

# AFD projects in Southeast

# asia

PORTFOLIO

#WorldInCommon

# Presentation of AFD in Southeast Asia

MARCH 2021



**A**gence Française de Développement Group (AFD Group) implements France's policy in the areas of development and international solidarity. It finances, supports and accelerates transitions towards a more coherent and resilient world. Comprised of AFD, which finances the public sector and NGOs; Proparco, which finances the private sector; and soon, Expertise France for technical cooperation, the Group finances, supports and accelerates transitions towards a more resilient and sustainable world.

Worldwide, AFD activities take place in the following framework:

- **100%** Paris Agreement
- **100%** social link
- **50%** of AFD projects must have gender co-benefits
- **50%** of AFD activities must include climate co-benefits (mitigation, adaptation).

**In Southeast Asia, an even higher target of 70 % has been set.** Climate is therefore the core mandate of AFD in this region.

In 2018, Bangkok's AFD Agency became a Regional Office, in order to catalyse projects and partnerships at a regional scale and supervise AFD's activities in seven countries in Southeast Asia, all of them members of ASEAN: Cambodia, Indonesia, Lao PDR, Myanmar, Philippines, Thailand and Vietnam.

In July 2020, AFD first Southeast Asia regional strategy was adopted. Based on the observation of four regional challenges (high level of greenhouse gas emissions, high vulnerability to the effect of climate change, endangered biodiversity, pervasive social inequalities), this strategy sets three priorities for 2020-2024:

- Encouraging low carbon transitions and resilience of territories;
- Promoting preservation and sustainable management of land and marine environment;
- Mitigating social imbalances and reducing inequalities.

These priorities go alongside with a strong focus on partnership, essential to achieve AFD objectives and enhance its efficiency. Following France's new status of ASEAN Development Partner, obtained in September 2020, AFD is fully committed to develop the cooperation with ASEAN at a regional scale. AFD Group's financial programming for the region over 2020-2024 aims to follow an ambitious trajectory of approximately EUR 5 Billion of total commitments.

Between 2015 and 2020, AFD Group has committed EUR 3.7 Billion at the request of countries in Southeast Asia, for more than 170 projects. The majority of loans are allocated to infrastructure and urban development projects, and more recently, to support public reforms through public policy loans (in Indonesia and the Philippines). The bulk of AFD activities focus on territories and ecological transition, energy, as well as transport. Support to agriculture and biodiversity sectors is dominant in Cambodia, Lao PDR and Myanmar, whereas financial inclusion or reforms activities mainly involve Indonesia and Philippines. Since 2020, AFD has also developed actions in response to the COVID-19 pandemic, including direct material support and economic reconstruction.

In Southeast Asia, AFD offers its full range of financing tools: sovereign loans (the majority of AFD's financing) and non-sovereign loans in the limit of the debt capacity of the counterpart, as well as grants (a relatively small amount on AFD side however increased by our capacity of mobilising funding from our partners, mostly the EU) and guarantees. A total of **45%** of our projects were co-financed between 2015-2020. Proparco provides non-sovereign loans, guarantees or participations for the private sector.

We hope that this brochure will give you a good illustration of the diversity of activities supported by AFD in Southeast Asia, in favour of sustainable development and the fight against climate change, and above all for the benefit of populations.



**AFD**

*regional projects*



## Ongoing projects

### ***ECONomic development, ECOSystem MODifications and emerging infectious diseases Risk Evaluation (ECOMORE)***

This project aims at improving epidemiological surveillance related to climate change. The second phase of this programme, implemented by Institut Pasteur, was initiated in early 2018 and focuses on dengue and leptospirosis.

An additional funding has been granted to support seven laboratories in Southeast Asia in fighting the COVID-19 pandemic.

-  **• Health**  
Sector (s)
-  **• 5 countries: Cambodia, Lao PDR, Myanmar, Philippines & Vietnam**  
Location
-  **• €4,000,000 AFD grant**  
**• €2,000,000 AFD additional grant**  
Amount of funding
-  **• Thailand International Cooperation Agency**  
Partner(s)

### ***Support to Geographical Indications***

This project aims at supporting the emergence of a favourable regional environment for the development of Geographical Indications (GI). At a regional scale, the objective is to establish and reinforce regional collaboration on GIs, and to provide institutional support. At the national scale, the project aims at reinforcing the existing GIs, supporting the registration of new GIs and strengthening the capacities of the authorities in charge of intellectual property.

-  **• Agriculture & Governance**  
Sector (s)
-  **• 3 countries: Cambodia, Lao PDR & Myanmar**  
Location
-  **• €2,000,000 AFD grant**  
**• €1,000,000 additional AFD grant**  
Amount of funding

### ***Towards Agroecology Transition in Southeast Asia (ASSET)***

This project aims at harnessing the potential of agroecology to transform food and agricultural systems into more sustainable, secure and inclusive systems in Southeast Asia.

-  **• Agriculture**  
Sector (s)
-  **• 4 countries : Cambodia, Lao PDR, Myanmar & Vietnam**  
Location
-  **• €14,900,000 grant including:**  
- €5,000,000 AFD grant  
- €7,000,000 EU grant  
- €2,900,000 FFEM  
Amount of funding
-  **• European Union**  
**• FFEM**  
**• CIRAD**  
Partner(s)

### ***FORecasting impacts of climate change and workforce availability on natural Rubber commodity chain in Southeast Asia***

The project aims at anticipating the possible effects of climate change and scarcity of agricultural labour on the rubber industry in Southeast Asia. Its overall objective is to contribute to countries' adaptation to these challenges by documenting their consequences (technical, social and economic), specifying the options for adapting more effectively and sharing anticipatory approaches with stakeholders at different decision-making levels.

-  **• Agroforestry**  
Sector (s)
-  **• 4 countries : Cambodia, Myanmar, Thailand & Vietnam**  
Location
-  **• €1,500,000 AFD grant**  
Amount of funding

### ***Indo-Burma Biodiversity Hotspot II***

This project aims at preserving the biodiversity of the Indo-Burma Hotspot and supporting forest-dependent communities to manage their natural resources and to influence companies' practices, including the banking sector. This will be achieved through:

- The implementation of an integrated landscape management approach in cooperation with communities and public administration;
- The development of businesses around the conservation of biodiversity;
- The implementation of improved commercial practices for green growth;
- Promotion of environmental, social and governance criteria by the banking sector when taking investment decisions.

-  **• Environment**  
Sector (s)
-  **• 3 countries: Cambodia, Lao PDR & Myanmar**  
Location
-  **• €8,100,000 grant, including:**  
- €3,000,000 from AFD  
- €1,100,000 from FFEM  
- €4,000,000 from WCS  
Amount of funding
-  **• FFEM**  
**• WCS**  
Partner(s)

### ***Hydro Mekong Project***

AFD has been a long-standing development partner of the Mekong River Commission (MRC) since its creation in 1995. Building on the achievements of the previous phases, this project aims at enhancing the knowledge of the hydrological profile of the Mekong River in order to understand better the impacts of climate change and of the development projects in the river basin. It will focus on:

- Strengthening and expanding the hydro-meteorological monitoring network;
- Processing all available hydrological data, using the most recent methods of interpolation to determine the flood and low flow regimes in any point of the Mekong River watershed.





-  **• Environment**  
Sector (s)
-  **• 4 countries: Cambodia, Lao PDR, Myanmar & Vietnam**  
Location
-  **• €1,500,000 AFD grant**  
Amount of funding

### ***ACGF - ASEAN Catalytic Green Finance Facility***

The ASEAN Catalytic Green Finance Facility (ACGF) is an innovative financing initiative under the ASEAN Infrastructure Fund's (AIF) "Green and Inclusive Infrastructure Window" launched in April 2019 to accelerate green infrastructure investments in Southeast Asia. The ACGF provides ASEAN member governments with technical assistance and access to over \$1 billion in loans from co-financing partners to finance green infrastructure involving the private sector.

The AFD contribution will be used to finance:

- An expert dedicated to the structuring of ACGF projects;
- Complementary studies to assist projects' origination, preparation and implementation, workshops and communication activities.

-  **• Infrastructure**  
Sector (s)
-  **• Southeast Asia**  
Location
-  **• €1,000,000 AFD grant**  
Amount of funding
-  **• ADB**  
**• European Union**  
**• Other partners**  
Partner(s)



### Support to Regional Power Trade Coordination Committee (RPTCC)

RPTCC is a working group aiming at developing a regional electricity market through interconnection of the national distribution networks. The support of AFD consists in co-financing with ADB a Technical Assistance (TA) program regarding the integration of Strategic Environmental Assessment into power development planning. An extension of this TA, including Renewable Energy and Energy Efficiency projects implementation, as well as capacity building, has been launched in 2019.



• Energy  
Sector (s)



• 6 countries of the Greater Mekong Subregion (GMS):  
Cambodia, China, Lao PDR, Myanmar, Thailand &  
Vietnam  
Location



• €1,000,000 AFD grant for the TA  
Amount of funding



• ADB  
Partner(s)

### Energy Transition Partnership - part 1 (ETP)

This multi-donor cooperation program addresses barriers to the development of renewable energy and sustainable infrastructure in Southeast Asia, in support to the Paris Agreement on Climate Change. AFD is considering joint funding, notably through its 2050 Facility, dedicated to the establishment of long-term low-carbon and resilient strategies, as well as aligned projects.



• Energy  
Sector (s)



• Indonesia, Philippines, Vietnam & Thailand  
Location



• €2,500,000 AFD grant  
Amount of funding



• BEIS (UK)  
• BMU (Germany)  
• Philanthropic funders  
Partner(s)

## Forecasted & potential projects

### Regional Program for air quality improvement in Southeast Asia

Southeast Asia is among the most air-polluted regions in the world. This project will aim at addressing air pollution through several actions: awareness-raising, capacity building, implementation of air pollution monitoring networks, financing of pilot projects and first quick-impact measures upstream of public policies and projects.



• Environment & Health  
Sector (s)



• Southeast Asia  
Location



• €2,500,000 AFD grant  
Tentative budget

### Energy Transition Partnership - part 2 (ETP)

This multi-donor cooperation program addresses barriers to the development of renewable energy and sustainable infrastructure in Southeast Asia, in support to the Paris Agreement on Climate Change. AFD is considering joint funding, notably through its 2050 Facility, dedicated to the establishment of long-term low-carbon and resilient strategies, as well as aligned projects.



