

Cambodia: EIB invests EUR 51m to improve rural infrastructure and economic outlooks for 200,000 rural families

- EIB contributes with a EUR 51 million loan to Sustainable Assets for Agriculture Markets, Business and Trade project (SAAMBAT) in Cambodia;
- EIB investment in SAAMBAT to improve rural roads, nation-wide connectivity, resilience to natural hazards, and tackle seasonal food shortages;
- SAAMBAT expected to improve living conditions for 200,000 rural families, create 4500 jobs with special emphasize on youth, and 500 new SMEs throughout Cambodia;

Up to 200,000 Cambodian families in rural areas will benefit from year-round reliable and safer road network, improved vital rural infrastructure and better food supply as the European Investment Bank (EIB) invests EUR 51m in the Sustainable Assets for Agriculture Markets, Business and Trade project (SAAMBAT).

SAAMBAT is a USD 125m rural development project and a partnership between the International Fund for Agricultural Development (IFAD), the EIB and Royal Government of Cambodia; the project was launched on 3 February 2020 in Phnom Penh.

SAAMBAT will improve roads, road safety and resilience to natural hazards, as well as other key rural infrastructure, such as local markets, vital to Cambodia, where two-thirds of all rural households annually face seasonal food shortages due to underdeveloped infrastructure. The project will also create up to 4,500 jobs and 500 new SMEs, and train 25,000 Cambodians on use of digital technologies to improve their businesses and increase trade. Special emphasize will be on creating business and employment opportunities of the rural youth.

Andrew McDowell, Vice President of the EIB, said: “As the European Union`s bank, the EIB is particularly happy to support SAAMBAT and make a direct contribution to improve the quality of life for Cambodians in rural locations. The partnership with the Government of Cambodia and IFAD is an excellent example of how international collaboration can effectively deliver positive and tangible change to rural communities. The many activities under the SAAMBAT project will create jobs and make communities more resilient, reduce poverty and protect rural communities from negative social and economic changes.”

Kaushik Barua, IFAD Country Director, Cambodia said: “With this project we are focusing on building sustainable and inclusive rural infrastructure, including roads and marketplaces; building rural capacity; and linking rural

communities, especially young people, to relevant skills and technologies. We are grateful to our national partners including the Ministry of Economy and Finance, the Ministry of Rural Development and the rural communities and youth who provided their ideas and feedback to IFAD. And of course to the European Investment Bank for investing in this partnership with IFAD.”

Luca Lazzaroli, Director General and Deputy Head of Operations of the EIB said: “SAAMBAT project underlines the commitment of the European Investment Bank and the European Union to sustainable economic and social development of Cambodia. With this project, and within just two years, the EIB invested over EUR 140 million in Cambodia, improving water supply and transport networks in the country, improving the quality of lives of millions of Cambodians. The EIB looks forward expanding this cooperation.”

The SAAMBAT project is financed from a USD 53.3m loan and a USD 1.2m grant from IFAD, a EUR 51m loan from EIB and USD 12.41m contribution from the Royal Government of Cambodia.

About EIB in Asia:

For 25 years, the EIB has supported economic development in Asia and the Pacific region through projects ranging from cutting travel times for people of Bangalore with a new metro line, to providing cheaper, cleaner energy to western Nepal.

In Asia, the EIB focus is our lending on climate action across all sectors. Through our financing, we act as a catalyst to attract the funding needed to meet the UN’s Sustainable Development Goals for 2030. We also work to include gender equality in our projects, ensuring that women, men, girls and boys can benefit from projects equally and equitably.

About IFAD:

International Fund for Agricultural Development invests in rural people, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, we have provided about US\$22.4 billion in grants and low-interest loans to projects that have reached some 512 million people. IFAD is an international financial institution and a specialized United Nations agency based in Rome – the UN’s food and agriculture hub.