.fhi360.org/sites/default/files/media/documents/resource-csosi-2018-report-asia.pdf>

the comparison section, even though the official EIA report was available publicly, the JICA's project report has very detailed information regarding the issues. Cambodia's JICA office has also become an information center for those with any inquiries about the project. JICA assisted people (including our study team) in searching for information and confirming which information is considered confidential.

Conclusion

The lack of transparency, particularly the absence of official documents and the draft EIA, constitutes a violation of the Law on Public Procurement.¹²⁵ Data acquisition challenges were so severe in examining this case that secondary sources, journalistic reports, and field observations were required as main sources. The question of causality behind the lack of transparency in this project is complex and it is unclear whether responsibility should be placed on the local or Chinese side of the project. However, it is important to note that Cambodia's capacity is improving; MPWT (technically the procuring entity in this project) maintains records for projects beginning in 2017. Surprisingly, the Council for the Development of Cambodia (CDC), which has records dating back over a decade, does not have publicly available records for this project, while the General Department of Public Procurement only has records publicly available online for 2020–2021. There is no reporting or monitoring of the environmental or social effects of NR 6's AKTK, raising serious concerns about the externalities of this project and placing it very much outside of best practice.

The Chinese government could follow the same practices as the Japanese government, the most significant infrastructure lender in Cambodia, to clear the doubts or criticism over their work and instead openly provide information for all stakeholders. In addition, they should have more engagement with local policy communities through public conferences or regular community meetings pegged against the project development stages. The relevant entities (i.e., responsible ministries and Chinese firms) should invite local NGOs and Villagers to discuss the result of the project study, which will increase their awareness of the actual condition of the area and the demands of the local people.

NR 6's AKTK section can also provide lessons learned to avoid mistakes or upgrade the project development process in the future. Having a post-technical inspection, as in this case, is good practice, but being fully comprehensive requires more work. The MPWT and Chinese firms need to work closely to ensure high quality work and oversight are being conducted.

Another point of consideration involves road maintenance. The provincial government, a closer actor in each road section, could work more effectively by involving of actors with greater technical expertise. The MPWT could play a role in assisting its representative ministry within the provinces (i.e., annual road maintenance training) to take care of the road. Those who do not adequately fill their maintenance obligations should face penalties.

The study team has noticed that the MPWT has developed its website extensively; however, it must continue to be improved in order to store all details and information regarding the project and tender documents. Similar to the CDC, they should have a project database for projects with different donors and years. The MWPT should also respond to growing technology and smartphone use in Cambodia by creating a social platform or application where people can capture photos or videos of construction and other infrastructure issues and send them directly to MWPT. This would allow MWPT to respond swiftly and appropriately to these issues.

¹²⁵ World Bank, "Law on Public Procurement 2012"

Appendix I: Chinese-Built Roads in Cambodia (>\$100M)

Based on available data, listed below are all of the Chinese-funded roads in Cambodia that cost over USD \$100 million. However, this information has primarily been gleaned by combing through press releases. There is no centralized source of road projects and their budgets and financiers, other than road projects provided under Official Development Assistance (ODA), which can be found in the Center for Development of Cambodia's ODA database. It is possible there are some projects that meet these qualifications that are not included herein.

Project	Length (Road Section in each NR)	Funds (USD)	Construction Company	Date	Status
NR 3	134.8 km (Kompot to Phnom Penh)	\$200 M (Estimated cost, Khmer Times) >\$ 219 M (Phnom Penh Post) Funded by a Chinese concessional loan and Royal Government of Cambodia's budget	China Road and Bridge Corp. (consulted by Guangzhou Wanan Construction Supervision Co., Ltd.)	May 2018-2022	Ongoing
NR 4	200 km (PP to the southern Sihanoukville)	\$110 M (WB)	In 2018, MPWT released an announcement advertising for bids, but as of now there is no information on who won the bids.	2020-2022	Ongoing
NR 5	256 km (from Siem Reap to Kampong Cham) (SELECTED PROJECT FOR CASE STUDY)	\$255 M is funded by a Chinese concessional loan (95%) and Royal Government of Cambodia's budget (5%)	Shanghai Construction Group Co., Ltd. (consulted by Guangzhou Wanan Construction Supervision Co., Ltd.)	March 2013 - July 2018 (officially inaugurated in June 2018)	Completed
NR 8	133 km (from Prek Tamak Bridge to the Vietnam border)	\$107 M is funded by a Chinese concessional loan (\$83M) and Royal Government of Cambodia's budget (\$71M)	Shanghai Construction Group Co., Ltd.	2008-2012	Completed
NR 10	198.71 km (from Samlut Battambang, Veal Veng, Osoam Pursat, to Koh Kong)	\$188.38 M is funded by a Chinese concessional loan and Royal Government of Cambodia's budget	China Road and Bridge Corp. (consulted by Guangzhou Wanan Construction Supervision Co., Ltd.)	Dec 2019- Dec 2023	Ongoing
NR55	182.6 km (from Pursat, Koh Kong to the Thai border)	\$132.8 M is funded by a Chinese concessional loan and Royal Government of Cambodia's budget	China Road and Bridge Corp. (consulted by Guangzhou Wanan Construction Supervision Co., Ltd.)	March 2015-May 2018	Completed

