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MINISTRY OF ECONOMY AND FINANCE

KINGDOM OF CAMBODIA

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NEWS RELEASE: Germany granted 8 million DM to Rural Roads in Siem Reap and Kompong Thom.

Mr Keat Chhon, Sr Minister in charge of Rehabilitation and Development, Minister of Economy and Finance had a meeting today , August 28, 1995, with Mrs Susanne Baumann , Chief of Economic Cooperation Section of the German Embassy, on the implementation of the cooperation between Cambodia and Germany , at the Ministry of Economy and Finance.

The meeting focused mainly on the signing of the Financial Agreement and the pertaining Seperate Agreement concerning the German Financial Cooperation with the Kingdom of Cambodia on the "Tertiary Rural Road Improvement Programme". Under this Programme the fund amounting to 8 million DM(about 5.7 million USD) will be granted to the Kingdom of Cambodia to cover tertiary road rehabilitation and improvement in rural areas of the provinces of Kompong Thom and Siem Reap.

It is noted that the Agreement signed by Mr Keat Chhon will be countersigned by the german counterpart, Kreditatstalt fur Wiederaufbau (KfW) in order for the Agreement to go into effect. This Agreement is the follow-up of the Agreement dated July 24, 1995 between the Government of the Kingdom of Cambodia and the Government of the Federal Republic of Germany on Financial Cooperation ("Government Agreement").

Since 1992 30,823,000 USD of the the amount of 57,024,000USD pledged by Germany to Cambodia in the framework of bilateral assistance has been so far disbursed to cover sectors of health, rural telecommunication, rural development and agriculture. Moreover, a very substaintial amount of the total pledge of 122,346,000 USD made by the European Union to Cambodia accounts for Germany's contribution

Phnom Penh, August 28, 1995