



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



Programme for Country
Partnership **Cambodia**



CAMBODIA

Programme for Country Partnership — PCP

Annual Report **2020**



SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

10 REDUCED INEQUALITIES

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

5 GENDER EQUALITY

6 CLEAN WATER AND SANITATION

11 SUSTAINABLE CITIES AND COMMUNITIES

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

14 LIFE BELOW WATER

17 PARTNERSHIPS FOR THE GOALS

15 LIFE ON LAND

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

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PCP CAMBODIA AT A GLANCE

STATUS

Date of approval of the development of the PCP by the UNIDO Executive Board: June 2017
Programming: June 2017 – December 2020
Implementation: December 2020 – ongoing
Expected completion date: December 2023

PRINCIPLE NATIONAL POLICY / STRATEGY SUPPORTED BY THE PCP

Cambodia's Industrial Development Policy 2015-2025

FOCUS SECTORS / AREAS

Agro-value chain development, including linkages to the tourism sector.
Industrial diversification, innovation and development of special economic zones.

Cross-cutting components: Industrial policy and statistics; Quality infrastructure; Sustainable energy; Circular economy; Women's empowerment and youth employment.

MAIN PARTICIPATING MINISTRIES

Ministry of Economy and Finance (MEF), Council for the Development of Cambodia (CDC), Ministry of Industry, Science, Technology and Innovation (MISTI), Ministry of Tourism (MoT), Ministry of Agriculture, Forestry and Fisheries (MAFF), Ministry of Commerce (MoC), Ministry of Mines and Energy (MME), Ministry of Environment (MoE) and Ministry of Labour and Vocational Training (MLVT), Ministry of Women's Affairs (MoWA)

KEY DEVELOPMENT PARTNERS

Financial institutions: Asian Development Bank (ADB), Asian Infrastructure Investment Bank (AIIB), Green Climate Fund (GCF), World Bank (WB)

Bilateral/multilateral partners: China (statistics), European Union (fisheries development), GEF (sustainable energy and circular economy), Germany (women empowerment), Republic of Korea (Industrial policy), Switzerland (Youth employment)

UN entities: UN Country Team (SDG monitoring), Food and Agriculture Organization (fisheries development), UN Women (regional women empowerment), International Labour Organization (industry 4.0 assessment in garment sector), United Nations Educational, Scientific and Cultural Organization, United Nations International Children's Emergency Fund (youth employment)

Business sector: WorldBridge Group, business federations and associations

UNIDO PROJECTS WITH FUNDING SECURED (COMPLETED AND ONGOING)

Total number of projects: 13
Total funding: \$24,060,009
Total expenditures to end of current reporting period: \$1,463,448
Total balance available: \$ 18,957,183

TOTAL INVESTMENTS LEVERAGED (CUMULATIVE)

\$29,186,291

TOTAL PCP VOLUME

\$53,246,300

1. EXECUTIVE SUMMARY

The revision of the draft Programme for Country Partnership (PCP) Cambodia Programme Document was initiated in 2019 and underwent extensive consultations with the Royal Government of Cambodia (RGC) throughout 2020. To ensure continuous coordination, an in-house PCP task team was established to revise and update the Programme Document.

UNIDO first presented the revised PCP Programme Document to the RGC on 30 April 2020. After a series of consultations with MISTI and other line ministries, the Prime Minister’s Office, through MISTI, approved the revised, final version of the Programme Document on 30 September 2020. On 30 October 2020, the UNIDO Executive Board approved the revised PCP Cambodia Programme Document.

The PCP for Cambodia entered the implementation phase in December 2020, following the official signing of the PCP Programme Document by the Government of Cambodia, represented by the Senior Minister of Industry, Science, Technology and Innovation (MISTI), and the UNIDO Director General. A signing ceremony was held on 10 December 2020, which was witnessed by senior government representatives from all relevant ministries and high-level representatives of international development partners, including the UN Resident Coordinator, the European Union Ambassador to Cambodia, and the Director of Cooperation of the Swiss Agency for Development and Cooperation (SDC).