NR 57B	176.35 km (which is connected to NR5 in Battambang as well as NR 6 , NR 57 , and NR 59)	\$124,972,582 is funded by a Chinese concessional loan	China Road and Bridge Corp.	2012-2017	Completed
NR 58	174 km (along Cambodia-Thai border, connecting Banteay Meanchey to Samraong City in Oddar Meanchey Province)	\$122 M is funded by a Chinese concessional loan	Shanghai Construction Group Co., Ltd.	March 2015 -2018	Completed
NR 214	143.41 km	\$116.5 M is funded by a Chinese concessional loan	Shanghai Construction Group Co., Ltd. (consulted by Guangzhou Wanan Construction Supervision Co., Ltd.)	May 2012- Nov 2015	Completed
Express way	190 km (from Phnom Penh to Sihanoukville)	\$1.9 B constructed under a Build Operate Transfer Agreement	China Road and Bridge Corp. through Cambodian PPSHV Expressway Co., Ltd.	2019-2022	Ongoing
Ring Road 3	47.6 km	\$259 M is funded by a Chinese concessional loan	Shanghai Construction Group Co., Ltd. (consulted by Guangzhou Wanan Construction Supervision Co., Ltd.)	2019-2021	Ongoing

Appendix 2: Assessment Against Best Practices

i. Regulatory Compliance	
Does this project follow the governance process of public procurement, including the role of the regulatory agency or the Ministry in the public procurement process for tendering, assessing bids, and awarding?	It is not possible to assess this topic as none of the procurement processes surrounding the National Road projects are disclosed.
ii. Tender Process	
Was the project initiated through a tender?	The Law on Public Procurement in Cambodia describes that all tender documents, as well as notifications of prequalification, bidding or amendments must be displayed on the Public Procurement Website, newspapers, and the bulletin boards of procurement entities. ¹²⁶ However, the General Department of Public Procurement's (GDPP) website was recently updated, and the only published notices are from late 2020 and 2021, which is years after National Road 6 projects' completion. ¹²⁷ Additionally, the MPWT, which is assumed to have provided oversight of this project (given MPWT's operative mandate), only has procurement records available for years 2017-2021. ¹²⁸ Given that National Road 6 began in 2013, such documents are not available for the project on MPWT's website. As of now, the project team is unable to find any documents available online regarding the projects' tender.
Did this project comply with the minimum monetary value requirements for a project to qualify for an open tender?	Yes. The minimum value for open tender in Cambodia is USD \$100,000; National Road 6 had a total budget of USD \$255 million. ¹²⁹ However, at this time, it is not publicly disclosed whether the project was actually procured under an open tender or not.
Does this project comply with the requirements for foreign participation?	Yes. The minimum value for International Competitive Bidding is USD \$1 million. ¹³⁰ National Road 6's budget of \$255 million USD far exceeds this. ¹³¹
Did the tendering process for this project provide equal opportunity for local and foreign-owned firms?	The project team cannot assess this as the tendering process was not disclosed.
When the tender was run, did the tendering authority facilitate participation by bidders by ensuring the following:	The project team cannot assess this as the tendering process was not disclosed.
All tender documents under this project were published online	The project team is unable to find any tender documents published online or in any other location.
Bids under this project's tender were open for online submission	The project team is unable to find any bidding information published online. However, in Cambodia, bidding is currently limited to physical documents, with an expectation to transition to e-procurement under the Budget System Reform Strategy 2018-2025. ¹³²

¹²⁶ Article 40-1, World Bank, 2020

¹²⁷ General Department of Public Procurement, 2021

¹²⁸ MPWT, 2021

¹²⁹ 8.2.2, Royal Government of Cambodia, 2019; Cambodia Constructors Association, 2017; Hul and Henderson, 2014; Sok, 2018

