

**KINGDOM OF CAMBODIA**  
**Nation Religion King**



**ROYAL GOVERNMENT OF CAMBODIA**

The National Emblem of Cambodia, rendered in blue. It features a central tiered umbrella (parasol) with a sword resting on a pedestal in front of it. The emblem is surrounded by a laurel wreath and topped with a sunburst. The text "NATIONAL STRATEGIC DEVELOPMENT PLAN 2019-2023" is superimposed over the emblem.

**NATIONAL STRATEGIC DEVELOPMENT PLAN**  
**2019-2023**

**FOR GROWTH, EMPLOYMENT, EQUITY AND EFFICIENCY**  
**TO REACH THE STATUS OF AN UPPER-MIDDLE INCOME COUNTRY BY 2030**



**ROYAL KRAM  
OF  
HIS MAJESTY THE KING OF CAMBODIA**



**PROMULGATION OF THE LAW  
ON  
THE ADOPTION OF THE NATIONAL STRATEGIC DEVELOPMENT PLAN  
2019-2023**

Article 1: Adopted the attached National Strategic Development Plan 2019-2023.

Article 2: The Royal Government of Cambodia shall continue the implementation of the National Strategic Development 2019-2023.

Article 3: This law shall be promulgated as a matter of urgency.

**Royal Palace, Phnom Penh, 25 July 2019**

**Signature: NORODOM SIHAMONI**

Having submitted to the King  
for signature  
Prime Minister

**Signature: Samdech Akka Moha Sena Padei Techo HUN SEN**

Having submitted to Samdech Akka Moha Sena Padei Techo **HUN SEN**  
for signature  
Senior Minister and Minister of Planning

**Signature: CHHAY THAN**



Samdech Akka Moha Sena Padei Techo **HUN SEN**  
Prime Minister of the Kingdom of Cambodia

## FOREWORD

The Royal Government of Cambodia has adhered to the principle of national solidarity to rally all Cambodians, inside and outside the country, from all walks of lives and political tendencies, under the motto “***Nation-Religion-King***” with the objective to build and protect the nation and social achievements while ensuring the country's independence, integrity, sovereignty, peace, democracy and progress. Besides, Cambodia is attaining “***gainful returns from peace***” through high rate of economic growth and poverty reduction that took place in the past decade and has significantly contributed to the regional and global economic integration. The political stability, which has not been prevailing for years, has enabled Cambodia to carry out its reform measures in all sectors in order to build institutional capacity, improve socio-economic infrastructure, and create favourable environment to attract both domestic and foreign investments, with the aim of ensuring high rate of economic growth and poverty reduction.

In the mandate of the **National Strategic Development Plan 2014-2018**, Cambodia has experienced significant developments not only in political and security but also in economic and social aspects. Such environments of political stability, peace, and safety are the prerequisites for Cambodia to make use of its socio-economic potentials. The 1993 General Elections have prompted the adherence to the principles of pluralist democracy, market economy, and the respect for human rights, freedom and dignity. In addition, the Royal Government of Cambodia (RGC) formulated the **National Programme to Rehabilitate and Develop Cambodia (NPRD)** in 1994, the first five-year **Socio-Economic Development Plan (SEDP-I, 1996-2000)** to lay out its rehabilitation and development vision putting emphasis on macroeconomic stability, social development, and poverty reduction.

Moreover, Cambodia's picture was remarkably changing during the 1998-2003 period that constituted an important historical epoch of changes not only in socio-economic spheres but also in political aspects. Evidently, the General Elections in 1998 and the successful implementation of our “**Win-Win Policy**” that dismantled the political and military organisations of the Khmer Rouge have begot peace for the whole nation and the integration of former Khmer Rouge soldiers and people living in their occupied zones into the mainstream of society. In this context, the RGC formulated the **2<sup>nd</sup> Socio-Economic Development Plan (SEDP II 2001-2005)** in order to guide the continued efforts in socio-economic development as well as successfully implemented the “**Triangle Strategy**” that focused on (1) *building peace, restoring stability and maintaining security for the nation and the people*; (2) *integration of Cambodia into the region and normalisation of relationships with the international community*; and (3) *promoting economic and social development*. This has set the stage for a profound transformation of Cambodia from a region of uncertainty, war, internal strife, instability and backwardness into an epicentre of sustained peace, security and social order,

respect for democracy, human rights and dignity, cooperation and shared development. Another aspect of significant developments from 2003 till today includes the transparent, free and fair general elections on 27 July 2008, on 28 July 2013 and on 29 July 2018 (voters turnout exceeding 83%), which was recognised as the “**Miracle on the Mekong**” once again, as well as other achievements that had been realised through the successful implementation of the **2<sup>nd</sup> Socio-Economic Development Plan (SEDP II 2001-2005)** and the **Rectangular Strategy Phase I, II and III for Growth, Employment, Equity and Efficiency** through **National Strategic Development Plan 2006-2010, 2009-2013 and 2014-2018**. As a result, Cambodia achieved steady macroeconomic stability and considerable economic progress including annual average economic growth of 8.4% in the period of 1994-2006 and from 1999 to 2006 the economy was growing at an annual average rate of 9% and from 2006 to the present, the annual growth rate was maintained in around 7%. Indeed, the achievements could not have been possible without valuable contributions of Cambodia’s Development Partners. This also reflects that all types of cooperation financing that Cambodia has hitherto received from its development have been more and more efficiently and effectively used. One the whole, the national plans and development strategies that have been passed and successfully implemented have provided a roadmap for the RGC to move towards socio-economic development and poverty reduction. The implementation of the **Rectangular Strategy** is the further efforts to sustain the achievements that the RGC has hitherto realised the **Millennium Development Goals** with the aim of improving and enhancing public institutional capacity, promoting good governance, and modernising economic infrastructure in order to foster economic growth, create jobs for all citizens, ensure social equity, and increase public sector efficiency as well as protect natural and cultural resources, which is vital for sustainable development and poverty reduction. Within this conceptual framework, there is a need for the Royal Government to fine-tune its policy priorities and further improve sectoral strategies to reflect the actual contexts of Cambodia based on practical experiences in the implementation of the **Rectangular Strategy** for the Third Legislature of the National Assembly.

To further expand the achievements gained in Third Legislature of the National Assembly, the RGC formulated **Rectangular Strategy Phase II** to serve as the fundament of the RGC’s economic policy and as the socio-economic political agenda of the **RGC’s Political Platform** for the Fourth Legislature of the National Assembly. In this regard, the RGC has formulated the **National Strategic Development Plan 2006-2010** as a new national plan using the structure of the Rectangular Strategy. In the preparation of this new plan, the RGC had adhered to the full ownership in the preparation process by ensuring the consultation with and the comment sharing of all stakeholders. With unwavering implementation of the **Rectangular Strategy** and **NSDP 2006-2010**, the RGC has created a favourable environment and necessary conditions enabling Cambodia to step forward with increased hopes and strong confidence on the road of further reforms and development along with the firm determination of the RGC to serve the interests of the nation and respond to the aspirations of the people.