At the wider coordination level, the key priority for the first quarter of 2021 will be the operationalization of the PCP’s national coordination body (NCB). During the signing ceremony of the PCP Programme Document, MISTI – as the key counterpart in the RGC – highlighted its commitment to ensuring coordination among the relevant line ministries and bodies invited to the NCB, and to lead partner and resource mobilization in order to scale up interventions in priority areas.

Several projects are already in implementation supporting the identified priority areas and cross-cutting interventions. Over \$23 million has been mobilized to date for UNIDO technical projects within the PCP, in particular for industrial policy support, industrial statistics, the fisheries value chain, the development of SEZs, and the promotion of clean technologies. Additional projects are in development.

Priorities in 2021 in terms of PCP flagship initiatives include advancing the development of the master plan for the Sihaoukville province. Another priority will be kick-starting the implementation phase of the recently signed SDC-funded Agro-Food and Tourism Enterprise Recovery Programme (AFTER) Programme, as it is a COVID-19 recovery intervention, and looking into opportunities to scale-up the impact of the Programme. There are ongoing discussions with Khmer Enterprises (KE), an implementation unit of the Entrepreneurship Development Fund (EDF), which is a government trust fund established by the Ministry of Economy and Finance.



Signing of the PCP Cambodia Programme Document between the UNIDO Director General, Li Yong, and Cambodia’s Senior Minister of Industry, Science, Technology and Innovation, Kitti Settha Pandita Cham Prasidh (December 2020).

2. INTRODUCTION

In April 2017, Director General LI Yong paid his first official visit to Cambodia to meet with Samdech Prime Minister Hun Sen and senior government officials to discuss strengthening collaboration in support of inclusive and sustainable industrial development (ISID), including through a PCP. In June 2017, the UNIDO Executive Board approved the development of PCP Cambodia. A Joint Declaration on the PCP Cambodia was subsequently signed in November 2017 by the Director General, LI Yong, and Cham Prasidh, Senior Minister and Minister of Industry and Handicraft (later MISTI).

Cambodia is the first PCP in the Asia and Pacific region and part of the PCP pilot phase. The PCP is UNIDO's flagship programme to support countries in achieving their long-term ISID goals. It is founded on a multi-stakeholder partnership to ensure synergy between different interventions and maximize impact. PCP interventions aim to unlock public and private investment in selected priority industrial sectors and areas. The PCP delivers an integrated service package by combining UNIDO's advisory and normative services, technical assistance and convening function. Each PCP is tailored to country needs, aligned with the national development agenda and owned by the host government.

PCP Cambodia is aligned with and will contribute to the implementation of the national Industrial Development Policy (IDP) for the period 2015-2025. The IDP aims to transform and modernize Cambodia's industrial structure from labor-intensive to skills-driven by 2025, and drive sustainable high economic

Three priority areas were initially identified for the PCP: (i) the development of sustainable tourism, with backward linkages to related agro- and creative-industry value chains; (ii) the development of competitive agro- industry and creative industry value chains; and (iii) industrial diversification, in particular through the development of special economic zones (SEZs). Through the revision of the Programme Document undertaken in 2020 and after several rounds of consultations with the government and other stakeholders, including the private sector and international development partners, the final PCP Programme Document was approved. It envisages a revision in the scope of the programme, by reducing the main components to two, namely: (i) the development of agro-value chains, including linkages to the tourism sector; and (ii) industrial diversification and innovation, including through SEZ development.

These PCP priority areas will be supported by cross-cutting interventions in areas such as industrial policy and statistics, quality infrastructure, sustainable energy, the circular economy, as well as women's empowerment and youth employment, so to ensure a comprehensive approach that addresses the needs of stakeholders and vulnerable groups.