• Energy  
Sectors (s)



• Indonesia, Philippines, Thailand, Vietnam & other  
countries  
Location

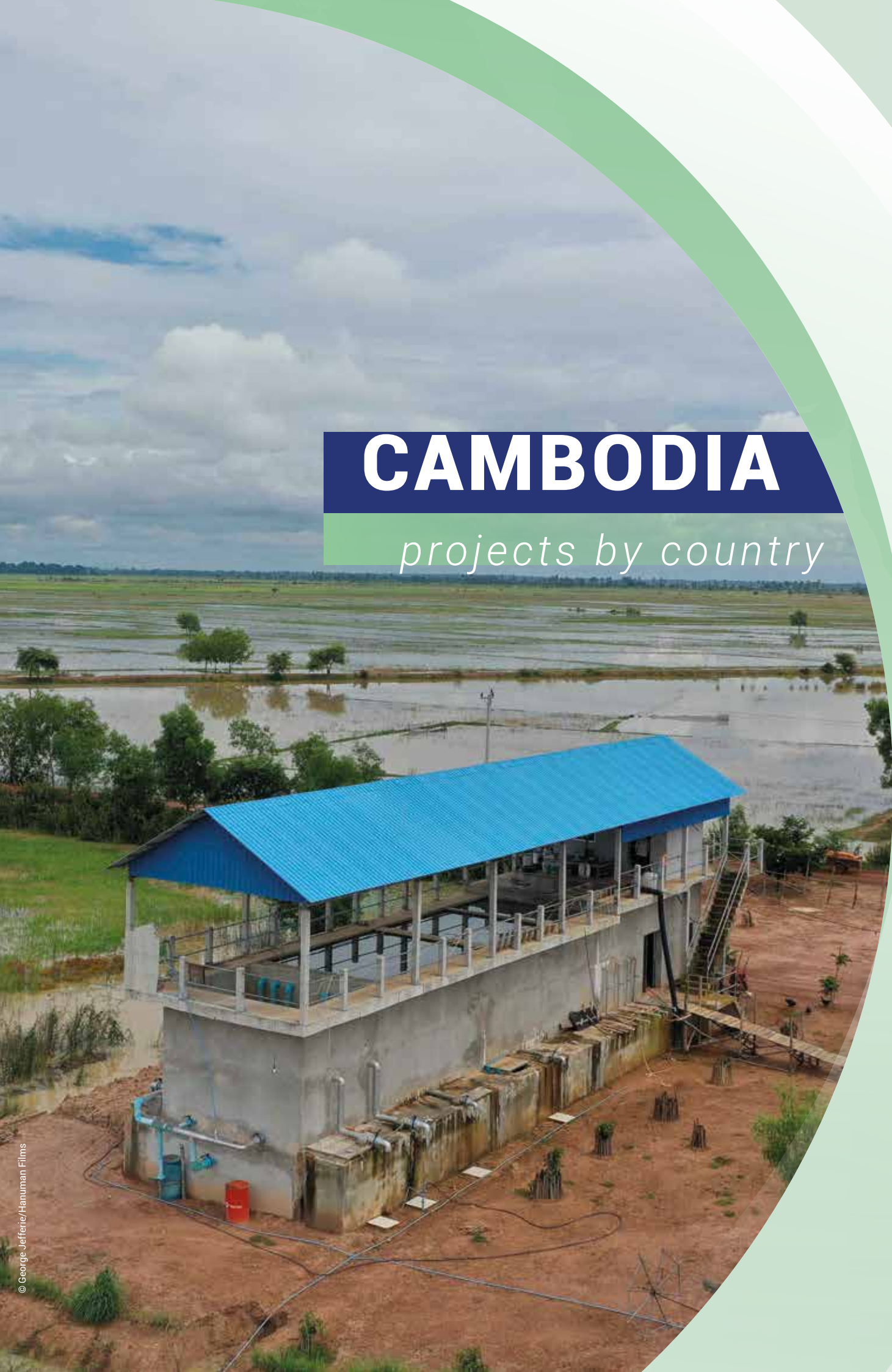


• €2,500,000 AFD additional grant  
Tentative budget



# CAMBODIA

*projects by country*







## Context

Over the past two decades, the Kingdom of Cambodia has undergone a significant transition, reaching lower middle-income status in 2015 and aspiring to attain upper middle-income status by 2030. The country has enjoyed a sustained growth rate driven by garment exports, construction and tourism that has resulted in a significant reduction in poverty and a strong increase in GDP per capita. This trend was severely stopped by the COVID-19 pandemic in 2020 which plunged the country into a recession (-2%) due to a collapse of its key growth pillars and resulted in thousands of job losses.

The development of the country faces multiple challenges including poor business climate, infrastructure gap (transport, water, power production, ...), low human capital indicators (health and education), as well as an economic specialisation in the production and export of garment products subject to strong international competition. Access to essential goods and services (e.g. drinkable water, sanitation services) could be further increased once the supply of public services has been improved. Reforms would also be needed in order to manage natural resources in a sustainable manner.

Since 1993, AFD has been supporting Cambodia's territorial, ecological and social transition. AFD accompanies the government in its priorities in terms of sustainable urbanisation, water resource management, access to essential services, climate change adaptation, rural infrastructure, and social inclusion. In order to achieve its objectives, AFD mobilises a wide range of tools: sovereign and non-sovereign concessional loans, guarantees, and financing through delegated funds.

## Ongoing projects

### Rural Road Improvement Project II (RIPP II)

The Rural Roads Improvement Project II aims at rehabilitating about 1,200 kilometres of rural roads in ten poor provinces, in order to provide them with a safer and more cost-effective rural road network with year-round access to markets and other social services.



• Rural development  
Sector (s)



• €35,000,000 AFD sovereign loan  
• \$54,000,000 ADB  
Amount of funding



• ADB  
Partner(s)

### Rural Infrastructure Development for Cambodia

This project includes the rehabilitation of rural roads and the management of rural road assets, aimed at supporting local development. It also addresses road safety issues and focuses on improving connectivity in the Mekong Islands.



• Rural development  
Sectors (s)



• €50,000,000 AFD sovereign loan  
• €37,100,000 KfW (loan and grant)  
• €11,400,000 EU grant  
Amount of funding



• European Union  
• KfW  
Partner(s)

### Agricultural Value Chain Infrastructure Improvement Project (ACSEP)

The project aims to:

- Build post-harvest processing capacities in relation to the private sector;
- Finance public procurement and storage infrastructure;
- Strengthen connectivity (farm-to-market roads);
- Strengthen business partnerships between farmers' associations, cooperatives and small businesses.



• Agriculture  
Sector (s)



• €25,000,000 AFD sovereign loan  
• \$70,000,000 ADB  
Amount of funding



• ADB  
Partner(s)

### Water resource management and agro-ecological transition in irrigated areas (Wat4Cam Phase 1)

his sectoral programme includes:

- Rehabilitation of irrigated perimeters;
- Transfer of responsibilities and sharing of perimeter management between the State and water users;
- Capacity building for the Ministry of Water Resources including adaptation to climate change issues;
- Agricultural development and agro-ecological transition within irrigated perimeters, structuring of sectors, support for marketing.



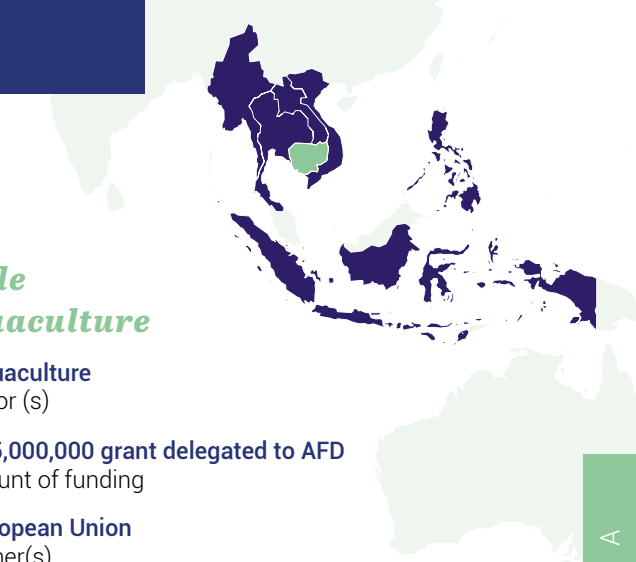
• Water management, Agriculture  
Sector (s)



• €55,000,000 AFD Sovereign loan  
• €11,500,000 EU grant  
Amount of funding



• European Union  
Partner(s)



### Extension of Chamcar Morn Water Treatment Facility and network extension

The overall objective of this project is to support Phnom Penh's Water Supply Authority (PPWSA) in order to meet the capital water demand. It has three components:

- Rehabilitation of Chamcar Morn Water Treatment facility allowing to increase its production capacity (from 12 to 52 MLD);
- Distribution network extension, including densification of the existing network and extension to unprivileged outlying districts that are not yet covered;
- Consultancy services for design and construction supervision. The water treatment plant has been operational since December 2019 and the defect liability period ended in February 2021.



• **Water and sanitation**  
Sector (s)



• **€30,000,000 AFD sovereign loan**  
Amount of funding

### Provincial water supply and sanitation project (PWSSP)

This project consists in building water supply and sanitation infrastructure (2 water supply systems, 2 wastewater systems and a fecal sludge emptying service) in 3 provincial cities: Battambang, Kampong Cham, and Siem Reap. The project also supports two capacity-building components in favour of:

- The Ministry of Public Works and Transports;
- The Institute of Technology of Cambodia (creation of a master degree in urban water supply and sanitation engineering program).



• **Water and sanitation**  
Sector (s)



• **€40,000,000 AFD sovereign loan**  
• **€5,000,000 EU grant**  
• **\$50,000,000 ADB loan**  
• **\$10,000,000 JFJCM grant**  
Amount of funding



• **European Union**  
• **ADB**  
• **Japan Fund For The Joint Crediting Mechanism (JFJCM)**  
Partner(s)

### Bakheng water treatment facility and Phnom Penh clean water network extension

The overall objective of this project is to improve access to water for the inhabitants of Phnom Penh through three components:

- Construction works for a new 195MLD Mekong water treatment plant, which will be the largest water treatment plant operated by PPWSA;
- Strengthening and extension of the distribution network, particularly in poor neighbourhoods;
- Technical assistance for procurement and works supervision, as well as for the improvement of the geographic information system and human resources development.