Currently, we have the **Rectangular Strategy, National Strategic Development Plan, Sectoral Development Strategies**, and other policy documents, investment programmes, and the national budget. The **National Strategic Development Plan** is the RGC’s second important policy document and is the roadmap for the implementation of the **RGC’s Political Platform** as well as the **Rectangular Strategy**. Therefore, to

ensure consistency in terms of hierarchy, role, substance, and synchronisation of these documents, the RGC has synchronised the timeframe of the **National Strategic Development Plan** with that of the **RGC's Political Platform** and the **Rectangular Strategy**.

In this context, the **National Strategic Development Plan 2006-2010** was updated to the **National Strategic Development Plan Update (NSDP Update), 2009-2013** to accomplish two primary goals; first, to synchronise the time period covered by the **NSDP Update** with the RGC's mandate in order to ensure that the actions, programmes, and projects of all ministries and agencies are aligned to implement our prioritised policies that are outlined in the **Rectangular Strategy Phase II**; and second, to ensure that the actions to be laid out by line ministries and agencies to implement these prioritised policies are formulated taking into account the potential impact of the global economic downturn on our economy.

**The NSDP Update 2009-2013** has been prepared based on the further refined methodology that is focused on identifying *who* is responsible for implementing the priority policy or policies in each area of the Rectangular Strategy II; *what* specific actions the responsible institutions have planned to implement the priority policies; and the responsible institutions best estimate on *how much* it will cost to implement the planned actions during 2009-2013. Besides, **the NSDP Update 2009-2013** has been formulated with wide consultation with the government institutions, development partners and civil society organizations to manage the efforts in strengthening the harmonisation of planning, public investment expenditures, and resources from all sources that will be available to implement the RGC's public investment programme, particularly strengthening the close collaboration between the Ministry of Planning, the Ministry of Economy and Finance and the line ministries and agencies to identify the public investment projects by the ministries and agencies which are closely linked to the formulation of the Budget Strategic Framework for the concerned ministries and agencies.

As a result, through the RGC's firm efforts in implementing **NSDP Update 2009-2013**, the Cambodia economy has grown with the average of 7% per year. GDP per Capita has exceeded 1,000 US dollars and the poverty rate was reduced to 19% in 2011. Particularly, Cambodia has remarkably succeeded in achieving **Cambodian Millennium Development Goals**, which Cambodia was chosen by the United Nations to be the example country for achieving **Millennium Development Goals**.

Based on the lessons learned and results achieved in the Third, Fourth and Fifth Legislature of the National Assembly, for this Sixth Legislature, the RGC recognized that the **Rectangular Strategy for Growth, Employment, Equity and Efficiency** is still crucial and suitable for Cambodia to pursue its implementation by keeping the four angles, expanding the coverage, and prioritizing the policies and mechanisms to be more concrete as the **Rectangular Strategy Phase IV**, which ensures development sustainability and poverty reduction in response to the aspirations of the people and both national and international new contexts.

**NSDP 2019-2023** has been formulated for the implementation of the **Rectangular Strategy Phase IV** with the identification of the priorities, indicators and timeframe for the implementation and with the identification of mechanism for the

monitoring and evaluation of the Result Framework, especially setting the responsibility of the line ministries and agencies within each angle in order to gain high benefits from ASEAN Economic Integration and to move from Lower-Middle-Income Country to an Upper-Middle-Income Country in 2030 and to contribute to the achieving the **Cambodian Sustainable Development Goals 2016-2030**. For the preparation of **NSDP 2019-2023**, the RGC has used the existing procedures and mechanism as for the preparation of **NSDP 2014-2018** and spent a longer time period improving this national plan.

On behalf of the Royal Government of Cambodia, I would like to deeply thank our development partners for their technical and financial support that has greatly contributed to our progress. Indeed, we are now entering a new era in which the RGC and its institutions must take full ownership of our development processes and be accountable for our own destiny. As we move forward, the RGC will take full charge of the entire development process to ensure that all resources, government and external development partners', are clearly directed to priorities and sectors chosen. In this regard, the RGC will vigorously work towards achieving a greater “**net real transfer**” of development resources to the targeted beneficiaries, particularly those in our rural areas.

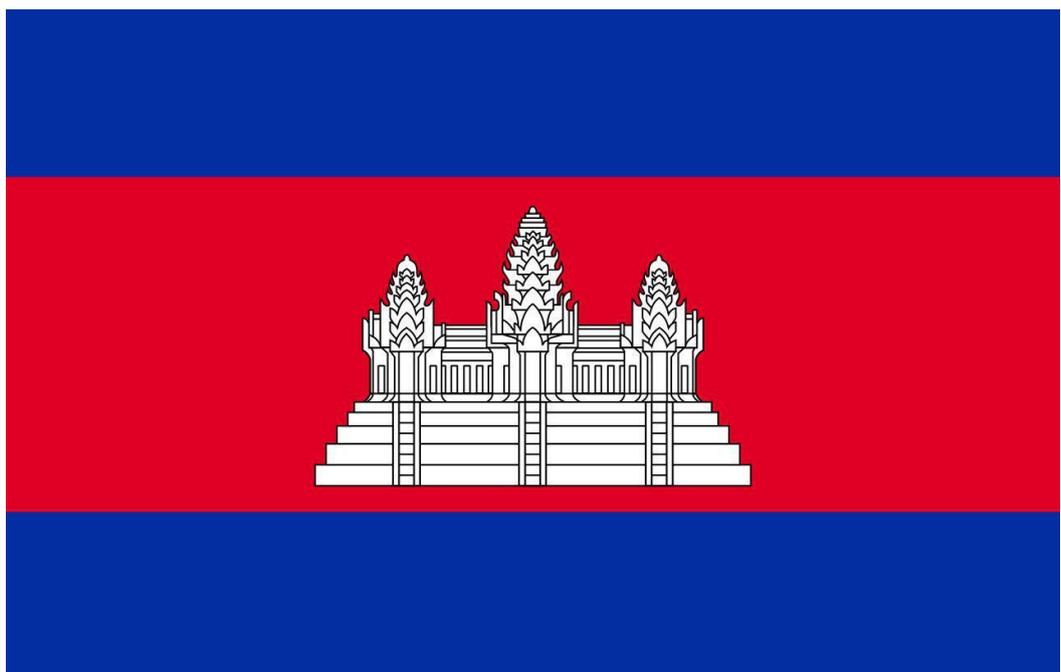
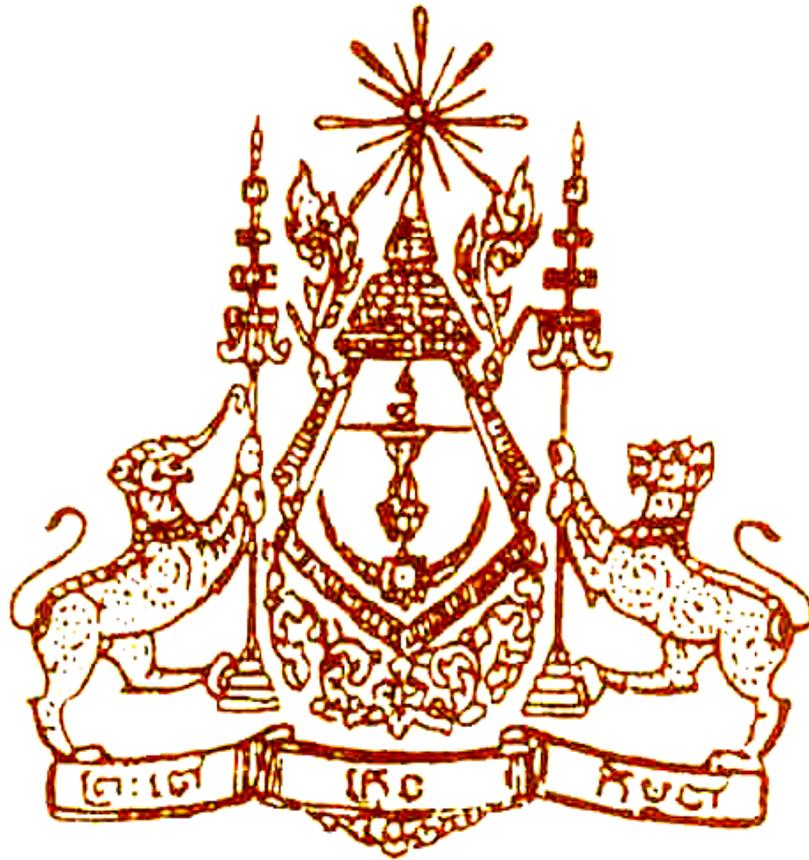
Once again, I would like to emphasise that the successful implementation of the RGC's prioritised policies outlined in **Rectangular Strategy Phase IV** for our mandate in the Sixth Legislature of the National Assembly will require dedicated and concerted efforts by all RGC's ministries and agencies, development partners, private sector, civil society organisations, and other relevant stakeholders. I urge and expect all government agencies, development partners, private sector, civil society organisations, and other relevant stakeholders to strictly adhere to the priorities set out in the **NSDP 2019-2023** that is the road map for the implementation of the **Rectangular Strategy Phase IV**.