3. ALIGNMENT WITH AND CONTRIBUTION TO THE UN COOPERATION FRAMEWORK

The PCP is fully aligned with the United Nations Development Assistance Framework (UNDAF) for Cambodia (2019-2023) and contributes to three of its five outcomes, namely: outcome 2 on “Expanding economic opportunities”; outcome 3 on “Sustainable living”; and outcome 5 on “Managing urbanization”. In particular, UNIDO is partnering with other UN agencies active in the country, developing and launching two joint projects in 2020 to support youth employment (with UNICEF, UN-ESCO and ILO) and for a joint assessment of Industry 4.0 potential in the garments and footwear sector (with ILO). UNIDO will also continue to promote ISID in UNCT’s COVID-19 response activities.

4. PROGRAMME-LEVEL RESULTS

4.1. COORDINATION AND GOVERNANCE

The PCP Cambodia will be governed by a National Coordination Body (NCB) set up by the Government of Cambodia, mandated by the Prime Minister. As per the NCB’s ToR approved by the RGC in December 2020, the NCB brings together all main stakeholders for industrial and economic development (public and private sector) to guarantee inter-ministerial coordination at national level. The Minister of Industry, Science, Technology and Innovation will chair the NCB, as the main government counterpart in the implementation of the PCP Cambodia. The NCB’s chair will have three Deputies: a Secretary of State of the Ministry of Industry, Science, Technology and Innovation; a representative of the Ministry of Economy and Finance ranked Secretary of State and a representative of the Council of the Development of Cambodia ranked Secretary of State. The first meeting of the NCB is scheduled to be convened during the first quarter of 2021, pending the COVID-19 situation.

Overall, the NCB will provide leadership to PCP implementation, coordination and partner resource mobilization, including by:

- Providing strategic direction, including project prioritization, and monitoring the effective implementation of the programme.
- Ensuring that the PCP contributes to national policies and growth targets, and to the implementation of the national industrial and economic development agenda.
- Regularly informing and updating stakeholders on the progress of the PCP Cambodia.
- Ensuring coordination between the various PCP stakeholders and identifying potential sources of funding.

The NCB will be composed of representatives of relevant ministries ranked Secretary of State, as well as of high-level representatives of public institutions and associations engaging the private sector in the promotion and implementation of initiatives for industrial development linked to the PCP.

4.2. PARTNERSHIPS AND RESOURCE MOBILIZATION

A key priority is to set up a formal collaboration framework with Australia’s Department of Foreign Affairs and Trade (DFAT) within the ongoing Australia-funded programme on agro value chains, aimed at jointly supporting MEF in strengthening of National Quality Infrastructure (NQI) systems. UNIDO, through DTI/QIS, mobilized internal funding to conduct a pilot analysis, together with Cambodia-Australia Agricultural Value Chain Programme, aimed at identifying which QI investments should be prioritized and which are the QI gaps in terms of value chain development and other policy objectives. A concept note is to be developed, aiming to support Cambodia in implementing international free trade agreements (e. g. China, ASEAN), especially those QI related obligations and trade facilitation.

Moreover, 2020 has seen a series of achievements in terms of establishing new partnership and strengthening existing ones, reinforcing in turn the PCP portfolio under different components. The second PCP main component – *Industrial diversification, innovation and development of special economic zones* – was enriched with three new technical activities for a total budget of more than \$1.7 million. The three interventions tackle the component objectives from different angles with different partners. One intervention, titled AFTER – funded by SDC – will target sustainable and inclusive recovery of Cambodian foods/agro and tourism MSMEs in the context of the Covid-19 pandemic. A second intervention will aim to provide a technology needs assessment and a series of technology action plans to support and guide a pipeline of projects aimed at de-carbonizing development linked to Sihanoukville’s SEZs. This project is funded by GCF, building on the recent accreditation of UNIDO as one of the GCF’s implementing agencies. Lastly, UNIDO and ILO – under the guidance of the UN Resident Coordinator Office – will be conducting a quick assessment of Industry 4.0 potential in the garments and footwear sector,

one of the key sectors for the Cambodian economy and a fundamental source of employment. The study will be instrumental to develop a full-fledged project supporting the garment sector.

