



Industrial Diversification, Innovation and Special Economic Zones

CONTEXT

The Programme for Country Partnership (PCP) is UNIDO's innovative multi-stakeholder partnership model for accelerating inclusive and sustainable industrial development (ISID). Led by the host government, the PCP builds synergies with ongoing government and partner interventions relevant to industrial development, and facilitates the mobilization of partners and resources to achieve larger development impact.

The model has gained international recognition and is hailed as a concrete model for achieving Sustainable Development Goals, in particular 9 and 17.

Following Ethiopia, Senegal, Peru, and Kyrgyz Republic, Cambodia is the first country in Southeast Asia adopting the PCP model. Tailored to the national development agenda, the Industrial Development Plan (IDP 2015-2025), the PCP Cambodia has two core components: Agro Value Chain Development, and Industrial Diversification, Innovation and Special Economic Zones (SEZ) Development. The core components are supported by five cross-cutting components: Industrial Policy and Statistics, Quality Infrastructure, Sustainable Energy, Circular Economy, Woman Empowerment & Youth Employment.

Industrial diversification, innovation promotion and SEZ development are three objectives that can foster Cambodia's ISID. Industry and manufacturing are already fundamental components of the country's GDP, but could benefit from diversification, in order to become more resilient to external shocks. SEZs have the potential to act as catalysts for ISID. Established in favorable geographical locations, SEZs would provide opportunities for industrial diversification and higher resource efficiency, export promotion, competitiveness and integration of local economies.

UNIDO PCP INTERVENTION

UNIDO takes an integrated approach in its technical interventions in support of industrial diversification

and SEZ development. This approach consists of facilitating business environment reforms, enhancing business development infrastructure, increasing export diversification and SME competitiveness, and fostering innovation and inclusive and sustainable economic transformation in the country.

The objective of UNIDO intervention under PCP Cambodia is to contribute to the goal of the Royal Government of Cambodia of increasing the share of export of non-textile products to 15% in total volume by 2025 and to support the drafting and adoption of Sihanoukville SEZ Masterplan.

The component supports industrial diversification, innovation promotion and SEZ development by:

- Supporting the province of Sihanoukville in drafting a masterplan to turn the province into a multi-purpose SEZ;
- Supporting SME development by promoting the transfer of innovative technologies and best practices;
- Helping SMEs to comply with standards and regulations, in order to assist them in finding export outlets.

PARTNERSHIP OPPORTUNITIES

Partnership opportunities exist for multi- and bilateral donors, financial institutions, local and international business entities, industry associations and the civil society. For more information please contact: partnerships@unido.org or visit the [UNIDO PCP website](#).

