

# Presentation of the Financing Instruments of Agence Française de Développement (AFD)

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March 3, 2010

# Our Financing Instruments

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- **Non-sovereign loan**
- Subsidies
  - Fund of studies and reinforcement of capacity (FERC)
  - PRCC (Commerce)
  - FFEM (French GEF)
  - Financing of ONG
  - Sovereign loan: not yet available for Cambodia
- Intellectual production: research program for upland management schemes.
- CEFEB
- ARIZ

# Non sovereign loan (1/3) Principles

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- **Role distribution:**
  - Subsidized loan for public and private sector: **AFD**  
Non subsidized for private sector : **Proparco**
  - **Borrowers** : state enterprises, private entities, local communities, grouping of private companies, commercial banks (*to address specific sector*)
  - **Two essential concepts:**
    1. Borrower has a sufficient capacity of loan
    2. Loan meets a public need
- **Conditions :**
  - Duration from 5 to 15 years
  - Lowering of interest rate by subsidization (PPWSA: euribor-135)
  - Minimum amount 5 Million dollars

# Non sovereign loan (2/3)

## To find borrowers

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- The main difficulty is to have a reliable borrower and having a capacity of refunding
- **Reliable:** “due diligences” on the shareholding, fighting money laundering (*conformity*) and on the situation of the borrower (*institutional, commercial, technical aspects and financial position*). Missions of the risks division of AFD
- **Capacity of refunding:** origin of the incomes, controls expenditure
- Both can be built (raised contributions between the members of an association) or be reinforced

# Non sovereign loan (3/3)

## The Portfolio

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- 4 operations in the on-going instruction:
  - Textile professional training
  - Public lighting of Phnom Penh
  - Credit line rice millers
  - Small-holder rubber plantation in Mondolkiri
- Future tracks considered
  - Professional training (tourism...)
  - Agriculture including agro-industry, irrigation
  - Infrastructures, financial sector

# French Global Environmental Facility FFEM

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The FFEM subsidizes, in development projects durable, the safeguarding of great balances of our planet relating to the following fields:

- Biodiversity: *Cardamom*: € 840,000
- Climate changes *including REDD*
- International water: *Mekong*: € 800,000
- Soil degradation
- Persistent organic pollutants (POP)
- Ozone layer (protocol of Montreal)