Phnom Penh, 11 July 2019

Sd/-

**Hun Sen**

**NATIONAL EMBLEM AND FLAG OF THE KINGDOM OF CAMBODIA**



## CAMBODIA AT A GLANCE

## GENERAL

Total Geographic area: Sq. Kms.	181,035
Number of Municipality	1
Number of Provinces	24
Number of cities/kongs	27
Number of Khans	14
Number of Districts	162
Number of Sangkats	241
Number of Communes	1,405
Number of Villages	14,383
Fiscal Year	January-December
Currency	Cambodian Riel (CR)

	Particulars	Unit	2018	2019	2020	2021	2022	2023
	<b>KEY INDICATORS</b>							
<b>1.00</b>	<b>Poverty Headcount</b>							
1.01	Total for the Country	% of popn	13.5 (2014)	9.5		7.5		5.5
<b>2.00</b>	<b>Population</b>							
2.01	Total Population	Million	16.0	16.2	16.5	16.7	17.0	17.3
2.02	Population Density	per sq. km	88	90	91	92	93	95
2.03	Male/Female Ratio	100 Female	96.7	96.9	97.0	97.2	97.3	97.5
2.04	age 0-14	% population	34.1	33.8	33.6	33.3	33.1	32.8
2.05	age 15-64	% population	66.3	66.4	66.4	66.4	66.4	66.3
2.06	age 65 and above	% population	5.3	5.4	5.5	5.6	5.7	5.9
2.07	Rural	% population	75.5	75.1	74.6	74.1	73.7	73.3
2.08	Urban	% population	24.5	24.9	25.4	25.9	26.3	26.7
2.09	Annual Growth rate	%	1.4	1.4	1.3	1.3	1.3	1.2
2.10	Total Fertility rate (per 1,000)	live births	2.5	2.5	2.4	2.4	2.4	2.3
2.11	Life Expectancy at birth							
	– Male	%	67.1	67.3	67.5	67.7	67.9	68.1
	– Female	%	71.6	71.3	72.0	72.7	73.3	73.9
<b>3.00</b>	<b>Macro Economic</b>							
3.01	Annual GDP at Constant 2000 Prices	billion riels	98,786	108,590	119,034	130,915	144,170	
3.02	Annual GDP at Constant 2000 Prices	million USD	24,374	26,786	29,362	32,293	35,562	
3.03	Real GDP growth rate (constant prices 2000)	%	7.5	7.1	6.5	7.0	7.0	
3.04	: Agriculture	%	1.6	1.6	1.7	1.8	1.8	
3.05	: Industry	%	12.3	10.7	8.9	10.2	10.1	
3.06	: Services	%	6.5	6.7	6.4	6.3	6.2	
3.07	GDP Per Capita	000 Riels	6,269	6,799	7,354	7,986	8,683	
3.08	GDP Per Capita	USD	1,543	1,679	1,816	1,972	2,144	
3.09	Inflation (Year average)	%	2.5	2.8	2.9	3.0	3.0	
3.10	Exchange rate per US\$ (Year average)	Riels	4,053	4,054	4,054	4,054	4,054	
3.11	Gross Foreign Exchange Reserves	months of imports	5.5	5.8	6.1	6.2	6.2	
3.12	Gross Foreign Exchange Reserves	USD million	10,052	11,505	13,007	14,484	15,973	
3.13	FDI: Investments -- for the year	USD million	2,979	3,666	4,328	5,119	6,055	

	Particulars	Unit	2018	2019	2020	2021	2022	2023
<b>4.00</b>	<b>Fiscal</b>							
4.01	Total Budget Revenues	% of GDP	22.2	22.6	22.5	22.5	22.8	
4.02	Total Budget Expenditures	% of GDP	24.4	25.0	28.4	27.6	27.6	
4.03	Current Surplus	% of GDP	5.8	6.0	5.6	5.3	5.6	
<b>5.00</b>	<b>Agriculture, Forestry and Fisheries</b>							
5.01	Yield	tons/ha	3.33	3.35	3.37	3.39	3.41	3.44
5.02	Cultivated area (paddy)	Million ha	3.34	3.10	3.10	3.20	3.20	3.30
5.03	Rice production	Million tons	10.89	9.70	10.00	10.20	10.50	10.80
5.04	Paddy surplus	Million tons	5.83	5.24	5.41	5.60	5.79	6.00
5.05	Area under all crops (incl. permanent crops and plantation)	Million ha	5,164	4,814	5,024	5,234	5,444	5,654
5.06	Agricultural community	Nos	1,116	475	575	675	775	875
5.07	All kinds of Animal production in 3% increment	Million heads	34.30	35.80	36.90	38.00	39.10	40.30
5.08	% of Animals having vaccination	%	10	10	12	15	17	20
5.09	Number of slaughterhouses that have good standard	Nos	25	25	50	75	100	125
5.10	Cultivated area (rubber)	Ha	436,700	437,000	438,000	438,000	438,000	439,000
5.11	Yield of rubber	Kg/ha/year	1,257	1,148	1,154	1,162	1,168	1,175
5.12	Dried rubber production	000 tons	207.00	292.00	353.00	395.00	412.00	417.00
5.13	Aquaculture (15% increased)	Tons	254,048	97,800	112,500	129,400	148,800	171,170
5.14	Fish catch (all sources)	000 tons	848.00	898.70	958.50	1,030.10	1,116.20	1,219.40
5.15	Fishery community received capacity strengthening	Nos	516	516	516	516	516	516
5.16	Protection Forest and Wildlife Conservation Area	Ha		50,000	50,000	50,000	50,000	50,000
5.17	Reforested area	Ha	251	25,000	25,000	25,000	25,000	25,000
5.18	Forest community	Nos	614	32	32	32	32	32
<b>6.00</b>	<b>Rural Development</b>							
6.01	Rehabilitation of Rural Roads – out of total 40,000 km	Km	29,172	30,740	32,935	36,008	39,609	43,570
6.02	Rural road covered with double bituminous surface treatment (DBST) or concrete	Km	69.95	120.00	144.00	172.00	207.00	248.00
6.03	Access to Improved Drinking Water - % of Rural Population	%	60	70	75	80	85	90
6.04	Access to Sanitation – % of Rural Population	%	60	65	72	79	84	91
6.05	Number of ethnic minority communities whose identities have been recognized	Community	141	146	151	156	161	165
6.06	Number of villages given training to VDCs in the Village Development Plan	Village	168	200	210	220	230	240
6.07	Studying and carrying out trial construction of rural roads 450 km with a bituminous surface which is 100% adaptive to climate change	Km	310	330	354	382	417	458
6.08	Building the capacity of the VDCs in the option of adapting to and reduction of climate change and the use of appropriate and scientific knowledge acceptable at the locality	VDC	25	30	35	40	45	50
<b>7.00</b>	<b>Transport</b>							
7.01	Primary & Secondary roads	Kms	16,292	16,292	16,292	16,292	16,482	16,482
7.02	Of which paved	Kms	8,620	8,920	9,220	9,520	10,010	10,310
7.03	Railways	Kms	652	652	652	652	652	802