Under the cross-cutting component *Women's empowerment and youth employment*, SDC will also be funding a multi-agency intervention, gathering together UNIDO, UNICEF, ILO and UNESCO, with the overall goal of supporting young women and men in Cambodia to obtain decent and productive employment opportunities by ensuring they are better able to meet labour market demand.

4.3. RESULTS OF PCP ADVISORY SERVICES

UNIDO's policy advice and technical expertise supported the Government in updating Cambodia's Trade Integration Strategy covering the period 2019 to 2023, with a particular focus on quality infrastructure and conformity assessment services, skills development and e-commerce. Furthermore, support was provided to ensure coordination between the RGC and the Urban Planning and Design Institute of Shenzhen in developing a masterplan for Sihanoukville province.

PCP Cambodia is also supporting the Government in enhancing national capacities for policy design, monitoring and evaluation. This is being done through a capacity-building project of \$1.2 million funded by the Republic of Korea, which will also contribute to the mid-term review of Cambodia's Industrial Development Policy which is scheduled to be completed by June 2021. A detailed overview of 2020's progress can be found at 4.4.3. A complementary project, funded by China, is helping to develop industrial statistics and monitor the PCP's contribution to the implementation of the IDP and progress towards the Sustainable Development Goals.

4.4. TECHNICAL COOPERATION RESULTS

As the implementation phase just started, there is no aggregate data available at IRPF impact-level. Specific achievements under the PCP components and of the single PCP TC projects are highlighted below. No project has been completed since the start of PCP Cambodia.

4.4.1 PCP PRIORITY AREA 1: AGRO VALUE-CHAIN DEVELOPMENT, INCLUDING LINKAGES TO THE TOURISM SECTOR

The objective of this component is to contribute to the goal of the RGC of increasing the share of exports of processed agriculture products to 15 per cent in total volume by 2030, in line with the Strategic Development Plan for Cambodian Agro-industries (2019-2030). More specifically, the component supports the agro-processing sector, mainly small and medium-sized enterprises (SMEs) and support institutions, in improving significantly their competitiveness for better access and integration into domestic, regional, and international markets. To do so, UNIDO will apply its systematic approach to value chain development, which focuses on unlocking bottlenecks hindering the development of priority sectors that represent an engine for competitive growth, employment and income generation.

Three main priority interventions have been identified, and reflected as outputs in the PCP Programm Document:

- Support provided to the RGC in establishing excellence centres and promoting research, as a means to support and innovate SMEs operating in priority sectors;
- Capacity-building and knowledge sharing activities conducted, aimed at strengthening the food safety systems of at least 3 selected priority value chains;
- Capacity-building, skills development and standard compliance activities to strengthen post-harvest fisheries conducted.

UNIDO is already tackling the second and third priority through a €16 million five-year programme funded by the EU (CapFish). The programme focuses on strengthening national control systems, increasing the capacities of the private sector to comply with international standards and market requirements, and enhancing overall business competitiveness.

The CapFish project in 2020, despite the restrictions due to the pandemic, supported the development of the National Action Plan for Control and Inspection of Quality and Safety of Fish and Fishery Products (2020-2024), which was presented for approval to the Ministry of Agriculture, Forestry and Fisheries. As a contribution to capacity-building and knowledge sharing, in 2020, 3 rounds of training programmes on food safety were conducted, with a cumulative 75 participants. Moreover, 5 assessments were conducted pertaining to fishery value chains (business development services, and financial institutes' mapping and assessment, VC profiling, gender analysis, market survey and laboratory mapping and gap assessment).

In terms of synergies, the newly launched SDC-funded AFTER Programme and UN Joint Programme on Decent Employment of Youth will be implemented in conjunction with CapFish, targeting agro-food/fishery MSMEs in the recovery programme. CapFish will contribute \$285,000 to AFTER activities.

In the longer run, synergies with the ADB under this component will be explored. UNIDO has been approached by the Fisheries Administration of MAFF for the conceptualization phase of an intervention funded by the ADB (approximately \$110 million overall with a grant component of approximately \$30 million) on marine fisheries infrastructure development.