• **Water and Sanitation**  
Sector (s)



• **€77,300,000 AFD sovereign loan**  
• **\$100,000,000 EIB loan**  
• **\$15,000,000 EU grant**  
Amount of funding



• **European Union**  
• **EIB**  
Partner(s)

### Bakheng water supply project (phase 2)

Complementary to phase 1, the project will support:

- The construction of a new 195MLD wastewater treatment plant on the Mekong River;
- The strengthening and extension of the distribution network, particularly in poor neighbourhoods;
- Technical assistance for procurement and works supervision, as well as for the improvement of the geographic information system and human resources development.



• **Water and Sanitation**  
Sector (s)



• **€100,000,000 AFD sovereign loan**  
Amount of funding

### Fostering sustainable and inclusive growth of aquaculture

The CaPFish Aquaculture project aims to overcome the constraints of the aquaculture sector in Cambodia and to ensure a more sustainable and inclusive growth of the sector. This project contributes to the diversification and improvement of food security for the rural population. It supports the dissemination of more sustainable and climate-friendly practices. The project aims to increase the production and added value of aquaculture products and to strengthen Cambodia's competitiveness vis-à-vis the major aquaculture countries of Southeast Asia.



• **Aquaculture**  
Sector (s)



• **€25,000,000 grant delegated to AFD**  
Amount of funding



• **European Union**  
Partner(s)

### Extension of the national electricity network in Cambodia's rural provinces

The project aims to support Cambodia's economic and social development by increasing access to electricity in three provinces: Kampong Cham, Kratie and Koh Kong. In total, the planned works involve 165 km of high voltage (HV) lines connected to the Cambodian electricity grid, five transformer stations and 225 km of medium voltage lines to distribute electricity from the HV grid to the project's target areas: towns, villages, industrial areas and agro-industrial projects. The investments were accompanied by a EDC capacity building programme financed by the Asian Investment Facility, covering both technical and commercial management aspects.



• **Energy**  
Sector (s)



• **€70,000,000 AFD sovereign loan**  
• **€1,000,000 EU grant**  
Amount of funding



• **European Union**  
Partner(s)

### Modernisation of the Electricity of Cambodia's transmission and distribution network

The project aims to support EDC's digital transformation (notably for its control systems) in order to improve the efficiency of its transmission and distribution network, the management of its assets and to increase the possibilities for integrating intermittent renewable energies into the network. These activities will be accompanied by a capacity building plan to integrate the changes in EDC's operational functioning in the medium term and the creation of a research and training platform in partnership with a French university (UGA).



• **Energy**  
Sector (s)



• **€25,000,000 AFD sovereign loan**  
• **€4,100,000 EU grant**  
Amount of funding



• **European Union**  
Partner(s)

### Support to General Department of Policy through the 2050 Facility

This project aims at assisting the Ministry of Economic and Finance in macroeconomic and energy sector modelling. More specifically the objective of the project is to:

- Model various more or less optimistic scenarios of the energy transition;
- Anticipate their technical and economic implications in order to better inform the authorities in their decision-making.



• **Energy**  
Sector (s)



• **€300,000 AFD grant through the 2050 Facility**  
Amount of funding



### Contribution to the Implementation of the National Strategy for Social Protection

The project targets the establishment of a compulsory health insurance and pension scheme for the formal and informal sectors. AFD's contribution aims to extend health insurance coverage to professionals in the informal economy (rickshaw drivers and cleaning women in Phnom Penh) through two specific actions:

- Adapting and formalising the procedures of national social security funds to take into account the specificities of these communities;
- Informing these communities and offering health insurance coverage through adapted communication tools.



• **Social protection**  
Sector (s)



• **€700,000 AFD grant**  
Amount of funding

### Technical and Vocational Education Training (TVET)

This project aims to adapt the workforce to labour market requirements and meet the demographic challenge, through:

- Increasing access to TVET;
- Improving quality of the training programs;
- Involving employers;
- Strengthening governance and management of the TVET system. This project takes into account several gender-related objectives.



• **Education**  
Sector (s)



• **\$15,000,000 AFD sovereign loan**  
• **\$23,000,000 ADB loan**  
Amount of funding



• **ADB**  
Partner(s)

### Vocational training programmes for tourism professions

This project will finance the creation of two national vocational training institutes for tourism and a capacity-building programme for public and private stakeholders in the sector. Tourism is the country's second largest income-generating sector, but there is a shortage of skilled labour. The curricula will be developed on the basis of ASEAN standards. The project is complemented by technical support to the Ministry of tourism to design and implement its strategy, including the promotion of public-private dialogue.



• **Education**  
Sector (s)



• **€11,000,000 AFD sovereign loan**  
• **€1,500,000 AFD grant**  
Amount of funding

### Skills for Competitiveness

This project aims to enhance the skills and competitiveness of Cambodia's industrial sector labour force, through:

- Improving quality and relevance of post-secondary TVET;
- Promoting work-based learning programs with industry partnerships;
- Expanding innovative TVET financing mechanism. This project takes into account several gender-related objectives.



• **Education**  
Sector (s)



• **\$19,920,000 AFD loan**  
• **\$60,000,000 ADB loan**  
Amount of funding



• **ADB**  
Partner(s)

### Support to the Public Finance Management Reform

In the framework of the Public Finance Management Reform, the Ministry of Economy and Finance requested AFD's support to draft the new Finance Law, which will improve the transparency and efficiency of the budget and accounting system. A second phase of the project will be launched in 2021 to support the operational implementation of the Law.



• **Governance**  
Sector (s)



• **€500,000 AFD grant (Phase 1)**  
• **€1,100,000 AFD grant (Phase 2)**  
Amount of funding



• **Expertise France**  
• **Direction Générale du Trésor (DGT)**  
Partner(s)

## Forecasted & potential projects

### Civil Aviation Capacity Building and Governance Project

The overall objective of the project is:

- To increase the attractiveness of Cambodia for tourists travelling by air, in particular by assisting the State Secretariat of Civil Aviation (SSCA) to implement safety regulations for the airport sector in Cambodia, and to concretely improve safety conditions in the use of the country's airports;
- To improve the environmental and safety conditions of airport sector activities in Cambodia.



• **Transport**  
Sector (s)



• **€450,000 AFD grant to be signed in T1 2021**  
Amount of funding



• **French Department of Civil Aviation (instead of DGAC)**  
• **French Ministry of the Economy, Finance and Recovery**  
Partner(s)

### Resilient Intermediate Cities in Cambodia (RICC)

The project aims to support the resilience of cities through infrastructure to prevent flooding and support river management in three to four secondary cities. It also aims to support small investments to make the cities more attractive for tourism and to provide technical assistance at national and local level.



• **Urban development**  
Sector (s)



• **Tentative €45,000,000 AFD sovereign loan (planned approval in 2021)**  
Amount of funding



• **Cities Development Initiative for Asia**  
Partner(s)

### Rainfed Agriculture Technology Development Program for Cambodia (RAD4CAM)

The project's goal is to improve agricultural productivity and profitability in a sustainable and resilient way through the adoption of agro-ecological based approaches and the local development of technical, organisational and commercial synergies.



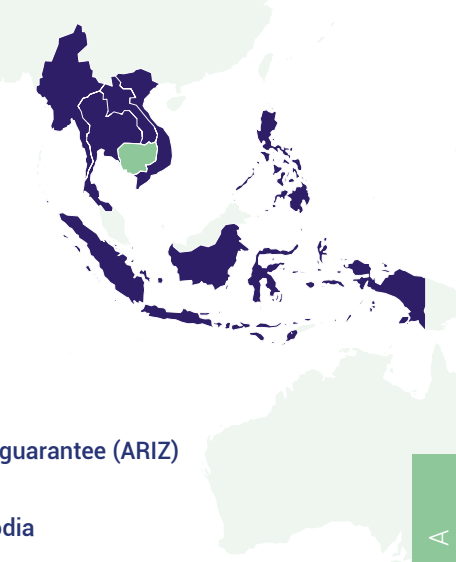
• **Agriculture**  
Sector (s)



• **Tentative €50,000,000 AFD AFD sovereign loan (planned approval in 2021)**  
• **Tentative €10,000,000 EU grant (planned approval in 2021)**  
Amount of funding



• **European Union**  
Partner(s)



### *Sustainable Coastal and Marine Fisheries Project*

The project aims to support in particular:

- Coastal and marine ecosystems and the enhancement of nature-based tourism assets;
- The deployment of climate resilient post-harvest infrastructure and improved connectivity;
- Investments in a competitive value chain of safe and sustainable fisheries.



• **Agriculture**  
Sector (s)



• **Tentative €30,000,000 AFD sovereign loan**  
(planned approval in 2022)  
• **Tentative \$65,000,000 ADB loan**  
(planned approval in 2022)  
Amount of funding



• **ADB**  
Partner(s)

### *Svay Chek river Project*

The project's goal is to revive the Svay Chek river system, reduce floods during the wet season and increase the water availability during the dry months for both agricultural uses and household's consumption.



• **Water resource and water supply**  
Sector (s)



• **Tentative €50,000,000 sovereign loan**  
(planned approval in 2022)  
• **Tentative €10,000,000 EU grant**  
(planned approval in 2022)  
Amount of funding



• **European Union**  
Partner(s)

### *Technical assistance to the Cambodian Microfinance Association (CMA) to support best practices in terms of client protection in the microfinance sector*

The project will provide technical assistance to the CMA to:

- Promote the Lending Guidelines and expand it to the whole banking sector;
- Develop a Client Protection Framework;
- Develop its advocacy for gender equality and green finance.



• **Microfinance**  
Sector (s)



• **€300,000 grant, to be signed in T1 2021**  
Amount of funding

## Proparco

### *Ensuring access to finance in rural areas through the financial support of Amret*

Proparco and AMRET are historical partners. The collaboration began in 2002 with an equity investment and was followed by four transactions (debt and equity). This MFI mainly targets agricultural borrowers, is certified "Smart Campaign" and ranks among the best in terms of client protection.



• **Microfinance**  
Sector (s)



• **Up to \$25,500,000 cumulated**  
Amount of funding



• **Amret**  
Partner(s)

### *Enhancing women entrepreneurship & access to finance*

Proparco signed a portfolio guarantee with the BRED bank dedicated to supporting women's entrepreneurship in Cambodia and contributing to the 2XChallenge initiative in favour of gender equality and women's empowerment. Proparco also provides several individual guarantees to BRED.



• **Banking**  
Sector (s)



• **\$2,000,000 portfolio guarantee (ARIZ)**  
Amount of funding



• **BRED BANK - Cambodia**  
Partner(s)

### *Supporting Golden Rice, a local rice producer, in its upgrading process*

Proparco has been supporting Golden Rice since a first loan agreement signed in 2009 to finance the construction of new facilities. Two other loans followed in 2013 and 2018 to strengthen their rice activity, develop new agricultural products and set up green energy production.