	Particulars	Unit	2018	2019	2020	2021	2022	2023
7.04	International Ports	Nos	2	2	2	2	4	4
<b>8.00</b>	<b>Health</b>							
	<b>Reproductive, Maternal, New born and Child Health and Nutrition</b>							
8.01	Maternal mortality ratio (100,000 live births)	100,000 live births	170 (2014)		130			100 (2025)
8.02	Neonatal mortality rate (1,000 live births)	1,000 live births	18 (2014)		14			13 (2025)
8.03	Child under 5 years mortality rate (1,000 live births)	1,000 live births	35 (2014)		30			28 (2025)
8.04	Wasting among children aged under 5 years-old	%	10 (2014)		8			6 (2025)
8.05	Proportion of women of reproductive age (aged 15- 49 years) who have their need for family planning satisfied with modern		57 (2014)		62			65 (2025)
8.06	Contraceptive prevalence rate (modern methods)	%	21.92	44.5	46	47	48	49
8.07	Percentage of pregnant women who received ANC4 consultation by health personnel	%	77.21	88	89	89.5	90	>90
8.08	Percentage of pregnant women received folic acid 90 tablets	%	79.99	82	85	87	89	90
8.09	Percentage of post-partum women who received PNC1 consultation by health personnel	%	68.46	89	90	91	92	93
8.10	Proportion of births delivery at health facilities	%	84.05	89	90	91	92	93
8.11	Caesarean section rate (% of live births)	%	6.77	9	10	10.2	10.4	10.6
8.12	Percentage of infant who were breastfed within 1 hour of birth (as percentage of live births)	%	67	67.5	68	68.5	69	69.5
8.13	Measles-Rubella first dose coverage rate (%)	%	103	95	95	95	95	>95
8.14	OPD consultation (new cases) per children under 5 per year	per children under 5 per year	1.60	1.58	1.60	1.62	1.65	1.67
8.15	DPT-HepB-Hib 3 coverage rate	%	98	95	95	95	>95	>95
8.16	Percentage of children 12-59 months received Mebendazole during the last 6 months (Round 2)	%	78.09	82	85	88	90	90
	<b>Communicable Diseases &amp; NTDs</b>							
8.17	Number of new HIV infection per 1000 uninfected population	per 1000	0.03	0.03	0.03	0.03	0.03	0.03
8.18	Percentage of people living with HIV (adult and children) on ART tested for viral load with suppressed viral load in the last 12 months	%	84,63	90	90	90	90	90
8.19	Incidence of all forms per 100,000 population	per 100,000 population	336	323	310	261	243	226
8.20	TB mortality rate per 100,000 population	per 100,000 population	18	17	16	15	14	13
8.21	TB treatment success rate	%	93	>90	>90	>90	>90	>90
8.22	Inpatient Malaria death per 100,000 population reported in public health facilities	per 100,000 population	0.00	0.15	0.00	0.00	0.00	0.00
8.23	Malaria Incidence per 1,000 population at risk	per 1,000 population	4	1.25	1.05	0.85	0.65	0.40
8.24	Dengue hemorrhagic fever case fatality rate	%	0.09	0.25	0.2	0.2	<0.2	<0.2
	<b>Non communicable diseases</b>							
8.25	Percentage of adults aged 18-69 with hypertension received treatment	%		32	35	40	45	50
8.26	Percentage of adults aged 18-69 with diabetes received treatment	%		19	20	22	24	26
8.27	Percentage of women aged 30-49 years	%	1.18	4	6	8	10	12

	Particulars	Unit	2018	2019	2020	2021	2022	2023
	screened for cervical cancer at least one							
8.28	Cataract surgical rate per 1,000,000 population a year	per 1,000,000 population	2,286	2,500	3,000	3,100	3,200	3,300
8.29	Prevalence of tobacco use: - Aged >15 years-old - Aged 13-15 years-old	%	21.8 2.4	20.8 2.3	19.8 2.2	18.8 2.1	17.8 2.0	16.8 1.9
8.30	Prevalence of alcohol use among age ≥ 18 years	%	45.5	45.4	45.3	45.2	45.1	45.0
8.31	Percentage of adult population with depression received treatment	%	1.71	15	20	22	24	25
8.32	Number and percentage of people with drug used received treatment	%	8,096 100%	70	80	80	80	>80
	<b>Health System Strengthening</b>							
8.33	Percentage of health facilities with predetermined 15 items of essential medicines and life-saving commodities in stock	%		80	85	86	87	88
8.34	Percentage of voluntary blood donation	%	23	37	38	39	40	41
8.35	OPD consultations (new cases only) per person per year	per person	0.72	0.80	0.85	0.86	0.87	0.89
8.36	Hospital mortality rate	%	0.72	<1	<1	<1	<1	<1
8.37	Percentage of the population covered by social health protection systems i.e. Health Equity Funds and Social Health Insurance schemes	%	35.7	45	50	55	60	65
8.38	Current expenditure on health as % of GDP	%	1.43	2	2	2.1	2.2	2.3
8.39	Data quality index	%	94	>97	>97	>97	98	>98
8.40	Percentage of HCs with functioning Health Centre Management Committee	%	76	85	>85	>85	>85	90
<b>9.00</b>	<b>Education</b>		<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
9.01	Percentage of five year old children in all aspects of ECE	%	58.0	59.3	60.6	61.9	63.2	64.5
	<b>Net Enrolment Rate in Primary Education</b>							
9.02	Total	%	97.8	97.9	98.1	98.2	98.4	98.5
9.03	Male	%	97.6	97.8	98.0	98.1	98.3	98.5
9.04	Female	%	98.1	98.3	98.5	98.6	98.8	99.0
9.05	Urban	%	102.8	102.1	101.6	95.2	97.9	100
9.06	Rural	%	96.7	97.0	97.3	97.5	97.6	98.0
	<b>Gross Enrolment Rate in Primary Education</b>							
9.07	Total	%	113.7	112.3	111.2	110.4	109.8	108.0
9.08	Male	%	114.6	113.2	112.2	111.4	110.8	109.0
9.09	Female	%	112.9	111.4	110.3	109.5	108.9	107.0
	<b>Completion Rate in Primary Education</b>							
9.10	Total	%	82.7	83.4	84.1	84.8	85.5	86.2
9.11	Male	%	79.1	80.3	81.5	82.6	83.8	85.0
9.12	Female	%	86.4	87.3	88.2	89.2	90.1	91.0
	<b>Gross Enrolment Rate in Lower Secondary Education</b>							
9.13	Total	%	59.2	60.7	62.2	63.7	65.2	66.7
9.14	Male	%	55.2	57.2	59.1	61.1	63.0	65.0
9.15	Female	%	63.4	65.1	66.8	68.6	70.3	72.0
9.16	Urban	%	67.0	68.4	69.8	71.2	72.6	74.0
9.17	Rural	%	57.4	59.0	60.6	62.2	63.8	65.4
	<b>Completion Rate in Lower Secondary Education</b>							