Funding

ERP ID	Ongoing project / sub-programme title	Donor	Funding (US\$)
180039	CapFish Capture: Cambodia Programme for Sustainable and Inclusive Growth in the Fisheries Sector Cambodia (2019-2024)	EU	17,018,469



4.4.2 PCP PRIORITY AREA 2: INDUSTRIAL DIVERSIFICATION, INNOVATION AND DEVELOPMENT OF SEZs

The main priority under this component is supporting industrial diversification in Cambodia through SEZ development and innovation. Interventions will contribute to facilitating business environment reforms, enhancing business development infrastructure, increasing export diversification and SME competitiveness, and fostering innovation, inclusive and sustainable economic transformation in the country. This will further contribute to enhancing the institutional capacity of the government to fulfil its mandate of promoting industrial development, through the effective and efficient implementation of economic development policies and practices. The primary interventions identified for this component are: i) The formulation of SEZ masterplans facilitated and supported; and ii) Technology and knowledge transfer promoted to accelerate innovation in SMEs.

Transforming the Sihanoukville province into a model multi-purpose SEZ is one of the priorities of the Government's Industrial Development Policy 2015-2025. The Urban Planning and Design Institute of Shenzhen (UPDIS) of China is developing the masterplan concept building on an initial assessment conducted by the Institute in 2019, which was facilitated by UNIDO. In 2020, the RGC allocated \$4.8 million of national funding to UPDIS for SEZ masterplan formulation. UNIDO facilitated the establishment of the cooperation and has been requested by the Ministry of Economy and Finance to provide advisory services, i.e. conducting the baseline analysis of the physical, economic, environmental and social context in Sihanoukville Province; facilitating data collection; liaising with UPDIS to monitor the quality and accuracy of data; conducting a skills gaps analysis and developing a resources mobilization strategy. A new project is currently under development.

UNIDO will also continue exploring synergies between the ITPO network and Cambodian SEZs, building on the high-level meeting conducted in October 2020, which gathered all ITPOs and representatives from the Phnom Penh SEZ. The new GCF-funded project will, on the other hand, help identifying gaps to be filled in the field of climate-friendly technologies, helping Cambodian stakeholders to mainstream their application in SEZs.

Transfer of knowledge and support to SMEs has been targeted through a number of projects. The advisory Programme conducted by ITPO Korea started its implementation phase, hiring a Phnom Penh-based advisor. Throughout 2021, the programme will conduct workshops, training and surveys to identify investment potential and business partnerships between Korean and Cambodian businesses. On the innovation side, in addition to the AFTER Programme and the joint UNIDO-ILO assessment described above, the Global Cleantech Innovation Programme (GCIP) will mainstream cleantech innovation among Cambodian MSMEs.

ERP ID	Ongoing project / sub-programme title	Donor	Funding (US\$)
190291	Technology needs assessment and action plans for the support of climate-friendly technology implementation in Cambodia's special economic zones	EU	219,400
180059	UNIDO ITPO Korea - Advisory Programme for Investment Promotion and Technology Transfer in Developing Countries	RoK	170,000 (total budget 1,017,699)
190057	Global Cleantech Innovation Programme: Accelerating cleantech innovation and entrepreneurship in start-ups and SMEs in Cambodia	GEF	50,000 (PA)
200170	Agro-Food and Tourism Enterprise Recovery Programme (Cambodia)	Switzerland	876,176
200283	UNIDO-ILO Industry 4.0 assessment in garment sector	UNDCO	18,792
Total			US\$ 1,334,368

ERP ID	Pipeline project / sub-programme title	Potential Donor	Estimated funding (US\$)
190057	Global Cleantech Innovation Programme: Accelerating cleantech Innovation and entrepreneurship in start-ups and SMEs in Cambodia	GEF	1,600,000
Total			US\$ 1,600,000

4.4.3 CROSS-CUTTING INTERVENTIONS

The two main components are supported by interventions in selected cross-cutting components, which can be categorized under the three dimensions of sustainable development: 1) Economic dimension: industrial policy and statistics, and quality infrastructure; 2) Environmental dimension: sustainable energy and circular economy; 3) social dimension: women's empowerment and youth employment.