Proparco also provided two technical assistance programmes to help Golden Rice obtain E&S certification (ISO 14001, SA 800), secure a high-quality supply chain and strengthen its position as Cambodia's leading rice exporter.



• **Agriculture**  
Sector (s)



• **Up to \$31,000,000 cumulated**  
Amount of funding



• **Golden Rice - Cambodia**  
Partner(s)





# INDONESIA

*projects by country*





## Context

The Indonesian archipelago is located in the heart of the Indian Ocean and made up of over 17,000 islands. With its 50,000 km of tropical coastlines and half of its surface area covered by forests, Indonesia is a major biodiversity hotspot in Southeast Asia, yet threatened by human activity and climate change. Indonesia has set out on the path of sustainable development, while strengthening its political and financial good governance.

Indonesia is one of the fastest growing economies in Asia and the world's fourth most populous country (267.6 million inhabitants). The country has experienced impressive economic growth since the Asian financial crisis of 1997, becoming the world's tenth largest economy (in terms of purchasing power parity) and a member of the G20. This situation helped the country make considerable gains in poverty reduction by cutting the poverty rate by more than half since 2000, to 9.8% in 2018. However, the archipelago is still facing a lack of infrastructure and challenges related to human capital and social protection. The economic and social crisis induced by the COVID-19 pandemic significantly hit the country with 5.1 million people becoming unemployed and another 24 million working reduced hours in 2020. The fiscal and monetary responses were appropriate but could not avoid the contraction of GDP and the rise of the public debt in 2020. Structural reforms remain necessary to lift potential growth.

AFD has been operating in Indonesia since 2007 and has mobilised a large range of financial tools to promote renewable energy, support sustainable management of natural resources, improve the urban public services and enhance maritime connectivity.

## Ongoing projects

### *Second Credit line to PT SMI (State-owned Infrastructure Finance Company)*

This credit line aims at facilitating the financing by PT SMI of infrastructure projects with clear climate or SDG related benefits, with a focus on increasing the bankability of small renewable energy projects. After the COVID-19 crisis, 30% of the funds have been reallocated to health projects.

In parallel to the credit line, AFD and the EU support PT SMI's growing SDG and climate-related commitments (through the SDG Indonesia One initiative) with long-term USD credit facilities, investment premiums (on a grant basis), and technical assistance for project preparation and capacity building activities.



• **Infrastructure**  
Sector (s)



• **\$150,000,000 AFD non-sovereign loan**  
• **€600,000 AFD grant**  
• **€5,000,000 EU grant**  
Amount of funding



• **European Union**  
Partner(s)

### *Support to the elaboration of the urban mobility plan of Medan agglomeration*

This project supports the elaboration of the urban mobility plan of Medan agglomeration, within the framework of the of the Mobilise Your City (MYC) initiative for the Medan metropolitan area (cities of Medan and Binjai, Deli Serdang and Karo districts).



• **Transport**  
Sector (s)



• **€600,000 AFD grant**  
Amount of funding

### *Oceanographic research vessels*

The overall objective of the project is the strengthening of the national oceanographic research capacities for a sustainable use of the marine resources of Indonesia. The loan is dedicated to the acquisition of a ship equipped with scientific research material for oceanography for LIPI and the refurbishment of an existing ship. A technical assistance from IFREMER, the French Institute for Sea Research and Exploration, has also been set up.



• **Environment**  
Sector (s)



• **\$107,700,000 AFD sovereign loan**  
Amount of funding

### *Disaster Risk Enhanced Management Program (DREAM)*

This Public policy loan program will strengthen the country's capacity to manage disaster risks and reduce the impacts of natural disasters. It involves the main relevant public agencies.



• **Environment**  
Sector (s)



• **€100,000,000 AFD sovereign loan (first phase)**  
• **\$ 400,000,000 JICA loan**  
Amount of funding



• **JICA**  
Partner(s)





### Development of the Marine Meteorological Information System

Development of the Marine Meteorological Information System, for BMKG (National Agency for Meteorology, Climatology and Geophysics).

The overall objective of this project is to develop an integrated marine meteorological information system in Indonesia through:

- The establishment of a maritime observation network;
- The development of reliable, integrated and accessible forecasting and warning services for users of maritime and coastal areas and the general public;
- The production of tools and knowledge on meteorology and climate studies;
- The development of BMKG's operational capabilities and international cooperation.

An additional grant (1,2MEUR) will be provided to BMKG for technical assistance.



• **Environment**  
Sector (s)



• **\$71,000,000 AFD sovereign loan**  
• **€1,200,000 AFD grant**  
• **\$49,900,000 DG Trésor loan**  
Amount of funding



• **Direction général du Trésor (DGT)**  
Partner(s)

### Research on ocean marine debris

This project aims at supporting the Indonesian Ministry of Marine Affairs and Fisheries (KKP) in better monitoring and modelling the circulation of marine debris in Java sea, and strengthen Indonesian institutions in terms of knowledge, prevention, awareness and reduction of marine pollution. The study is carried out by the French Research Institute IRD, associated with the French company CLS. The project includes 2 complementary approaches: the ground monitoring by Argos transmitters deployed at sea among plastic debris (operational approach), which will permit to construct a dedicated drift model (theoretical approach).



• **Environment**  
Sector (s)



• **€500,000 AFD grant**  
• **\$234,000 World Bank grant**  
(until \$300,000 - to be determined at the end of the project)  
Amount of funding



• **The World Bank**  
Partner(s)

### Jakarta Network Masterplan

The project supports PLN (government-owned company) to adapt Jakarta's fast changing power grid as part of the Java-Bali network system, in order for PLN to conduct a long-term planning process. The objective is to prepare the necessary investments to ultimately contribute to improving the energy efficiency of the system in the Jakarta metropolitan area.



• **Energy**  
Sector (s)



• **\$1,000,000 AFD grant**  
Amount of funding

### Electricity Jakarta 2 (500kV Transmission Line Duri Kosambi-Muara Karang)

The overall objective of the project is to improve the efficiency of the power system in Jakarta metropolitan area by:

- Increasing the reliability of the grid;
- Optimising the use of its generating capacity;
- Increasing the energy efficiency of the system.

The project focuses on strengthening the high voltage (500kV) network of the city of Jakarta and its suburbs by implementing the construction of the first section of the northern part of the 500kV network ring.



• **Energy**  
Sector (s)



• **\$100,000,000 AFD grant**  
Amount of funding

### West Kalimantan Power Grid Strengthening Project

This project supports the government in reducing the operating costs of West Kalimantan's electricity system. This will enable PLN to accelerate its production plan by combining hydropower imports from Sarawak (Malaysia) with other base-load generation.

The results of the project are interconnections and construction of new transmission networks and new connections for households in West Kalimantan.



• **Energy**  
Sector (s)



• **€38,800,000 AFD sovereign loan**  
• **\$49,500,000 ADB loan**  
• **\$2,000,000 ADB grant**  
Amount of funding



• **ADB**  
Partner(s)

### Reinforcement of the fiscal policy and public finance management

This policy-based loan focusing on fiscal reform supports the Indonesian mid-term development strategic plan, aiming at:

- Improving the quality of spending;
- Strengthening revenue administration;
- Enhancing Tax Policy.

In addition, technical assistance and peers-to-peers exchange with the French fiscal administration are conducted.



• **Governance**  
Sector (s)



• **€350,000,000 (3 AFD loans)**  
• **\$1,700,000,000 (3 World Bank loans)**  
Amount of funding



• **The World Bank**  
• **Expertise France**  
Partner(s)

### Resilience of the financial sector

This project supports the structural reform of the Indonesian financial sector, aiming to:

- Increase the inclusiveness of the financial sector, improve the range of products available and mobilise long-term savings;
- Improve the efficiency of the financial sector by strengthening the legal framework for consumer and creditor protection, thereby promoting interoperability of payment systems and the protection of personal data;
- Strengthen the resilience of the financial sector through the implementation of sustainable financial practices to address disaster risk management.



• **Financial sector**  
Sector (s)



• **€100,000,000 AFD sovereign loan**  
• **\$300,000,000 World Bank loan**  
• **\$300,000,000 World Bank additional COVID-19 loan**  
Amount of funding



• **The World Bank**  
Partner(s)

### With NGO : Restarting the fishing economic activities post-tsunami in Sulawesi island

This project aims to strengthen the resilience of coastal communities living in Palu Bay, based on an inclusive and holistic approach that take into account the economic dimension (revival of fishing activities through the distribution of 650 boats) and develop a comprehensive approach to disaster prevention based on traditional knowledge (mangrove plantation, traditional tales). The project also include awareness raising for various stakeholders.



• **Fisheries**  
Sector (s)



• **€1,000,000 AFD grant**  
Amount of funding

### FICOL – Management of the water cycle of the city of Kendari

The project focuses on the water cycle and the interface between the city of Kendari and its bay. The project aims at helping the city to improve its water supply infrastructure and water resource management in order to preserve the coastline, fight against floods and prevent natural risks.



• **Water**  
Sector (s)



• **€570,100 AFD grant**  
Amount of funding

## Forecasted & potential projects

### Upgrading and eco-certification of fishing ports

This project aims at improving infrastructures and equipment of four fishing ports, in order to increase their performance and sustainability, notably through an eco-certification process based on the ISO 14001 standard. For each port, the objectives are:

- To manage the environmental and climatic impacts;
- To improve the sanitary quality, control and added value of fishery products as well as the resource management systems;
- To create the basis for more inclusive port governance.



• **Infrastructure**  
Sector (s)



• **\$107,000,000 AFD sovereign loan**  
Amount of funding

### Affordable Green Housing

This project aims at supporting a pilot project on the construction of affordable and environmentally friendly housing. Furthermore, the project will potentially help BTN in developing its "green housing" mortgage portfolio. As the first project and cooperation with BTN, it is also expected to support the bank's initial green portfolio development and internal capacity.



• **Housing**  
Sector (s)



• **€100,000,000 AFD sovereign loan**  
Amount of funding

### Resilience of the financial sector II

This policy-based loan supports the structural reform of Indonesia's financial sector, aimed at:

- Increasing the inclusiveness of the financial sector, improving the range of products available and mobilising long-term savings;
- Improving the efficiency of the financial sector by strengthening the legal framework for consumer and creditor protection, thereby promoting interoperability of payment systems and the protection of personal data;
- Enhancing the resilience of the financial sector through the implementation of sustainable financial practices to address disaster risk management.