	Particulars	Unit	2018	2019	2020	2021	2022	2023
9.18	Total	%	46.5	47.7	48.9	50.2	51.4	52.6
9.19	Male	%	42.3	43.8	45.4	46.9	48.5	50.0
9.20	Female	%	51.1	52.5	53.4	54.3	55.3	56.3
	<b>Gross Enrolment Rate in Upper Secondary Education</b>							
9.21	Total	%	28.5	30.4	32.3	34.2	36.1	38.0
9.22	Male	%	26.3	28.3	30.2	32.2	34.1	36.1
9.23	Female	%	30.9	32.7	34.5	36.4	38.2	40.0
9.24	Number of Technical High Schools	Nos	9	11	13	15	16	19
9.25	Number of student in technical high schools	Nos	1,471	1,777	2,083	2,388	2,694	3,000
9.26	Literacy Rate (18-22)	%	11.6	12.4	13.3	14.2	15.1	16.0
9.27	Literacy Rate (15-45)	%	82.5	83.6	84.7	85.8	86.9	88.0
<b>10.00</b>	<b>De-Mining Programme</b>							
10.01	Number of casualties caused by landmines and ERW (killed and injured)	Nos	58	52	47	42	38	30
10.02	Number of casualties caused by mine and ERW tampering (killed and injured)	Nos	41	37	33	30	27	20
10.03	Landmine and ERW contaminated land cleared/released (based on information from the Baseline Survey)	Ha	13,167	21,400	21,400	21,400	21,400	21,400

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# **CHAPTER I**

# **INTRODUCTION**

# CHAPTER I

## INTRODUCTION

### 1. Background

**1.1** Over the last two and half decades, the Royal Government of Cambodia (RGC) has successfully achieved the country development from the destruction by the Khmer Rouge and a decade-long conflict. Today the economy, in real terms is some three times the size it was in 1990, the base of the economy has shifted from agriculture to industry and services, and poverty (at 13.5% in 2014) is around a quarter of what it was in 1994. Cambodia achieved the vast majority of the targets specified by Millennium Development Goal (MDGs), several of these ahead of time, and the rate of improvement in its Human Development Index (HDI) has placed Cambodia within the top 10 performing countries globally.

**1.2** Underpinning these successes has been the RGC's commitment to peace building and national reconciliation through the implementation of successive phases of the Rectangular Strategies, prioritizing public investment in infrastructure, and health and education, while also maintaining prudent macroeconomic management. Investment levels - both public and private - have been promoted with high inflows of Official Development Assistance (ODA) giving way to still higher levels of domestic investment and Foreign Direct Investment (FDI).

**1.3** In 2015 Cambodia graduated from Low Income Country to Lower Middle Income Country (MIC) status. The RGC has been putting great efforts to move Cambodia out of the group of Least Developed Countries (LDC) in the near future. With an ambitious agenda for the development process development, the RGC has issued its medium and long-term strategic development frameworks i.e. Cambodia Vision 2050, Political Platforms and Rectangular Strategy IV of the RGC in the Sixth Legislature of the National Assembly, the Cambodian SDGs (the CSDGs) 2016-2030 transforming Cambodia to be the Upper Middle Income Country in 2030 and High-Income Country in 2050 as well as to contribute to the implementation of the global development agenda such as Agenda 2030 for sustainable development and global Sustainable Development Goals in 2015.

### 2. Recap on development planning in Cambodia

**1.4** The RGC first outlined a long-term planning framework in 1994, through the National Program to Rehabilitate and Develop Cambodia (NPRD), which initiated the rebuilding and rehabilitation of the nation's social, physical, and institutional infrastructure. Based on this, Cambodia adopted two consecutive five-year Socio-Economic Development Plans (SEDP I for 1996-2000 and SEDP II for 2001-2005). These Plans established the macroeconomic fundamentals, promoted socioeconomic development, (crucially, poverty alleviation), and especially later in the period, enabled the development of the private sector as an engine of economic growth and transforming the economy. Meanwhile, 3-year rolling Public Investment Programs (PIP) were developed to enable domestic and external resources (primarily ODA) to be channelled into priority areas, and the PIP continues to be updated annually. The SEDP process was also affected by two significant developments in 2002/2003, which further focused on the importance of poverty reduction: first, endorsement of the Millennium Development Goals (MDGs) and subsequent adoption of national goals, the Cambodian Millennium

Development Goals (CMDGs); and second, drafting of a National Poverty Reduction Strategy (NPRS).

**1.5** In 2006, the SEDP was renamed National Strategic Development Plan (NSDP) 2006-2010, reflecting a shift to an indicative planning approach, more in line with the then very rapidly growing market economy. This was formulated as an overarching national policy document for pursuing prioritized goals, by framing policies to facilitate and incentivise private sector-led growth, via a favourable environment. The RGC's planning approach throughout has been to adhere to the principle of national solidarity to rally the nation to ensure independence, integrity, sovereignty, peace and democracy, and deliver tangible developmental progress.

**1.6** Following the 2008 General Election, the fourth legislature adopted a revised socioeconomic platform and synchronized the planning process with the political mandate, and a new plan, the NSDP Update 2009-2013 was duly adopted. A key dimension was the then emerging global financial crisis and the economic recession in advanced economies. This resulted in a dramatic decline in demand for Cambodia's exports, alongside increased macroeconomic and financial risks. These (external) developments presented unexpected new challenges for Cambodia and required the RGC to take sequenced mitigating measures to protect livelihoods and secure the financial system. The methodology and phasing of the NSDP adopted then has been maintained to this day.

**1.7** In the most recent iteration, the NSDP 2014-2018, the strategic direction evolved further, emphasizing private sector growth rooted in a liberal market economy, also recognizing the shift in sources of investment – from ODA to FDI, and the growth in domestic public revenues. The midterm review of the NSDP listed 7 themes to be taken forward: (1) promoting poverty reduction and inclusive growth; (2) expanding agriculture; (3) securing greater competitiveness; (4) managing migration and urbanization; (5) combating climate change and deforestation; (6) securing better governance; and (7) improving the human resource base. A key concurrent development has been Cambodia's endorsement of the global Sustainable Development Goals in September 2015, and subsequently development of the national CMDGs. As set out in the CSDG Framework, these are made up of made up of: 18 goals (being the global 17 plus an additional goal in respect of mine action and the removal of explosive remnants of war); 88 targets, selected from the global set which are relevant to Cambodia, and 148 indicators made up of a proportion taken directly from the global framework, proxies to substitute for missing indicators, and nationally derived measures.