Industrial policy and statistics: In 2020, a Monitoring and Evaluation (M&E) System for Cambodia Industrial Development Policy 2015-2025 (IDP) was developed, in consultation with the relevant line ministries. The IDP Secretariat of the Council for the Development of Cambodia (CDC) has developed three key tools of the M&E system, including the intervention logic, the logical framework, and the reporting format which are the fundamental tools to be used to assess the progress and impact of the IDP. In addition, the tools were shared with line Ministries for data collection.

Sustainable energy: 10 feasibility studies were finalized by UNIDO on biogas-based power generation plants and investments. Based on the studies' results, six farmers agreed to invest in biogas systems. A cumulative 2.9MW installed bio-gas-based power generation can be expected by the end of the project, in line with the KPIs set.

Circular economy: Under the TEST project, the template and procedures for the Cambodian Green Industry Award were finalized and approved by MISTI. The Cambodian Green Industry Award is in the first place a communication tool. By generating publicity, it will demonstrate that improved environmental performance contributes to increased competitiveness. It will be used to raise environmental awareness among the broader public and companies will use the award to improve their image towards customers and suppliers. A policy to establish remote resource efficiency in industry sector is being developed through consultation with various line Ministries, civil society organizations and private sector.

Women empowerment and youth employment: A policy gap assessment on the economic empowerment of women in green industry was completed within the framework of the project titled "Economic empowerment of women in green industry", and was validated by the national steering committee. The assessment is being finalized for wider dissemination. UNIDO, jointly UN Women, will organize trainings for policymakers on gender mainstreaming in 2021.

As for youth employment, the second phase of the UN inter-agency programme on *Decent employment for youth in Cambodia* was launched in 2020 and will reach full-speed implementation in 2021, after the conduction of a public and private stakeholder mapping to improve skills for youth.

ERP ID	Ongoing project / sub-programme title	Donor	Funding (US\$)
120118	Reduction of GHG Emissions Through Promotion of Investments in Biogas Mini-Grids	GEF	1,500,499
150275	Low carbon development for productivity and climate change mitigation through the Transfer of Environment Sound Technology (TEST) methodology (2017-2021)	GEF	1,824,726
170065	Economic empowerment of women in green industry (global programme totaling US\$ 1.1 million for four participating countries, including Cambodia, Peru, Senegal, and South Africa)	Germany	250,000
180062	Support to the Royal Government of Cambodia in its effective implementation of major development strategy and policy through institutional capacity-building (2019-2021)	Republic of Korea	1,061,947
180331	Supporting industrial policy decisions and the monitoring of industry's contribution to SDG achievement through the enhancement of industrial statistics in the Kingdom of Cambodia	China	300,000
190397	Decent employment for youth in Cambodia	Switzerland	620,000
Total			US\$ 5,557,172

5. RESPONSE TO COVID-19

Within the framework of a wider regional UNIDO initiative, a survey was conducted among Cambodian SMEs to assess the impacts of COVID-19. The survey was rolled out with the support of MISTI, MEF, CDC and a number of business associations. The survey results were included in a wider COVID-related report by the UN Economic Impact Group established by the UN RC. The assessment focused on sectors most affected, taking into account regional variations and stimulus packages put in place by governments and external partners. The survey results were collated in a report, providing policy recommendations to the RGC. The results will feed into PCP interventions as well as Government policies aimed at revitalizing Cambodian SMEs, among others. The survey results were instrumental for the preparation of the Social Economic Response Plan (SERP) and other COVID-related reports by the UN Economic Impact Group, approved by the UNRC. The results of the survey were also presented to MISTI, which requested UNIDO to conduct a follow up survey, jointly with MEF and MISTI. Materials and guidelines to support MSMEs to build back better were translated into Khmer and disseminated in Q3 of 2020. The findings of the follow-up survey on the impacts of COVID-19 on the private sector will be analyzed and consolidated into a report, which is expected to be released in early 2021.