¹³⁰ 8.2.2, Royal Government of Cambodia, 2019

¹³¹ Sok, 2018

¹³² 2.1.3, Royal Government of Cambodia, 2019

Documents of this project's tender were made available free of charge	In Cambodia, tender documents are provided to interested parties at a low cost: 20 cents per page to cover printing, an additional \$50 for international bidding to cover binding, shipping, and advertising. ¹³³ However, the project team is unable to find any information on the attainment of tender documents for the National Road 6 projects specifically.
Is the tender information under this project available through free access through an online portal for all stakeholders, including potential domestic and foreign suppliers, civil society and the general public?	In theory, procurement documents are meant to be provided on the openly accessible online platform of the General Department of Public Procurement's website. However, the website has been recently reorganized/revised and the only notices currently available on the page are from late 2020 and 2021. ¹³⁴ The project team is unable to find any older or archived documents online.
iii. Cost-Benefit Analysis	
Did the contracting authority collect/gather information on the public work it planned to procure before deciding its procurement strategy and designing a tender?	At this time, the project team is unable to find any such information disclosed.
If you have answered yes to the question above, did the contracting authority conduct the following in the pre-tendering procedure:	N/A
Was a needs evaluation report conducted?	At this time, the project team is unable to find such information disclosed.
Were economic feasibility and impacts assessments conducted?	At this time, the project team is unable to find such information disclosed.
Were there local council deliberations prior to the tender?	At this time, the project team is unable to find such information disclosed.
When the tender was run, did the tendering authority provide in the tender documentation a reference price for the public works it required?	The project team is unable to find any tender documentation at this time, thus we are unable to assess such provisions of a reference price.
iv. Environment and Social Impact Assessment	
When the tender was run, were environmental standards included within the technical specification?	The project team is unable to find the environmental impact statement disclosed online.
When the tender was run, was a social impact assessment completed by the bidder?	The project team is unable to find the environmental impact statement disclosed online.
If you have answered yes to the question above, does this include consultation with local communities, specifically including minority groups?	N/A

¹³³ 13.1.1, Royal Government of Cambodia, 2019

¹³⁴ General Department of Public Procurement, 2021

Are the procurement records and documents related to tendering procedures and contract management under this project available for public inspection?	At this time, the project team is unable to find any contract or tendering documentation available online.
If you have answered yes to the question above, do these procurement records include the following:	N/A
Final signed contract documents and amendments	N/A
Contract variations/modifications/changes	N/A
Certificates and reports of inspection, quality control and acceptance	N/A
Claims and dispute resolutions	N/A
Changes to performance deadlines	N/A
Price changes in the course of performance	N/A
vi. Funding Source Disclosure	
Is there open visibility under this project of the flow of public funds, from the beginning of the budgeting process throughout the public procurement cycle through published statistics, records and documents that cover the entire budget execution cycle, including the procurement process?	At this time, the project team is unable to find any publicly available documentation regarding budget and budget progression. Any information regarding project budgets were drawn from news reports, press releases, and recorded speeches from the projects' inauguration ceremony.
vii. Sub-Contract Details	
Do the suppliers provide appropriate transparency in subcontracting relationships through disclosing the following:	At this time, the project team is unable to find any information on any subcontracting for the projects.
a) Identification of subcontractors	Information unavailable.
b) Company Profile	Information unavailable.
c) Share of total contract subcontracted	Information unavailable.
viii. External Audit	
Has this project been audited through mechanisms for the detection and sanctioning of misconduct in public procurement?	The project team is unable to find any evidence or reporting regarding an external audit on the projects, neither its results nor whether or not it even occurred.
Has this project been audited, either internally or externally, on the basis of performance measurement system that focuses on the outcomes of procurement processes against set targets?	The project team is unable to find any evidence as to whether the projects have been audited or not.



BRI Monitor is a collaborative effort by five civil society organizations in Southeast Asia and the Pacific: the Institute for Democracy and Economic Affairs (IDEAS) of Malaysia, Stratbase Albert Del Rosario Institute (ADRI) of the Philippines, Sandhi Governance Institute (SGI) of Myanmar, the Institute of National Affairs (INA) of Papua New Guinea and the Future Forum of Cambodia to promote transparency and accountability in major infrastructure projects funded through the Belt and Road Initiative (BRI) in the region.

These organizations have studied the regulatory environments governing these large infrastructure projects in respective countries, including public procurement, official development assistance, public private partnership (PPP), and more, to identify regulatory gaps. They have each researched a set of case studies to identify implementation gaps and governance gaps. Each case study assesses the level of transparency based on almost 40 data points, from basic project information to the tendering process to project completion. Last but not least, each organization maps out the structure of the projects in question in order to identify domestic and international entities involved in the project and to understand the degree of public financial exposure resulting from each project.

This website is intended to be a platform for the publication of our research outputs and as a knowledge repository. We also hope that the website can be used as a platform for knowledge sharing and a tool to advocate better governance of major infrastructure projects in the region.

BRI Monitor is supported by the Center for International Private Enterprise (CIPE).

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