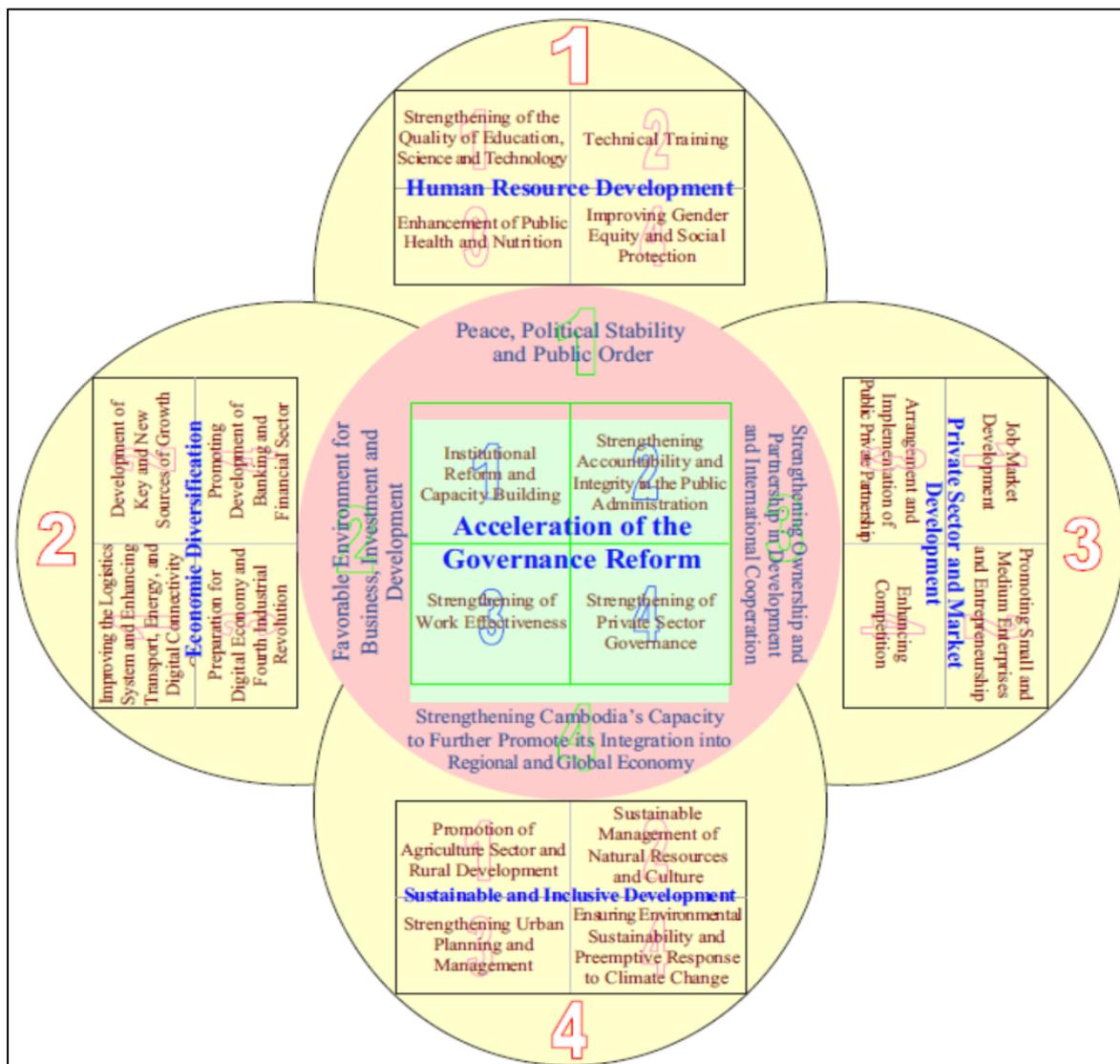
### **3. Rectangular Strategy**

**1.8** Since 2004 and coinciding with every parliamentary election, successive Royal Governments have set out their socioeconomic platform within the framework given by *Rectangular Strategy (RS)*, centred on the themes of Growth, Employment, Equity and Efficiency. Following synchronization of the NSDP in 2008, the RS has become pivotal for framing the direction of the national plan and with each subsequent phase of the RS has become more sophisticated. The forthcoming NSDP (2019-2023) carries forward the agenda laid out in the RS IV, published in September 2018.

**1.9** While the core framework of the RS constant (4 policy rectangles, clustered around a core commitment to good governance), the RS is a dynamic document which responds to contemporary and future challenges identified by the RGC as relevant to the coming planning cycle. The RS IV consists of four policy rectangles: (1) human resource development; (2)

economic diversification; (3) private sector development and employment; and (4) inclusive and sustainable development as in Figure 1.1 below.

**Figure 1.1: Rectangular Strategy Phase IV**



**1.10** The RS adopts a renewed focus on improving productivity and competitiveness to deliver a medium-term transformation to Upper Middle Income Country (UMIC) status. Core to this strategy is the strengthening of public institutions, building a clean and high integrity public service, the democratic process and the rule of law. Three themes underpin the approach are *accountability* - a stakeholder system of responsiveness, adherence to mandate and to cross government cooperation, is coupled with emphasis on *efficiency* - building human resources, facilitating structural change and harnessing technology notably industrial revolution 4.0; improved opportunities for all, particularly the vulnerable groups, improved public services, as well as protecting natural resources and combating climate change.

**1.11** The RS IV sets out 4 operational objectives:

1. Ensuring sustainable economic growth of around 7% per annum which is resilient to crises through diversifying into new growth sources to widen the growth base and enhance competitiveness while maintaining the macro-economic stability through

containing the inflation, ensuring a stable exchange rate for Riel, increasing international reserves on regular basis and managing public debt vigilantly.

2. Creating more jobs, in terms of both quality and quantity aspects, for the citizens of Cambodia, especially for the youth through skill training, provision of job market information, improvement in working condition and promotion of business and investment inside and outside the country.
3. Achieving the poverty reduction target of below 10%, preventing the return of poverty by focusing on enhancing market participation, implementing social protection policy, lowering burden of daily life along with the provision of quality public services, and reducing social gaps.
4. Further strengthening the capacity and governance of public institutions, at both national and sub-national levels, to ensure effectiveness and efficiency of public services delivery aimed at serving the people better as well as improving the business and investment environment.

**1.12** While it is clear that the RS IV is closely aligned to the Cambodian SDGs, still greater complementarity will be delivered within the NSDP by drawing on the adopted CSDG Framework. This includes proposals to “hardwire” the goals and targets within the M&E framework of the NSDP, and its financing and governance arrangements.

