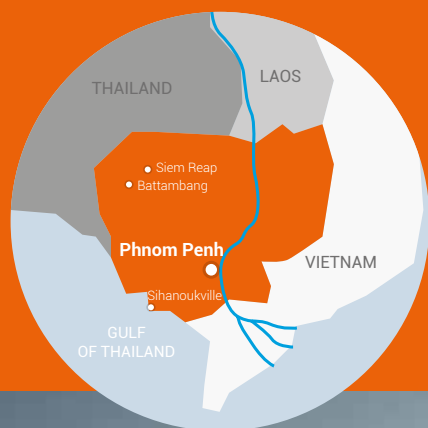


AFD and

# Cambodia



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**120**  
projects funded

€**566** million  
committed since 1993

€**100** million  
committed annually

The French Development Agency or Agence Française de Développement (AFD) has been present in Cambodia since 1993. The Agency supports Cambodia in territorial, ecological and social transitions while facilitating its integration into ASEAN. AFD's interventions in Cambodia take the form of providing subsidised sovereign and non-sovereign loans, guarantees and grants. Half of AFD's project portfolio in Cambodia is implemented through partnerships with other donors and AFD also mobilises European funding through delegation of funds.

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## 1

### *Promotion of balanced territorial development*

#### **Access to fundamental services:**

While urban growth remains very high and population dynamics require the creation of large numbers of jobs, Cambodia also needs to restore balance among all its provinces in order to maintain internal peace and stability. This implies public investments that will allow access to fundamental services for the entire population. It also needs to focus on disadvantaged social groups, e.g. rural dwellers, women, ethnic minorities.

In this connection, AFD has been supporting investments in economic infrastructure projects (electricity, water, sanitation) for the benefit of both urban centres and rural areas. The Agency also aims to strengthen physical connectivity (transport infrastructure, markets, training centres, etc.) and virtual connectivity (information, tertiary services, etc.).

#### **Sustainable and well-planned urbanisation:**

Cities are struggling to absorb the inflow of rural population, notably the capital, Phnom Penh, which is home to more than 10% of the total Cambodian population. The urban population is expected to double by 2030. By that time, cities will account for 70% of the country's GNP, compared with 50% today.

AFD has expertise in urban planning and its actions in the urban development are very visible, e.g. providing safe drinking water (PPWSA), renovating Phnom Penh's central market, improving Siem Reap's drainage, restoring the city's heritage, etc. Building on this experience, AFD focuses on sustainable urban development by financing public facilities and services, as well as urban public spaces. The aim is to develop individual mobility, sanitation and drainage, waste management, market renovation and public transport, as well as access to drinking water, energy and healthcare.

#### **Support for water resource management and adaptation to climate change:**

Water is known to be an abundant resource in Cambodia. It is used for multiple purposes: hydroelectricity, drinking, irrigation, fish farming, cultural heritage... But today this resource is threatened by climate change. Efficient management of all Cambodia's subterranean and surface water resources is needed to meet this challenge

#### **AFD has been supporting public investments in water resource management through:**

- A programme to support the national irrigation policy. AFD focuses on the infrastructure components and social water management, aiming to improve perimeters, preks (irrigation canals) and agricultural diversification.
- A national project for the development of aquaculture and inland/coastal fisheries. Fish products are the main source of animal protein consumed in Cambodia.
- Dynamic monitoring of water resources and fisheries by watershed.

## 2

### *Support the production sector in environmental and social aspects*

#### **Promotion of renewable energies and energy efficiency**

In terms of energy, Cambodia is still almost 50% dependent on imports from neighbouring countries. Domestic production comes almost equally from fossil fuels (coal) and hydraulic dams. The main obstacle is the cost of energy, which deters many investors from stepping in. Thus, the government, in its industrial development policy, has prioritised decreasing this cost.

AFD has considerable first-hand experience, and to realise the national commitments, it has been supporting projects for energy supply and demand. With regard to supply, this means modernising the networks, increasing electricity production from renewable energies. With regard to demand, it means promoting energy efficiency.

#### **Strengthening human capital and social inclusion**

Cambodia has its recent and unique history, which obliges it today to invest hugely and urgently in its human capital. The main target is the younger generations.

#### **AFD supports the government on its priorities for social inclusion, which concern:**

- Water and electricity supply, with priority given to the rural areas;
- Vocational training to adapt the workforce to labour market requirements and meet the demographic challenge;
- Implementation of the National Strategy for Social Protection, aiming to establish a mandatory health and retirement insurance scheme, for the formal and informal sectors.