• **Financial sector**  
Sector (s)



• **€100,000,000 AFD sovereign loan**  
Amount of funding



• **The World Bank**  
Partner(s)

## Proparco

### Indosurya Inti Finance

Created in 2012, Indosurya is an Indonesian multi-finance company specialising in SMEs that grants loans to businesses (neighbourhood grocery shop, clothing shop). In 2018, Proparco granted a loan to help Indosurya develop its SME loan portfolio, thereby facilitating job creation and economic growth. This facility also contributes to extending the duration of the company's financing and improving Indosurya's E&S standards. The loan is a sub-participation of AFD and mobilises funds from the FMO.



• **Financial institution**  
Sector (s)



• **\$30,000,000 Proparco:**  
- Including \$15,000,000 AFD sub-participation  
- FMO  
Amount of funding



• **FM50 - Entrepreneurial Development Bank**  
Partner(s)

### ARIZ Guarantee

Proparco is developing ARIZ individual guarantee with BNPP branch in Indonesia and granted 2 loans in 2019-2020 to support its SMEs and micro-finance business.



• **Financial institution**  
Sector (s)



• **€1,200,000 and €2,000,000 guarantee**  
Amount of funding



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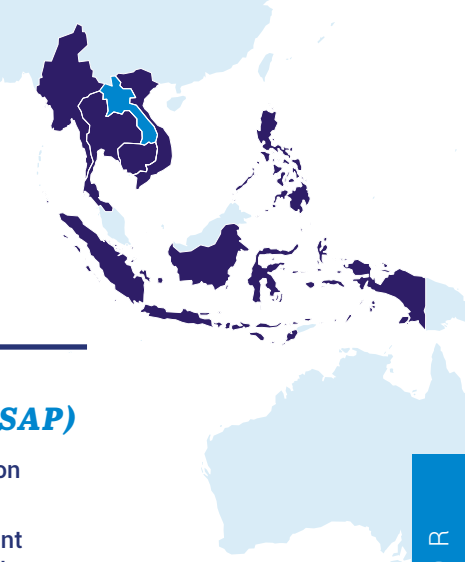


# LAO PDR

*projects by country*







## Context

Despite a relatively high GDP per capita, estimated at USD 2,651 in 2019, Lao PDR is still among the 47 least developed countries listed by the UN. Significant progress have been made on poverty and malnutrition reduction but these issues are still prevalent, with 21% of the population living below the international poverty line of \$1.9/day (2012 data). Significant regional disparities remain, marked by growing inequalities. The COVID-19 pandemic significantly worsened the situation with a 0.6% decrease of the GDP, an increase of the poverty rate by 1.7%, a complicated fiscal situation and a growing debt problem, which seriously hampers Lao PDR's economic prospects.

Yet, Lao PDR is rich in natural assets: substantial minerals, forests, waters, agriculture and hydropower potential. If managed well, these assets can be turned into genuine development assets for the benefit of the country and its people. In the framework of its National Social Economic Development Plans, the country has adopted the principle of Green Revolution and more inclusive growth, to diversify income sources and encourage the participation of the private sector while managing its vulnerabilities to climate change effects.

AFD has been operating in the country since 1994. Its priority sectors of intervention in Lao PDR are sustainable and inclusive agriculture, sustainable biodiversity conservation, reconciliation between tourism development and cultural heritage preservation and enhancement, and sustainable and inclusive value chain and businesses. Despite the high level of public debt (70.9%) limiting AFD's intervention in the country, it has been recognised by the Lao government as a key development partner that brings good development models to be replicated by other stakeholders and donors with more substantial funding. Lao PDR hosted the LICA initiative (Lao facilitated Initiative for a regional Coaching of Agroecological transition in Southeast Asia) and has become an ASEAN reference on the dissemination of agro-ecology practises.

## Ongoing projects

### Nutrition-Sensitive Agriculture Project (NUSAP)

Co-financed with the European Union, the project aims to improve food and nutritional security and promote sustainable agriculture in the provinces of Luang Prabang, Luang Namtha, Phongsaly and Huaphanh. The objectives are:

- To develop the capacity of government departments at provincial and district level to integrate nutrition issues into their interventions;
- To improve knowledge on nutrition-sensitive agriculture and nutrition-related attitudes at community level;
- To improve access and use of nutritious food for vulnerable households.



• Agriculture / nutrition Sector (s)



• €1,000,000 AFD grant  
• €4,700,000 EU grant  
Amount of funding



• European Union  
Partner(s)

### Nakai Plateau – Livestock, Agriculture, Fishery (NP-LAF)

The Nam Theun 2 hydropower project meets very high environmental and social standards and has the ambition to become a world reference in sustainable hydropower. For this reason, when a panel of independent experts concluded that additional measures were needed to ensure sustainable living conditions for the 6,000 people resettled under the project, NT2PC and AFD financed a new project to support the development of agricultural, livestock and fishing activities on the Nakai Plateau. It aims to contribute to sustainable income and improved living conditions for the population.



• Agriculture Sector (s)



• €1,500,000 AFD grant  
• €1,500,000 NT2PC grant  
Amount of funding



• NT2PC  
Partner(s)

### Pilot Project for Irrigation on the Nam Kata (PPINK)

The project finances the rehabilitation and extension of an irrigation system for the benefit of 244 families. The project provides support to farmers for the creation of Water Users Associations (WUA) and extension activities. The project is qualified as a "pilot" because of the emphasis on the participation of partners and beneficiaries in the project (water management by the WUA and decentralisation of project management) and is expected to identify good practices, which will then be disseminated nationally.



• Agriculture Sector (s)



• €4,500,000 AFD grant  
Amount of funding

### Reinforcement and Extension of the Coffee Sector in Laos (RECoSeL)

AFD has been supporting the coffee sector in Laos since 1998 through several projects focusing on research, the development of farmers' organisations and the implementation of sectoral and governance policies. The project:

- Strengthens the governance framework of the coffee sector and supports the implementation of the national coffee strategy;
- Supports the emergence of quality coffee production in the northern provinces of the country based on a family farming (and market) oriented approach;
- Strengthens the CPCs on environmental impact management, applied research and capacity to position themselves on national and international markets.



• Agriculture Sector (s)



• €1,500,000 AFD grant  
Amount of funding



### Support to Mekong Teas

In support of Lao PDR's Ministry of Agriculture and Forestry on the promotion of high value-added products, this project aims to develop the tea value chain, which has been identified as one of the potential high value-added products. The project:

- Supports two local initiatives in Meung District (Bokeo Province) and Saysathan District (Xayaboury Province);
- Supports tea sector governance at the national level (national tea strategy, tea network and platform, and capacity building of tea stakeholders).



• Agriculture  
Sector (s)



• €1,500,000 AFD grant  
Amount of funding

### With NGO : Agricultural development support in the mountainous districts of La and Namor, Phase 2

This project is implemented by the Comité de Coopération avec le Laos (CCL). The second phase of the project aims to continue supporting 20 villages from the first phase and to extend the positive impacts of the action to 20 new-targeted villages, particularly where the population is most vulnerable to problems related to pesticides and natural resources. The project focuses on 3 interdependent objectives:

- To improve the health and nutrition status of the communities;
- To contribute to the development and diversification of agriculture;
- To contribute to the sustainable management of natural resources and the reduction of pesticide use.



• Agriculture  
Sector (s)



• €370,000 AFD grant  
Amount of funding

### With NGO : Food and Nutrition Safety

This project, implemented by the Comité de Coopération avec le Laos (CCL), aims to support remote ethnic communities in the provinces of Phongsaly and Luang Namtha to improve their food and nutritional security. It focuses on:

- Improvement of nutritional status, especially of women and children;
- Valorization and preservation of local resources through agro-ecologic and sustainable practices;
- Engagement of government and civil society organisations to implement multi-sectoral approaches for improving food and nutritional security.



• Agriculture, Health  
Sector (s)



• €500,000 AFD grant  
Amount of funding



• European Union  
Partner(s)

### Cultural Heritage Management, Protection and Attractiveness (CHAMPA)

This project is implemented in two provinces by the EFEO and the World Heritage Office in Vat Phu Champasak in Champasak and by the EFEO and the DICT in Savanankhet.

In both provinces, archaeological excavations and a LIDAR (Light Detection and Ranging, airborne laser) survey will enable a complete, high-resolution inventory of the cultural and natural landscape to be drawn up. Some remarkable buildings and museums will be restored in order to promote tourist products and activities (tours, crafts) and to improve the living environment of the inhabitants.



• Urban development  
Sector (s)



• €6,000,000 AFD grant  
Amount of funding

### With NGO : Ecosystem Conservation through Integrated Landscapes management in Lao PDR (ECILL)

The overall objective of ECILL project, implemented by the Wildlife Conservation Society (WCS), is to ensure the security of forests and biodiversity in Laos and to help the rural poor population to manage its natural resources sustainably. This will be achieved by promoting an integrated landscape approach and a green growth model linked to economically viable and climate-smart community incentives, supported by green business practices and improved regulatory frameworks.



• Environment  
Sector (s)



• €1,500,000 AFD grant  
• €4,600,000 EU grant  
Amount of funding



• European Union  
Partner(s)

### Sustainable management of natural and touristic sites, Khammouane Province.

The main goal of the program is to involve and integrate local communities in the ecotouristic development of Khammouane sites in order to create income-generating activities while preserving local heritage.



• Tourism  
Sector (s)



• €300,000 AFD grant  
Amount of funding



• 12 different co-funders and partners involved  
Partner(s)

### Judicial Services, Training and Institutions Capacity Enhancement (JuSTICE)

The project aims to contribute to the strengthening of the rule of law through a support to the Legal Sector Master Plan of the country. It has three main components:

- Institutional support to the Ministry of Justice, the Office of the Supreme People's Prosecutor and the People's Supreme Court;
- Strengthening the methodology for training legal practitioners;
- Project governance.



• Governance, Justice  
Sector (s)



• €1,500,000 AFD grant  
Amount of funding

## Forecasted & potential projects

### Sustainable micro-Watershed in the Northern uplands of Laos (SWAN Laos)

This project aims at improving the resilience of the northern highlands of Lao PDR through sustainable natural resource management. The project will build on the lessons learned from AFD's previous intervention in the Northern Highlands Program by placing greater emphasis on supporting local communities in the collective planning and management of natural resource preservation and use, contributing to better knowledge, protection and management of water resources, and promoting changes in agriculture and forestry practices.

