



## EUROPEAN COMMISSION - WEB RELEASE

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### **European Union to provide EUR 410 million in grants to Cambodia in 2014-2020**

**The European Union (EU) has announced it has allocated EUR 410 million (around USD 510 million), under its bilateral cooperation with Cambodia over the period 2014-2020 to continue its support to Cambodia's progress. The funds will help to strengthen agriculture and natural resource management, provide better education and implement governance and administration reforms.**

Federica Mogherini, Vice-President of the Commission and High Representative of the Union for Foreign Affairs and Security Policy stated: *"This substantial increase of our bilateral assistance is a sign of our commitment to Cambodia's economic, social and political development. Cambodia has made progress recently in all these areas and I hope that our strong support will further contribute to inclusive and sustainable economic growth and strengthen the democratic process."*

Neven Mimica, Commissioner for International Cooperation and Development said that: *"This multi-annual indicative programme represents a tripling of our assistance compared to the previous period of 2007-13. This new programme will continue to support Cambodia's successful poverty reduction efforts, including being one of the leading developing countries in achieving the Millennium Development Goals (MDGs). Many challenges remain and the EU is committed to help Cambodia achieve its ambitious reform agenda particularly in the areas of Education and Skills; Agriculture and Natural Resource Management; and Good Governance and Administration"*.

Cambodia has achieved outstanding socio-economic progress over the past 10 years. The majority of the population lifted out of poverty however remains highly vulnerable. The EU has therefore decided to increase its support to Cambodia to help the country's ambitions to further reduce poverty, to promote equitable and sustainable growth and to enhance good governance, democracy and the rule of law as reflected in the Government's own reform agenda - the Rectangular Strategy Phase III.

This EU programme is based on a joint support strategy with other European partners on the ground to ensure division of labour and to improve the efficiency of our joint efforts. The three sectors that will be the focus of the EU's development cooperation for the period 2014-2020, are: agriculture and natural resource management, education and skills and good governance and administration.

In the area of **Agriculture and Natural Resource Management**, the EU plans to finance activities of up to EUR 144 million. The choice of agriculture as a priority sector will consolidate the existing cooperation with the Ministry of Agriculture, Forestry and Fisheries and will build on lessons learnt from the EU programmes in the sector. The EU also supports the Ministry of Commerce to strengthen trade policy development and implementation, to support the development of Small and Medium Sized Enterprises (SMEs) in the agricultural sector, and to improve the sustainable management of forestry and other natural resources. In its future cooperation the EU will have a more strategic engagement, with a focus on institutional strengthening, value-chain development (including private sector engagement), equitable growth and sustainable management of natural resources.

The **'Education and skills'** sector in Cambodia will receive up to EUR 140 million. The EU has been Cambodia's long-standing partner in the education sector. The past support included attention to equity and access to education, focusing on reducing disparities in education outcomes between districts and school education performance variations and on improving sector budget allocations to strengthen finance management and planning. The increased sector allocation for 2014, together with the recently adopted ambitious Education Strategic Plan of the Ministry of Education Youth and Sports, as well as a prioritised reform agenda are seen as major opportunities to address the remaining challenges. Continuing and expanding the long term support provided by the EU will help consolidate the progress made in access to early childhood education and primary, and help to further reduce disparities and increase equity in access to quality education. It will provide support to actions aiming at ensuring that all children complete basic education and support the efforts of the Ministry to strengthen quality and relevance of education. It will also continue the support to the efforts of the Ministry to develop capacities and reinforce the system at all levels.

**Good governance** continues to be a significant challenge to Cambodia's efforts to reduce poverty and foster inclusive and sustainable development and growth, while protecting human rights. In support of democratic and institutional reforms, up to EUR 120 million has been allocated to the sector 'Governance and Administration'. The EU support to the governance sector will focus on public financial management, decentralisation, electoral reform and strengthening the justice sector. The Public Finance Management Reform Programme will help Cambodia more effectively allocate financial resources to priority areas, while also leading to greater transparency and accountability to the population. In the field of decentralisation and elections, the EU will continue to work on both the "demand side of governance" by supporting citizens' to voice their needs, exercise their rights and participate in decision-making; and on the "supply side of governance" by strengthening the efficiency and responsiveness of public institutions in service delivery, enabling greater transparency and accountability towards the population.

Through these three wide sectors the EU will support Cambodia to achieve the mutual strategic objectives of promoting further poverty reduction, equitable growth and sustainable development in its economic, social and environmental dimensions as well as enhancing good governance, democracy and the rule of law.

In addition to this bilateral programme, Cambodia will continue receiving support under other EU thematic and regional instruments and programmes.