With funding from United Nations Development Coordination Office (DCO), the UN Resident Coordinator's Office (RCO) in Cambodia provided funding of \$32,994 to UNIDO and ILO to conduct a joint assessment of Industry 4.0 impacts on the garment sector. The assessment aims to determine: 1) The current and projected use of relevant technologies and automated machines and processes in Cambodia to gain an understanding of how the sector is becoming more digitized, and how that would affect production and human resources; and 2) The skills development interventions required for employees.

6. COMMUNICATION

Activities launched were promoted through local media (press releases) and MISTI has promoted the programme through social media, namely Facebook. Updates on PCP Cambodia were also featured in the UNIDO ISID Newsletter and the [UNIDO PCP webpage](#). Extensive coverage of the signing ceremony was ensured, both from HQ and the field, including through press releases. See: <https://www.unido.org/news/unido-and-royal-government-cambodia-sign-programme-country-partnership>.



7. UPCOMING MILESTONES AND MAJOR RESULTS EXPECTED IN 2021

Resource mobilization remains at the core of PCP Cambodia. The Government of Cambodia and UNIDO will explore partnerships with key international financial institutions (e.g. Asian Infrastructure Investment Bank (AIIB), Asian Development Bank, World Bank) and donors (e.g. EU, SDC, Japan, and Australia). In particular, ongoing discussions on the AIIB Project Preparation Special Fund for developing feasibility studies (especially for SEZ development) will be instrumental for further cooperation with the AIIB itself as well as with other partners.

The first NCB meeting is expected to take place in the first quarter of 2021. The meeting will serve as an occasion to define the key priorities for 2021 and, engage key national stakeholders and PCP partners in activities going forward.

In terms of technical cooperation delivery, under Priority Area 1 – Agro value-chain development, including linkages to the tourism sector – UNIDO is currently engaging with the World Bank to potentially support the Government in the implementation of a component of the Bank’s large-scale *Cambodia Agricultural Sector Diversification Project* (total \$92 million). UNIDO could provide technical expertise in the field of food safety and value chains.

Under Priority Area 2 – Industrial diversification, innovation and development of SEZs – the AFTER programme will enter full implementation in 2021. One of the key priorities of the programme is ensuring additional funds mobilization from the potential partners identified. In particular, the involvement of the public Khmer Enterprise, an implementation unit of the Entrepreneurship Development Fund (a government trust fund established by the Ministry of Economy and Finance), would contribute scaling-up the outreach of the intervention to a larger number of companies and private sector partners, through Khmer Enterprise’s network.

Moreover, UNIDO is preparing a project concept note to support the Government and UPDIS in developing the SEZ Siha-noukville Master Plan. This intervention was requested by the Ministry of Economy and Finance, which is in charge of overseeing the SEZ. The Government of China has expressed interest in supporting this initiative.

In terms of the cross-cutting component on quality infrastructure (QI), a pilot study will be undertaken jointly with Australia’s Department of Foreign Affairs and Trade, as part of the Cambodia-Australia Agricultural Value Chain Programme. UNIDO developed the conceptual framework to determine QI gaps and the required investments.

As a follow-up to the ongoing joint ILO-UNIDO assessment on the potential of Industry 4.0 in the garment and footwear sector, a full-fledged project is currently under development aiming at devising concrete support activities for MSMEs active in the sector. This initiative will support and complement UNIDO’s continued engagement within the UN development system in Cambodia in response to the COVID-19 crisis. The PCP could serve as a catalyst for developing short- and medium-term response initiatives for sustainable economic recovery.