The feasibility study is ongoing and will be completed in February 2021.



• Agriculture  
Sector (s)



• €6,000,000 AFD grant estimated  
Amount of funding



**Northern Upland Coffee**

The new project aims to support the Laotian coffee sector towards the production of quality coffee recognised on international markets and increase the sustainability of activities initiated by AFD's previous intervention. The feasibility study is ongoing and will be completed in February 2021.



• **Agriculture**  
Sector (s)



• **€2,500,000 – 3,500,000 AFD grant estimated**  
Amount of funding

## Proparco

**Nam Theun 2 Power Company Hydro**

Owned by the French energy company EDF and the Lao government, Nam Theun 2 is a 1070mW dam that produces electricity for consumption in Thailand and Lao PDR. Proparco participated in financing the construction of the dam alongside other lenders committed to the highest E&S standards. This project is also a good example of AFD/Proparco working together since, in parallel to Proparco's loan, AFD also granted a loan to the Laotian electricity company, a shareholder in Nam Theun 2.



• **Energy**  
Sector (s)



• **\$30,000,000 credit line in 2010**  
Amount of funding



• **World Bank Group**  
• **ADB**  
• **EIB**  
• **Nordic Investment Bank**  
Partner(s)

**BURAPHA**

Burapha is a swedish-owned company which develops and operates agro-forestry plantation in the Vientiane area (predominately eucalyptus trees). The financing granted in 2018, aims to double the plantation surface (from 3500 to 7000 ha) and build a plywood mill. Burapaha developed an innovative agroforestry model with multiple impacts: FSC certification, plantation on degraded soiled, CO<sup>2</sup> sequestration, training and employment of local smallholders/villagers as well as allowing them to plant rice for their own consumption on the eucalyptus plantation.



• **Agro-forestry**  
Sector (s)



• **\$10,000,000 credit line in 2018**  
Amount of funding



• **FMO**  
• **FinnFund**  
Partner(s)



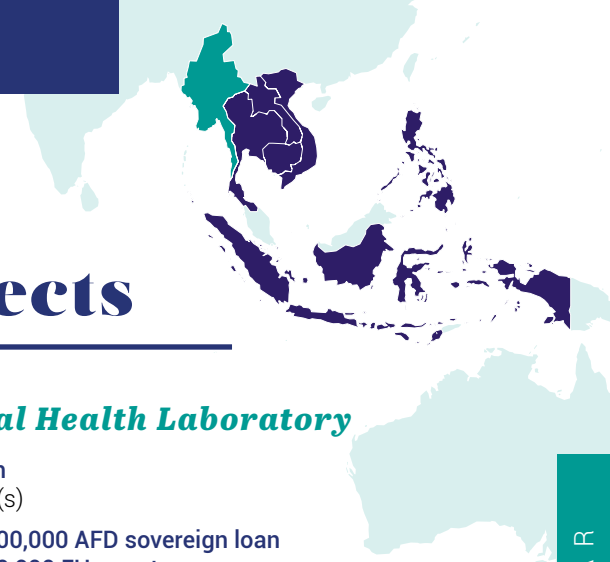


# MYANMAR

*projects by country*







## Ongoing projects

### Rehabilitation and extension of the National Health Laboratory

Since 2011, the health sector has been a national priority for the Myanmar government. Its target for 2020 was to allocate 12% of the state budget to the sector. AFD supports Myanmar's Ministry of Health in its plans to upgrade, rehabilitate and expand the National Health Laboratory (NHL) in Yangon and in secondary cities.



• Health  
Sector (s)



• €22,000,000 AFD sovereign loan  
• €5,000,000 EU grant  
• €9,500,000 additional EU grant  
Amount of funding



• European Union  
Partner(s)

### Livelihood and biodiversity conservation

This project combines 2 main objectives:

- Contribute to an improved management of natural resources and ensure that the local population is fully associated in the biodiversity conservation process and benefits from it;
- Support the Myanmar authorities, particularly at national level, in improving their capacities to cope with these governance challenges and updating their legal and regulatory framework to better preserve the country's natural capital.



• Environment  
Sectors (s)



• €1,500,000 AFD grant  
Amount of funding

### Irrigated Agriculture Inclusive Development Project (IAIDP)

This project aims at improving irrigation in the dry zone, by developing agricultural production and value chain and optimising water resource management:

- Rehabilitation of 36,000 hectares of irrigated perimeters in Magway, Yamethin and Meiktila districts;
- Promotion of co-management of infrastructure and transfer of responsibilities to water users;
- Technical support to producers;
- Support for the structuring and professionalisation of agricultural vocational field;
- Political dialogue on optimising the use of irrigation water resources and making it more sustainable.



• Agriculture  
Sectors (s)



• €25,000,000 AFD sovereign loan  
• €20,000,000 EU grant  
• \$75,000,000 ADB loan  
Amount of funding



• ADB  
• European Union  
Partner(s)

### Mandalay Urban Services Improvement Project

The project covers both access to water and wastewater management. AFD financing is targeting water access for 1.5 million people with the construction of a new water treatment plant and the extension of the distribution network. It aims also at reinforcing Mandalay City technical and financial capacity for sustainable management of the water service.



• Water and sanitation  
Sectors (s)



• €40,000,000 AFD sovereign loan  
• €8,000,000 EU grant  
• \$50,000,000 ADB loan  
Amount of funding



• ADB  
• European Union  
Partner(s)



## Context

Despite a current GDP per capita of \$1,408 in 2019, Myanmar is still categorised as a Least Developed Country (LDC) and nearly 25% of its population lives below the poverty line, with living conditions remaining precarious. In 2020, the World Bank estimated that poverty rate could increase from 22.4% in 2018/19 to 27% in 2020/21 due to the COVID-19 crisis. Some reforms have been undertaken and resulted in rapid economic growth (above 7% per year) and to measurable improvements in social welfare. However, this situation remains fragile as the COVID-19 pandemic amplified the many challenges the country faces. Even though Myanmar is expected to report a positive growth in 2020 (+1.7%), the widening of fiscal deficit remains an issue as well as the increase of poverty rate (from 22.4% in 2019 to 27% in 2020).

Myanmar can rely on abundant natural resources (minerals, fossil fuels, and forests) but compromised by an important illegal trafficking in the natural resources of the country, a touristic potential still to be developed and a good regional integration since it has been part of ASEAN since 1997. The country also maintains close relationships with its Chinese and Indian neighbours.

AFD started its activities in Myanmar in 2012 in the areas of urban development, better management of natural resources, energy, risks of epidemics... AFD's activity consists mainly of loans to the Myanmar government, but also includes grants to national and regional projects including civil society.

NB: To date, in March 2021, AFD had to review its activities due to the uncertain political situation.



**Access to water in Amarapura**

The project develops access to drinkable water in the Township of Amarapura/Mandalay with the implementation of a water treatment plant and connection to the houses. The project ends in 2021.



• **Water and sanitation**  
Sectors (s)



• **€2,500,000 AFD grant**  
Amount of funding

**Water management in Tarmwe**

The project aims at reducing Non Revenue Water in the Township of Tarmwe/Yangon and reinforcing the capacities of Yangon Water department in identifying and repairing leakages.



• **Water and sanitation**  
Sectors (s)



• **€1,250,000 AFD grant**  
Amount of funding

**Refurbishment of electrical power generation equipment for 5 dams**

This project aims at increasing electricity production and improving the reliability of 5 existing hydropower dams through refurbishment of their electrical power generation equipment. It also includes dam safety assessment for 3 out of the 5 dams with safety concerns.



• **Energy**  
Sectors (s)



• **€35,600,000 AFD sovereign loan**  
• **€1,000,000 AFD grant**  
Amount of funding

**Training capacities of the Ministry of Energy**

This project provides support to the training centre of the Ministry of Energy and Electricity to improve the training cursus on renewable energy, reduction of losses and security for the employees.



• **Energy**  
Sectors (s)



• **€1,000,000 AFD grant**  
Amount of funding

**Parliament communication**

The project focuses on improving relations between Parliament, medias and civil society. It will strengthen the Parliament's communication capacities in line with their communication strategy and will improve the understanding of the Parliament's activities by civil society and the media.



• **Governance**  
Sectors (s)



• **€500,000 AFD grant**  
Amount of funding

**With NGO: Bawa Pann Daing Project**

Focusing on a slum in Yangon region, aims to increase the resilience of informal settlements in Yangon. In addition to conducting studies to identify the most vulnerable neighbourhoods, two NGOs, Green Lotus and ActionAid, are working with communities, especially in the "Ward 67" informal settlement. The objective is to diversify their livelihoods by developing social business, defend their rights and empower women. They have also developed income-generating activities during the COVID-19 crisis.



• **Urban development**  
Sectors (s)



• **€650,000 AFD grant**  
Amount of funding

**Forecasted  
& potential projects****Rural electrification through renewable energy mini-grids**

In the framework of Myanmar's national electrification plan, AFD is studying the possibility of financing a project including:

- Solutions to facilitate access to financing for mini-network developers;
- Financing subsidies for investment in mini-networks, combined with a technical assistance package financed by the European Union. The aim is to accelerate the electrification of rural areas.



• **Energy**  
Sectors (s)



• **Tentative €50,000,000 AFD sovereign loan**  
• **€7,000,000 to €10,000,000 EU grant**  
Amount of funding



• **European Union**  
Partner(s)

**Safe, resilience and inclusive value chains**

The project will focus on value chain support in Chin and Shan states with an impact on small farmers, nutrition and food security.



• **Agriculture**  
Sectors (s)



• **€7,000,000 AFD grant**  
Amount of funding



• **European Union**  
Partner(s)

**Supporting forest transition**

The project will support community forest development in Chin and Shan states, mangrove protection in Tanintharyi and strengthening governance in the forest value chain.



• **Environment**  
Sectors (s)



• **Tentative €30,000,000 AFD sovereign loan**  
• **€20,000,000 EU grant**  
Amount of funding



• **European Union**  
Partner(s)

**Hlawga access to water project**

The project will support the development of a water treatment plant near the Hlawga reservoir as well as the development of the water network to increase access to water in the Yangon area.



• **Water and Sanitation**  
Sectors (s)



• **Tentative €70,000,000 AFD sovereign loan**  
• **€10,000,000 EU grant**  
Amount of funding



• **European Union**  
Partner(s)



# Proparco

## Early Dawn Microfinance

The project aims to strengthen financial inclusion in Myanmar by supporting women entrepreneurs who do not have access to stable financing. As part of this project, Proparco is providing a senior loan of USD 4M to the Dawn MFI, whose clientele is almost entirely made up of women running small businesses, mainly in rural areas.