#### **4. National Strategic Development Plan (NSDP) 2019-2023**

**1.13** In developing the NSDP, and drawing on a supporting Strengthens, Weaknesses Opportunities and Threats (SWOT) analysis to support the RS IV, the Ministry of Planning drafting are cognizant of challenging external regional global environments. Specifically, this is framed by 4 mega-trends which will affect Cambodia during the planning cycle:

- Emergence of a multipolar world rooted in a changing balance of power, and associated frictions, such as trade disputes and nationalistic tensions;
- A global economy increasingly driven by Asia, and China’s economic performance in particular;
- Advent of transformative productive technologies under the banner of the Fourth Industrial Revolution, which is set to rewrite patterns of production and national competitive advantage.
- And the clear onset of climate change, with unambiguous impacts – unpredictable weather events drought, heat and floods.

**1.14** Building on these deeper trends, the RGC has identified a series of opportunities and challenges, for Cambodia, classifying the issues which are highly relevant in the formulation of the NSDP 2019-2023:

1. Capitalizing on and maintaining growth momentum in the Cambodian economy (flourishing domestic business activity and investment, and high and rising FDI flows, on the back of bullish demand and trade) by addressing productivity and competitiveness bottlenecks. This has many dimensions, including: building human resources and skills; diversifying the economy; boosting value added in industry and service sectors; enabling adoption and adaptation of new (Industry 4.0) technologies, and a specific focus on productivity in rural areas (encompassing farm and non-farm production).
2. Making full use of Cambodia’s locational advantages within southeast Asia, and its proximity to the centre of gravity of global trade by exploiting trade liberalization opportunities (including the ASEAN integration and the LDC trade preferences) to

absorb investment and expand export markets. But equally, to guard against regional and global economy uncertainties, including trade shocks, and lay the groundwork for tackling the eventual loss of the LDC Special and Differential Measures by preparing early for gradation.

3. Improve the functionality the financial sector, including easing the supply/ reducing the cost of credit, so relieving a key constraint for enterprises of all sizes. This includes development of the domestic insurance and securities markets, improving the quality of the financial intermediation, boosting domestic savings and curtailing household debt. Noting that with the loss of concessional loans, domestic savings and a more efficient capital market are essential to maintaining investment and growth levels. This also has connections with the progressive longer term de-dollarization of the economy, and the issuance of Riel-denominated commercial and state financing instruments.
4. Reap the full benefits of the demographic dividend and low dependency ratio, to build social security and healthcare systems. This is a route to reducing personal and economy-wide vulnerabilities and risk-aversion, and in turn boosting productivity and economic growth.
5. Maintain peace, political stability and the social order, heading off external and internal challenges – first by reforming public security and judicial services, to deliver the trust of the general the public. Additionally, ensuring political and administrative accountabilities via renewed de-concentration and devolution, and wider public/ civil service reforms.
6. Address environment weaknesses which have been inherent to the past economic model and protect the natural resource endowment by nudging/ incentivizing greener production and consumption. In parallel, also meet Cambodia’s commitments to climate change action, including de-carbonization of the economy and alongside measures.

## **5. Structure of the NSDP 2019-2023**

**1.15** The NSDP 2019-2023 was developed and organised in 7 Chapters. Following the Introduction (in this Chapter) the report presents in Chapter 2, a summary of major achievements and challenges that were faced in the implementation of the NSDP 2014-2018. Chapter 3 then reviews macroeconomic framework for the NSDP 2019-2023. Chapter 4 presents the key policies and actions to be taken up by the respective line ministries and agencies (in conjunction with sub-national administrations) to implement the NSDP policies. Chapter 5 estimates the costs and indicates the resources and programming that will be required to deliver the plan. An M&E results framework of the M&E for the period 2019-2023 is presented in Chapter 6. Finally, Chapter 7 presents broad conclusions and recommendations.

**CHAPTER II**  
**MAJOR ACHIEVEMENTS**  
**AND CHALLENGES IN THE**  
**IMPLEMENTATION**  
**OF**  
**NSDP 2014-2018**

## CHAPTER II

### MAJOR ACHIEVEMENTS AND CHALLENGES IN THE IMPLEMENTATION OF THE NSDP 2014-2018

#### I. INTRODUCTION

2.1 This chapter reviews the progress of the implementation of **NSDP 2014-2018**, focusing on each of the angles of Rectangular Strategy Phase III, i.e. Good Governance, Agriculture, Infrastructure, Private Sector Development and Human Resource Development. The assessment focuses on determining the key achievements and challenges that may have arisen until 2018. Some quantitative indicators have been developed for a number of sectors, and where there are no measurable indicators, but qualitative indicators will be used to measure progress.

#### 2. GOOD GOVERNANCE: THE CORE OF THE RECTANGULAR STRATEGY

##### 2.1 FIGHTING CORRUPTION

2.2 The RGC has given high priority to anti-corruption work and has expanded and enhanced the effectiveness of three core measures, including (1) strengthening education “to stop corrupt practices, (2) preventing corruption, and (3) suppressing of crimes by referring all cases to court.

##### **Strengthening education to stop corrupt practices**

- Implemented and mainstreamed Education to stop corruption practices to all targets by (1) including general education curricula from elementary to high school (Grades 4-12) (2) directing dissemination at national and sub-national levels, private institutions, academic institutions, and press organizations, along with the distribution of education materials produced by the Anti Corruption Unit and (3) organizing the celebration of the International Day Against Corruption and creating a poetry competition, writing short stories, singing songs, chapei songs, painting, comedy, etc. which is related to anti-corruption.
- Encouraged and educated the public sector, the private sector, and the civil society not to commit corruption.

##### **Preventing corruption**

- (1) Developed a Joint Prakas on Public Service Delivery by clearly identifying the cost of the delivery, the period of delivery and the specific delivery mechanism. (2) Developed a Memorandum of Understanding on Anti-Corruption Cooperation with the Private Sector and jointly launched "Anti-Corruption Program for Business in Cambodia" and (3) Made written warnings on civil servants, failing to enforce the laws and regulations in force, in the first phase.
- Participated in observation of the RGC's official recruitments, vocational school examinations, high school diploma examinations and observation on auction of seized forest products, and public procurement to strengthen transparency of collection of revenue and efficiency of expenditure by the ministries and institutions.
- Declaration of assets and liabilities every 2 years of new positions, resignation, termination, retirement, great success with the good cooperation of anti-corruption focal points at all ministries, institutions and provinces and the dissemination of the Law on Anti-Corruption. Declaration of Assets and Liabilities is maintained in accordance with technical standards and high security and confidentiality.

##### **Suppression of crimes by referring all cases to court**

- Introduced and implemented an easy complaints mechanism and resolved the complaints in a timely manner.

- Developed and implemented complaints monitoring and analysis mechanisms through complaint analysis meetings to analyse, comment, and decided on the resolution of complaints every morning of the working day by allowing the complainant to attend and provide additional information.
- Took some effective measures such as asking stakeholders to comment on allegations in case of a minor tip, transfer of authority if the lawsuit is not relevant and warnings to those who in the first instance failed to enforce the existing laws and regulations.
- Investigated to collect strong evidence and build a case to send perpetrators of corruption to the courts.
- Cambodia to strengthen, expand and enhance regional and international anti-corruption efforts, enforced its active duty and participated in the process of reviewing the implementation of the United Nations Convention against Corruption (UNCAC) in the first round of 2013-2015, with the participation of the legislature judicial institutions, relevant ministries, NGOs, civil society, academic institutions, media institutions and the private sector. These efforts were highly appreciated by the UN and become a model and practice for many countries.