8. ANNEX 1: PCP PORTFOLIO OVERVIEW – UNIDO TC

ERP ID	PCP component or cross-cutting area	Ongoing project / sub-programme title	Donor	Funding (US\$)
180039	Component 1: Agro value-chain development, including linkages to the tourism sector	CapFish Capture: Cambodia Programme for Sustainable and Inclusive Growth in the Fisheries Sector Cambodia (2019-2024)	EU	17,018,469
190291	Component 2: Industrial diversification, innovation and development of SEZs	Technology needs assessment and action plans for the support of climate-friendly technology implementation in Cambodia's special economic zones	GCF	219,400
180059	Component 2: Industrial diversification, innovation and development of SEZs	UNIDO ITPO Korea - Advisory Programme for Investment Promotion and Technology Transfer in Developing Countries	Republic of Korea	170,000 (total budget 1,017,699)
190057	Component 2: Industrial diversification, innovation and development of SEZs	Global Cleantech Innovation Programme: Accelerating cleantech innovation and entrepreneurship in start-ups and SMEs in Cambodia	GEF	50,000 (PA)
200170	Component 2: Industrial diversification, innovation and development of SEZs	Agro-Food and Tourism Enterprise Recovery Programme (Cambodia)	Switzerland	876,176
200283	Component 2: Industrial diversification, innovation and development of SEZs	UNIDO-ILO Industry 4.0 assessment in garment sector	UNDCO/RCO	18,792
120118	Cross-cutting component: Sustainable Energy	Reduction of GHG Emissions Through Promotion of Investments in Biogas Mini-Grids	GEF	1,500,499
150275	Cross-cutting component: Circular economy	Low carbon development for productivity and climate change mitigation through the Transfer of Environment Sound Technology (TEST) methodology (2017-2021)	GEF	1,824,726
170065	Cross-cutting component: Women empowerment & youth employment	Economic empowerment of women in green industry (global programme totaling US\$ 1.1 million for four participating countries, including Cambodia, Peru, Senegal, and South Africa)	Germany	250,000
180062	Crosscutting component: Industrial Policy and statistics	Support to the Royal Government of Cambodia in its effective implementation of major development strategy and policy through institutional capacity-building (2019-2021)	Republic of Korea	1,061,947
180331	Crosscutting component: Industrial Policy and statistics	Supporting industrial policy decisions and the monitoring of industry's contribution to SDG achievement through the enhancement of industrial statistics in the Kingdom of Cambodia	China	300,000

ERP ID	PCP component or cross-cutting area	Ongoing project / sub-programme title	Donor	Funding (US\$)
190397	Crosscutting component: Women empowerment & youth employment	Decent employment for youth in Cambodia	Switzerland	620,000
170241	Coordination project	Cambodia Programme for Country Partnership (PCP): Towards a sustainable, skill-based and export-oriented economy	Partnership Trust Fund-China	150,000

Total	US\$ 24,060,009
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ERP ID	PCP component or cross-cutting area	Pipeline project / sub-programme title	Potential donor	Estimated funding (US\$)
190397	Component 2	Global Cleantech Innovation Programme: Accelerating cleantech innovation and entrepreneurship in start-ups and SMEs in Cambodia	GEF	1,600,000

9. ANNEX 2: INVESTMENTS LEVERAGED BY THE PCP, INCLUDING FORECAST FOR 2021

Parallel Funding							
Partner	Link to PCP	Type of funding	2018	2019	2020	Cumulative Total	2021
RGC, Private sector	Cross-cutting component: Circular economy GEF TEST project	In-kind				\$ 11.972.026	
RGC, Private Sector	Cross cutting component: Sustainable energy GEF Biogas project	In-kind				\$12.354.265	
RGC	Sihanoukville SEZ development	Government funding			\$4,800,000	\$4,800,000	
World Bank	Cross cutting component: Industrial policy and statistics Developing the statistical base and tools for PCP impact monitoring and its contribution towards the SDGs project	In-kind			\$60,000	\$60,000	
Private sector	Component 2 GEF Cleantech project (pipeline)	N/A					\$6,188,800
Total						\$29.186.291	

For more information, please scan the QR Code to
[access the PCP Cambodia UNIDO website.](#)



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