• **Microfinance**  
Sectors (s)



• **\$4,000,000 senior loan**  
Amount of funding

## Proximity Finance

The project involves Proparco's participation in a 14M USD equity investment in Proximity Finance alongside FinnFund and Nordic Microfinance Initiatives (a third of which is owned by Norfund). Proparco's equity investment indirectly supports the broader work of Proximity Designs, Proximity Finance's parent company, which represents one of Myanmar's largest agricultural platforms providing agricultural technologies, agronomic advice and financial services to smallholders.



• **Microfinance**  
Sectors (s)



• **\$4,660,000 equity investment (two tranches)**  
Amount of funding



• **FinnFund**  
• **Nordic Microfinance Initiatives (NMI)**  
Partner(s)



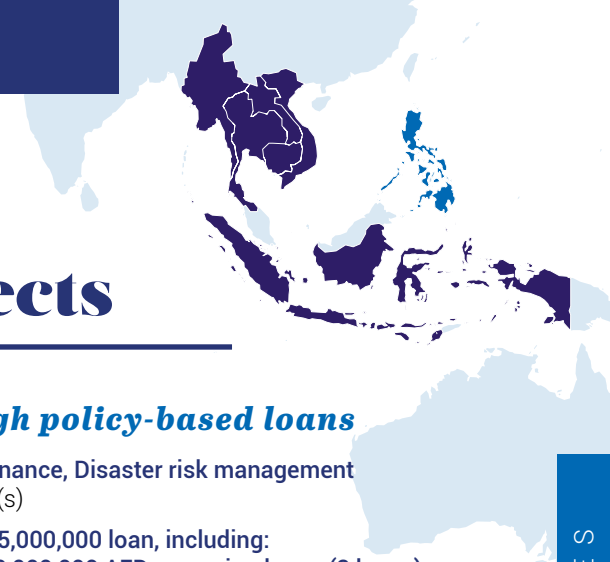


# PHILIPPINES

*projects by country*







## Ongoing projects

### Support to decentralisation process through policy-based loans

Support to decentralisation process through policy-based loans, led by Department of Interior and Local Governments.

Launched in 2010, this programme have been focused on public financial management and local resilience to natural disasters. It is co-financed with the ADB and consists of 3 successive loans. These loans are combined with technical assistance, subsidised by the European Union, which aims to improve the resilience of local authorities to natural disasters.



• Governance, Disaster risk management  
Sector (s)



• \$1,125,000,000 loan, including:  
- €360,000,000 AFD sovereign loans (3 loans)  
- €4,800,000 EU grant



Amount of funding  
• European Union  
• ADB  
Partner(s)

### Bus Rapid Transit in Cebu

This project aims to improve the quality and level of service, safety and environmental efficiency of the urban transport system of the country's second largest city. In a 23 km long corridor, a bus rapid transit system will be set up with a dedicated lane. The project will also implement an integrated traffic management system and improve the connections of stations and terminals with other transport centres and with the main attractions and travel generators.



• Transport  
Sector (s)



• \$228,500,000 including:  
- €51,000,000 AFD sovereign loan



Amount of funding  
• The World Bank  
• CTF  
• Philippines' government  
Partner(s)

### Expanding Private Participation in Infrastructure Financing program (EPIP) subprogram 2

This programme particularly targets public-private partnerships with:

- The strengthening of the financial state support in this sector;
- The increase of its portfolio with sustainable projects;
- The strengthening of the legal and regulatory framework in this area.

In addition, AFD is seeking to mobilise grants (from the European Union) to help the Philippines PPP Centre to continue to support local and national bodies in charge of implementing PPP projects.



• Climate, Infrastructures  
Sector (s)



• \$474,000,000 including:  
- €150,000,000 AFD sovereign loan



Amount of funding  
• ADB  
Partner(s)

### Inclusive Finance Development Program (IFDP) subprogram 1

The overall objective of this programme is to support the implementation of the government's national financial inclusion strategy for effective access for all to a wide range of financial products and services.

In addition, AFD is seeking to mobilise grants to support the Central Bank and the Rural Bankers Association in the area of digital finance (regulation, supervision, transition, education).



• Financial Inclusion  
Sector (s)



• \$420,000,000 including:  
- €100,000,000 AFD sovereign loan



Amount of funding  
• ADB  
Partner(s)



## Context

The Philippines, an archipelago with over 7,000 islands, have experienced a dynamic growth over the last decade. With around 107 million inhabitants, the economy of the country can rely on a strong consumer demand, high yearly amount of remittances from migrant workers and a performant services sector. Its economic growth averaged 6.3% per year over 2010-2019 which helped reducing poverty and increasing GDP per capita, although inequalities persist. The country aspires to become an upper middle-income country in the near term. However, the COVID-19 pandemic jeopardises this objective as the country is among the most affected by the resulting economic and social crisis: GDP contraction of -8.1%, doubling of unemployment (8.7% in October 2020), and increase of poverty (from 20.5% in 2019 to 22.6% in 2020) are among the most worrying impacts.

Located in the Pacific Ring of Fire, the country is subject to intense seismic and volcanic activity and is highly exposed to natural disasters such as typhoons, storms and floods. The Philippines are therefore considered as one of the most vulnerable country to climate change.

AFD has been operating in the Philippines since 2009 and encourages a green and inclusive growth. AFD supports the Government, mainly via sovereign loans, in the implementation of disaster risk management and prevention policies, promotes sustainable urban development as well as financial inclusion. Over the coming years, AFD will also further supports climate change adaptation and mitigation policies. To enhance the effectiveness of its action, partnerships have been established with the Asian Development Bank and the World Bank.

### Improving the quality of the water of the Pasig River

In partnership with Syctom, the Ile-de-France Metropolitan Agency for the Treatment of Household Waste, and the Metro Manila Development Authority (MMDA), this pilot project aims to strengthen household waste management in the town of Pasay. This initiative will contribute to the improvement of the water quality of the Pasig River.



• **Water and sanitation**  
Sector (s)



• **€610,000 including:**  
- **€420,000 AFD grant**  
Amount of funding



• **Syctom**  
Partner(s)

### With NGO: Promoting access to a modern, clean and affordable energy for the most vulnerable people by the development of micro-franchised networks of distribution and adapted payment systems

Implemented by the NGO Entrepreneurs du Monde, this project provides access to a clean, safe and reliable source of lighting for families living in Manila's underprivileged neighbourhoods, in order to improve their living conditions and develop the local economy while preserving the environment.



• **Energy**  
Sector (s)



• **€2,100,000 including:**  
- **€900,000 AFD grant**  
Amount of funding



• **Entrepreneurs du Monde**  
Partner(s)

### With NGO: Improving the living conditions of children and families in street situations

This project managed by the French NGO Asmae aims to contribute to a better social inclusion of homeless children and families by strengthening the capacities of local associations.



• **Social inclusion**  
Sector (s)



• **€520,000 including:**  
- **€260,000 AFD grant**  
Amount of funding



• **Asmae Association - Soeur Emmanuelle**  
Partner(s)

## Forecasted & potential projects

### Integrated Flood Risk Management Sector Project

This project aims to reduce flood risk in six river basins by:

- Improving flood risk management (FRM) planning by strengthening data collection and management, and improving the management of flood protection assets;
- Rehabilitating and constructing flood protection infrastructure;
- Raising community awareness, alongside preparing and implementing disaster risk reduction and management plans to reduce the vulnerability of different groups.



• **Climate, Disaster Risk Management**  
Sector (s)



• **Tentative total \$500,000,000, including:**  
- **€100,000,000 AFD sovereign loan**  
Amount of funding



• **ADB**  
Partner(s)

### Rehabilitation of Agus-Pulangi Hydropower Plant Complex

The project aims to rehabilitate seven run-of-river hydropower plants in Mindanao region, with an installed capacity of 1,000 MW. It meets a growing demand for electricity in the region, extends services to about 25% of the population still without access to electricity, and improves the share of renewable energy sources in Mindanao's electricity grid.



• **Energy**  
Sector (s)



• **Budget to be determined**  
Amount of funding



• **The World Bank**  
Partner(s)

### Policy-based loans for climate change adaptation and mitigation as well as disaster risk management

Following the One Planet Summit in 2021 and in view of the upcoming COP15 on biodiversity and COP26 on climate change, discussions are underway for possible additional support through policy-based loans.



• **Climate Change & Disaster Risk Management**  
Sector (s)



• **Budget to be determined**  
Amount of funding



• **European Union**  
Partner(s)

## Proparco

### Navegar II Fund

Proparco has invested USD 15M in the second fund launched by a well established private equity firm in the Philippines.

This participation aims to support medium-sized companies and SMEs in the Philippines. The fund benefits from a close partnership with Swedish asset manager Patrik Brummer and targets key economic sectors such as health, education, logistics and productive sectors.

PROPARCO expects the fund to create approximately 15,000 indirect jobs through its various investments, at least half of which should be jobs for women.



• **Private equity fund**  
Sector (s)



• **\$15,000,000 equity investment**  
Amount of funding



• **IFC**  
• **DEG**  
• **FMO**  
Partner(s)



# THAILAND

*projects by country*







## Context

Thailand is considered as an emerging country, as it moved from a low-income to an upper-middle income country in less than a generation. Over the last twenty years, and prior the COVID-19 pandemic, it has enjoyed sustained strong growth at an average rate of 3.97%, supported by trade, tourism and domestic consumption. It is the second largest economy of Southeast Asia (the fourth-largest economy in terms of GNI per capita).

However, the country is still facing key development challenges. One of them is poverty, which declined substantially over the last 30 years (from 65.2% in 1988 to 9.85% in 2018). This trend has switched in recent years, and the absolute number of people living in poverty rose from 4.85 million in 2015 to 6.7 million in 2018. Other challenges include education and skills gap between labour supply and demand, jeopardising the country's future productivity and potentially increasing inequalities. The COVID-19 pandemic exacerbated these issues, as GDP contracted by 6.5% in 2020, pushing an additional 1.5 million people into poverty, and highlighting a potential lack of workforce in the longer term due to a rapidly aging population.

AFD has been present in the country since 2006. Its action is focused on two areas: encouraging energy transition and supporting ecological and territorial transition.

