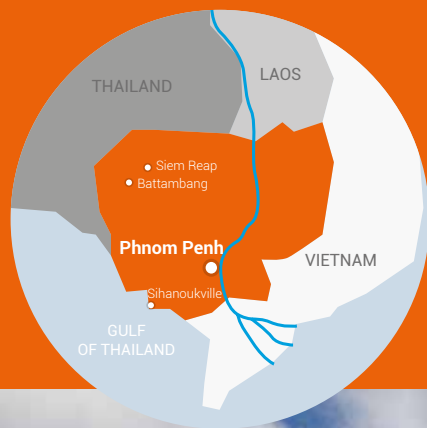


# AFD and the Rural development in Cambodia



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€**185** million  
committed  
since 1993

More than **20**  
projects implemented  
since 1993

More than **25,000**  
hectares of irrigated  
areas rehabilitated

80% of the Cambodian population live in rural areas and 45% of the working population are engaged in agriculture. The primary sector still accounts for 23% of Cambodia's GDP, despite a steady decrease exacerbated by the effects of climate change.

AFD supports the rice sector and other traditional production. The Agency is also engaged in agro-ecological transition in agriculture.

#WorldInCommon



## 1 *Intensify rice production*

AFD has gained useful experience since 1998 through the first Prey Nup polder renovation project (artificial land reclaimed from the water). Thus, it co-finances several projects with the double objectives of increasing irrigated areas and supporting institutional reforms in the irrigation sector. Since 2000, more than 25,000 hectares of irrigated land have been rehabilitated through three separate projects.

In December 2017, AFD granted a loan of €55 million to Cambodia, as well as a grant of €11.5 million from the EU's Investment Facility for Asia for financing the Water Resources Management and Agro-Ecological Transition in Cambodia (WAT4CAM) programme. Thus, AFD maintains its commitment in the irrigation sector via continuous intervention in four phases, committing a total amount of €200 million by 2025.

### **The main objectives of the first phase are:**

- To reduce rural poverty in Cambodia;
- To support its agricultural sector, which in turn promotes the economy;
- To reduce Cambodia's vulnerability to climate change.

## 2 *Increase in added value and access to the market*

Mass production, whether of rice or other agricultural products, does not help Cambodia to gain advantage vis-à-vis its competitor neighbours. On the contrary, differentiation in quality will help to develop the added value of its agricultural products. It will also target niche markets both domestically and internationally. AFD is committed to achieving this objective. The Agency is investing in several projects that aim to increase added value and access to markets for Cambodian agricultural products:

- Support sustainable aquaculture across all the value chains and emphasise both the public and private sectors.
- Establish the first two geographical indications (GIs) in Cambodia for Kampot pepper and Kampong Speu palm sugar, produced since 2004. This support from AFD helps to enhance the producers' know-how, increase profits and ensure fair distribution. The same model could now be used with other traditional products.
- Development of the rubber production sector is one of the main projects that has been supported by AFD since 1995. The recent project has helped support small producers in the genetic improvement of their agricultural varieties. This will help the sector to be create high-quality products that are more competitive in the international markets.

## 3 *Support agro-ecological transition*

AFD has been engaged in the agro-ecological transition of agriculture in Cambodia, with multiple objectives for economic development, adaptation to climate change and the preservation of biodiversity.

For instance, the ACTAE regional project supports scientific research in this field. It has enabled the creation of a platform that unites Southeast Asian actors who invest in agro-ecology.

Meanwhile, all the agricultural projects supported by AFD in Cambodia now include this dimension. The aim is to support sustainable agricultural practices, particularly in producing vegetables.