

# Rural Development for a Better Life

## The challenge

About 11.5 million people or 79% of Cambodia’s population live in the countryside and depend on 40,000 km of rural roads. Many of these roads are run-down and are impassable during the annual monsoon season. They prevent children from going to school, impede access to health care services and are an obstacle to trading activities. In addition, villages and district centres lack adequate market places and buildings where local producers, traders and clients can sell and buy food and other commodities in a sheltered, clean and secure space. These examples highlight how important year-round trafficable roads and operational markets are for the rural population. Reliable infrastructure lessens burden, improves daily life and increases income for these people. Against this background, KfW on behalf of the German Government has been committed to invest in Cambodia’s social and economic infrastructure since 1995.

## Our approach

Under the German-Cambodian Development Cooperation we have invested 65 million Euros in Cambodia’s



*Pupils going to school on a newly constructed road, Siem Reap Province, 2013*

Programme Name	Rural Infrastructure and Flood Repair Programmes
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Programme Executing Agency	Ministry of Rural Development (MRD)
Target Group / Output	Rural population in the catchment area of infrastructure investments / 2,100 km of roads, 72 bridges, 12 markets and 48 schools
Project Region	Half of all provinces countrywide with focus on higher density and poverty
Duration	1995 – 2017
Financial Scope	85 million EUR, of this: 65 million EUR funded by Germany and 20 million EUR by the Cambodian Government

rural, social and economic infrastructure. With this input and the contributions by the Cambodian Government we were able to finance 2,100 km of rural roads 72 bridges and 12 regional markets. They have been either newly constructed or rehabilitated to date. In addition, we could also bring many hundreds of kids to school through the construction of 48 new school buildings in provinces in need. Our partner authority, the Ministry of Rural Development (MRD) is responsible for the project implementation. We support the ministry in project planning and management through an international consulting firm. This also includes the proper selection of the investment sites. Roads, markets and schools are selected according to development priorities of local communities and on the basis of thorough socio-economic analysis. In order to strengthen capacities of local constructors and create jobs in the construction sector, all contracts are awarded to Cambodian construction companies through national bidding process.

Due to countrywide labour migration and related health impacts, health safety trainings such as HIV/AIDS awareness are integral parts of the programme as well.

## Climate resilient rural infrastructure

In response to the damages caused by heavy floods in recent years, the German Government committed extra funds to build schools and roads in a climate resilient way. Today, road dams and bridges are built even higher and culverts are bigger so that more water can easily be channeled. Rehabilitated or new schools in areas of heavy flooding are relocated to elevated sites or erected on stilts. Those stilts are now higher than the highest point of flood measured. This guarantees now year-round usability of roads and schools.

## Benefits

New roads and bridges make traveling faster, cheaper and safer. People can now year-round go where they need to go: schools, hospitals, markets or bank branches. We found out that people save up to 40% on transport costs and time where they can use new roads. With improved access to markets and trade centers, farmers can buy fertilizers and ship their products and goods much easier than ever before. Some of them were able to increase their rice production by up to 70%. And this raises their household incomes by up to 30%. Augmenting school attendance rates show that more children, particularly girls, are now going to primary and secondary school. Furthermore, the new roads pave the way for other infrastructure to follow: piped water, electricity, medical facilities, and community centres. Beyond the scope of our infrastructure programmes, contracted companies and national engineers benefit from training and supervision through international consultants. By this, we also contribute to

higher quality standards in the industry and increase workers' and employees' skills.



*Climate resilient construction: Prek Sang Ke Primary School, Kompong Cham Province, during dry season and during heavy floods in 2012, where it also served as a shelter for the local community.*

## Success factors

Staff of our partner ministry MRD receives training, advisory services and technical support. We also encourage the ministry to prioritize sustainable maintenance funds. The annual maintenance budget for all upgraded rural roads has been growing continuously from 6.5 million USD in 2009 to 9 million USD in 2012. For machine based spot repairs, periodic and routine maintenance, the MRD contracts companies, which in turn employ local villagers to carry out the work. Today more than 5,000 km of rural roads are already maintained sustainably.

Where we finance new markets, we also support the establishment of local market committees that operate and maintain the market facilities. Traders pay an affordable fee per day for the stall. The revenues are managed by the committee and are used to pay for daily security, cleaning and waste collection services. Surplus funds are accumulated on a bank account and serve to finance maintenance works and future investment.

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Ministry of Rural Development, Kingdom of Cambodia



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