## Ongoing projects

### *Kasikorn credit line for energy efficiency and renewable energy*

AFD, through a non-sovereign credit line and a grant technical assistance provided to Kasikorn Bank, promoted energy efficiency and renewable energy in existing commercial buildings. This credit line enabled the installation of photovoltaic solar panels in 10 sites of the bank's end-client, representing a total installed capacity of 7.7MW.



• Energy  
Sector (s)



• €8,700,000 AFD non-sovereign loan  
• €300,000 AFD Technical Assistance (in grant)  
Amount of funding

### *Complementary Feasibility study for Sustainable Urban TRansport and HERitage (SUTRHE), Phuket*

After having financed workshops with various private and public sector operators on technical and financial issues related to urban transport, AFD is supporting complementary studies on the future Light Rail Train (LRT) project on Phuket island aiming at providing a sustainable and integrated transport solution and at the official request of the central authority Office of Transport and traffic Policy and planning (OTP) under Ministry of Transport.



• Transport  
Sector (s)



• €750,000 AFD grant  
Amount of funding



# VIETNAM

*projects by country*







## Ongoing projects

### *Hanoi Metro Line 3 between Nhon (West suburb) and Hanoi Station - Phase 1*

AFD is contributing to the development of Greater Hanoi's public transport network and is helping to reform the institutional management of urban transport. The objectives are to support sustainable economic growth and the city's productivity and to avoid the emission of 20 000 Teq CO<sup>2</sup> per year.



• Transport  
Sector (s)



• €355,000,000 DG Trésor loan  
• €309,000,000 ADB sovereign loan  
• €141,000,000 EIB loan  
• €159,000,000 AFD loan  
• €1,770,000 AFD grant  
Amount of funding



• ADB  
• Direction générale du trésor (DGT)  
• EIB  
Partner(s)

### *Climate change adaptation infrastructures in Can Tho, Ninh Binh and Ha Tinh provinces*

AFD supports the provinces of Can Tho, Ninh Binh and Ha Tinh in their projects: construction of the Kim Dai anti-salt dam on the Vac River (Ninh Binh province), rehabilitation of the irrigation-drainage system in the Thach Ha district (Ha Tinh province), paving and enhancement of the banks of the Can Tho River (Can Tho City). This project will help communities to adapt to climate change, to secure the agricultural economy, to guarantee the safety of people and property, to improve the health conditions of the populations and to strengthen the management capacity of public bodies.



• Infrastructure  
Sector (s)



• €52,500,000 AFD sovereign loan  
• €1,000,000 AFD grant  
Amount of funding

### *Flood control in the citadel of the Imperial City of Huê*

Monuments and housing in the Historic City of Huê are weakened by the regular floods. The restoration of the hydraulic system of the Royal Canal, an essential element in the evacuation of wastewater and rainwater from the Citadel to the Perfume River, will help to improve the living conditions of the inhabitants and preserve the economic and tourist development of the City.



• Infrastructure  
Sector (s)



• €300,000 AFD grant  
Amount of funding

### *Hydro-agricultural infrastructures in Binh Dinh and Hung Yen provinces*

The renovation and the creation of new irrigation systems, as well as the promotion of collaborative management of hydro-agricultural infrastructure by communities (capacity building of water management committees in these provinces), will help to increase agricultural productivity and food security in these two provinces.



• Agriculture  
Sector (s)



• €18,800,000 AFD sovereign loan  
• €300,000 AFD grant  
Amount of funding



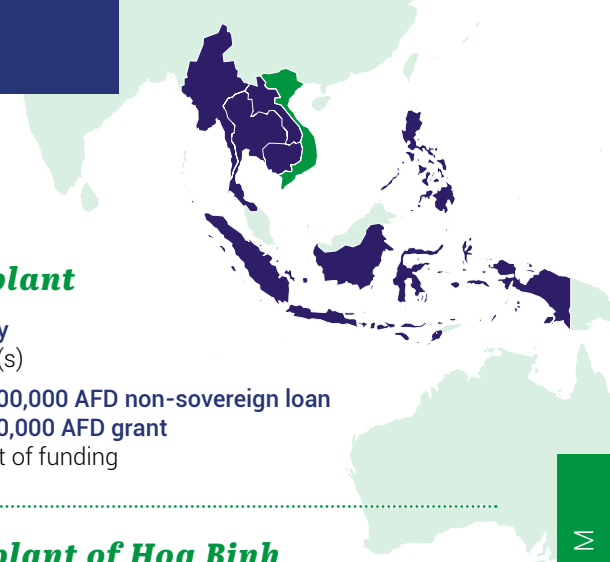
## Context

Since the 1990s, Vietnam has enjoyed growth rates that are still above or close to 5%, a performance comparable to the dynamism of neighbouring economies, transforming the country into a lower middle-income economy. Taking full advantage of the country's positioning in international value chains, growth accelerates to beyond 7% in 2018 and 2019, driven by increased consumption by the middle class and a booming outward-oriented manufacturing sector, allowing more than 45 million people to escape poverty. So far, the country managed the COVID-19 crisis well, driven by its domestic economy and its external sector (highest merchandise surplus ever and significant accumulation of international reserves) which allowed the government to support the recovery by appropriate fiscal and monetary policies.

The major demographic and social changes experienced by Vietnam pose new challenges to the country, such as rapid urban development, increasing energy demand and the arrival of a million young workers on the labour market every year, in addition to high vulnerability to natural disasters and the effects of climate change.

Since 1994, AFD has been working in close collaboration with the Vietnamese authorities to assist the implementation of the Paris Agreement especially through the areas of energy transition, resilience of cities and territories and youth. It offers an extensive range of financial instruments: sovereign and non-sovereign loans and grants to the State and public sector. AFD has committed €2.2 billion over the last 26 years, through more than 90 projects.





### Climate-Resilient Urban Infrastructures in North Centre of Vietnam

This project encompasses several dimensions of climate risk management: flood prevention; improving connectivity and roads to facilitate evacuation of residents; creation of collection networks and wastewater treatment plants; drinking water production and supply; development of storage and waste treatment areas.



• **Urban development**  
Sector (s)



• **€123,000,000 AFD sovereign loan**  
• **€5,000,000 AFD grant**  
Amount of funding

### Se San 4 Solar Power plant

This project aims to support the investment programme of EVN (Vietnam Electricity) through the financing of the Se San 4 solar power plant. The objective is to promote the sustainable development of the electricity sector by optimising resources to meet electricity demand while ensuring good quality of supply, security and economic efficiency.



• **Energy**  
Sector (s)



• **€24,000,000 AFD non-sovereign loan**  
Amount of funding

### Ialy hydroelectric power plant

This project consists in supporting EVN's investment programme by financing the extension of Ialy hydroelectric power plant. The objective is to promote the sustainable development of the electricity sector by optimising resources to meet electricity demand while ensuring good quality of supply, security and economic efficiency.



• **Energy**  
Sector (s)



• **€76,000,000 AFD non-sovereign loan**  
• **€2,000,000 AFD grant**  
Amount of funding

### Extension of the hydroelectric power plant of Hoa Binh

The project aims to increase the capacity of the existing Hoa Binh hydropower plant from 1,920 MW to 2,400 MW, an increase of 480 MW. Environmental and social technical assistance has been set to support Electricity of Vietnam.



• **Energy**  
Sector (s)



• **€74,000,000 AFD non-sovereign loan**  
• **€1,300,000 AFD grant**  
Amount of funding

## Forecasted & potential projects

### Coastal erosion control in Quang Nam and Ca Mau provinces

The project aims at:

- Rehabilitating, protecting and integrating management of the coastal areas of Tran Van Toi and Phu Tan and Cua Dai districts;
- Improving public policies, provincial and national strategies for integrated coastal zone management and planning in the context of climate change;
- Improving public awareness of coastal risks and climate change.



• **Environment**  
Sector (s)



• **€56,000,000 AFD sovereign loan**  
• **€7,000,000 AFD grant**  
Amount of funding

### SPC- Strengthening networks and integration of renewable energy in South Vietnam

The project has two components :

- The extension and renewal of the 110kV grid in the southern provinces of Vietnam to connect solar or wind power plants and reduce losses by improving the grid mesh size;
- The installation of a 1.5MW solar power plant on the island network of Con Dao Island and an energy integration system based on battery storage technologies for intermittent renewable power connection.



• **Energy**  
Sector (s)



• **€80,000,000 AFD non-sovereign loan**  
Amount of funding

### Green credit line to the Bank of Investment and Development of Vietnam

This credit line supports BIDV's involvement in the promotion of innovative green investments. A technical assistance programme aims at supporting and scaling up the market for green investment financing.



• **Energy**  
Sector (s)



• **€86,000,000 AFD non-sovereign loan**  
• **€300,000 AFD grant**  
Amount of funding

## Proparco

### VP Bank

VP Bank is one of the largest private banks in Vietnam with a focus on retail and SME customers and a nationwide network of agencies. Proparco' senior credit line is 30% dedicated to the development of VP Bank's portfolio of climate-friendly projects and energy efficiency loans, in a context where Vietnam is one of the most carbon intensive countries in the East Asia and Pacific region. 70% of the loan will be dedicated to supporting VP Bank's SME financing activity.



• **Banking**  
Sector (s)



• **\$50,000,000 senior credit line**  
Amount of funding

### SCAVI

SCAVI is a leading franco-vietnamese garment manufacturer specialised in underwear, sportswear and swimwear, selling to first-class European and US buyers. As an international garment player and employer of 10 000 staff, SCAVI pays a particular attention to its corporate social and environmental responsibility and positions itself as a Responsible Brand promoting a Meaningful Consumption. Proparco financed the development of the company production tool through a first credit line in 2009 and is currently discussing additional financing to support SCAVI' strong growth and modernisation in 2021.



• **Banking**  
Sector (s)



• **\$4,000,000 credit line in 2009**  
Amount of funding








Agence Française de Développement Group (AFD Group) implements France's policy in the areas of development and international solidarity. It finances, supports and accelerates transitions towards a more coherent and resilient world. Comprised of AFD, which finances the public sector and NGOs; Proparco, which finances the private sector; and soon, Expertise France for technical cooperation, the Group finances, supports and accelerates transitions towards a more resilient and sustainable world.

With our partners, we are building shared solutions with and for the people of the Global South. Our teams are active in more than 4,000 projects in the field – in overseas France, in some 115 countries and in crisis areas, working to promote the 'common goods' that are climate, biodiversity, peace, gender equality, education and health. It's our way of contributing to the commitment France and the French people have made to achieve the Sustainable Development Goals. Towards a world in common.

Find the contact details of all our agencies on our website.

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