### **Challenges**

- Change of mindset and joint efforts to combat corruption: It takes time, patience, and unwavering support from stakeholders to change the existing mindset, and habits toward corruption.
- Comprehension of implementation, learning, building strength and ability: Limited resources and staff capacity which is really needed to learn, build strength, and build capacity step by step.
- The difficulty of finding evidence: Perpetrators of corruption have evolved by being increasingly caution and attempting to cover up their crimes.
- Lack of important procedures and mechanisms related to the protection of witnesses and reporting individuals, confiscation of pre-and post-conviction offenses.

2.3 From 2014 up to now, the MONASRI has achieved the following:

#### **1. Regulation**

- Prepared a draft of the Law on Inspection.
- Participated in the drafting of the Law on the Protection of Witnesses, Experts and Victims and the Law on the Protection of Reporting Individual.
- Prepared the requirements of the draft Law on Inspection, the drafting of the Sub-Decree on the Inspection Procedure and the Sub-Decree on the Code of Professional Conduct of an Inspection Officer for implementation in 2017.

#### **2. Law Dissemination**

- Disseminated the Law on Land, Law on Forestry, Law on Fisheries, Law on Domestic Violence and Protection of Victims, Law on the Management of Private Profession in the Field of Medicine and Medical Assistance, Law on Medicine Management, Law on Road Traffic, Law on Drug Control, Law on Prevention of the Spread of HIV/AIDS, Law on Environmental Protection and Natural Resource Management, Law on the Management of Weapons, Explosives and Ammunition, and Law on the Protection of Heritage and Culture from 2014 to 2018.

#### **3. Inspection**

- Inspected the administrative and financial management and state property management in 2013, 2014, 2015 and 2017 at national and sub-national levels. Reported to the RGC some abnormal phenomena and made suggestions for improvements along with issuing a notice to promote improvements in the administrative offices at the provincial, municipal, and district levels and departments for the supervision of the line ministries and agencies.

## Challenges

2.4 Along with the above achievements, the Ministry has encountered some challenges as follows:

1. **National Assembly-Senate Relation:** The drafting of the Law on Inspection, Sub-decree on Inspection Procedures, Law Enforcement Compliance Procedures, Compliance Procedures, Complaints Investigation Procedures, Procedures to disseminate laws, methods, research and the human resource development policy have not yet been drafted or developed.
2. **Inspection:** There is no Law on Inspection, the sub-decree on inspection procedures and complaints investigation. There is a lack of legal enforcement and regulation, resulting in the Ministry not having a strong foundation for effective implementation, efficacy or measures to take action.

## 2.2 LEGAL AND JUDICIAL REFORMS

2.5 In the Fifth Legislature of the National Assembly, the Ministry of Justice has worked hard to provide legal and justice services to the people and has fulfilled their respective tasks and roles in the past five years. From 2014 to 2018, the justice sector has made the following achievements:

### 1. Regulation

- In order to strengthen the rule of law, the Ministry of Justice has collaborated with the development partners to develop and draft some important basic laws that Cambodia needs. In addition to the existing laws since 2014, the Ministry of Justice has created three more fundamental laws such as the (1) Law on the Organization of the Judiciary, (2) Law on Statute, Judges and Prosecutors, and (3) Law on Organization and Function of the Supreme Council of the Magistracy and the 8 legal documents which have been approved and put in force. There are also two international instruments which have already been prepared including the (1) Law on the Approval of the Extradition Treaty between the Kingdom of Cambodia and the Socialist Republic of Vietnam and (2) a Cross-Border Compromise Agreement between the Kingdom of Cambodia and the Socialist Republic of Vietnam. Additionally, the Ministry of Justice has been reviewing six draft laws: (1) Draft Notary Law, (2) Draft Law on Bailiff, (3) Draft Law on Statute of Greffiers, (4) Draft Law on Experts in the Field of Justice, (5) Draft Law on Legal Aid in the Criminal Sector, (6) Drafting of Draft Law, (7) Draft Civil Registration Law, and (8) Draft Law on Suppression of Human Trafficking. In addition to the draft laws, the Ministry of Justice is also drafting Law on Criminal and Civilian Assistance and a number of legal documents. The Ministry of Justice also plays an important role in reviewing and commenting on a number of laws drafted by the government ministries and institutions, especially comments related to the penalties.

### 2. Human resource development

- The MOJ has organized the dissemination of law books, especially the four basic principles (Civil Code, Civil Procedure, Penal Code and Code of Criminal Procedure) to all legislatives, executive, courts, and all universities, state institutions and justice police in the capital, provinces, municipalities, districts and Khans throughout the country. These documents act as the basis for their implementation work and research.
- Academy Committee in charge of approving the legal terms under the MOJ was established in 2014.

### 3. Court administration and justice development

- The MOJ tested systematic case management systems in some provincial courts and in 2016 added additional mandatory management information systems and the administrative affairs website in 2017. The case management system was extended

by computer network to the provincial courts by 2018 The MOJ also established an electronic system for registration and technical guidance to some provincial courts.

- With the aim of increasing access to justice to people in the community and the remote areas to make it easier for them, the MOJ is preparing to build Tbong Khmum Appeal Court and Battambang Provincial Court of Appeal and is checking the possibility of building an appeal court in Sihanoukville.

#### 4. Out of court justice services

- The MOJ has cooperated with the Bar Association of the Kingdom of Cambodia to organize the defense of the poor.

### Challenges

2.6 During the implementation, the MOJ encountered the following challenges:

- Limited awareness and participation of civil servants and the public in the implementation of legal reform programs.
- Limited means of work performance at the courts.
- A limited number of judges, prosecutors, greffiers and contracting officials does not yet meet the requirements.

## 2.3 PUBLIC ADMINISTRATION REFORM

2.7 In the Fifth Legislature of the National Assembly, the RGC has changed management structure at the national and sub-national levels in order to improve the quality and productivity of their respective performance. In fact, at this stage, the RGC established the Ministry of Civil Services, which has the duty of developing the public service sector and public administration reform. At the same time, the National Program for Public Administration Reform 2015-2018 is structured for three main purposes: (1) developing public services that offer quality, simplicity, efficiency, reliability, rapidity, timely response to needs, easy access and allowing for the participation from all service users; (2) empowering and developing civil servants with more efficiency, effectiveness and reliability to provide public services, and adhering to the culture of public service, willfulness, loyalty and professional conscience; and (3) ensuring the salary system is equitable, increases productivity and efficiency, and ensures uniformity between the framework of the civil servants and the armed forces. At the same time, the Ministry has achieved remarkable achievements as follows:

### Improving the quality of public service

- Regularly updated 26 public service newsletters and launched public service delivery application via smartphones.
- Implemented four more special operation agencies in the Ministry of Health in Kampot, Prey Veng, Kratie and Kampong Thom.
- Cooperated with the Secretariat of the National Committee for Sub-National Democratic Development in the development of legal documents for expanding the implementation of the One Window Service at capital, provincial, municipal, district and Khan councils.
- Established an inter-ministerial working group and collaborated with the Institute of Telecommunication Technology of the Ministry of Posts and Telecommunications and Cambodia Transparency Organization to set up and launch smart phone application for providing the public service information and public service e-gateway Phase 1.
- Prepared a draft Law on Public Services to establish a legal framework for promoting quality improvement and efficiency of public service delivery.
- Established and implemented a Sub-Decree on the Evaluation and Recognition of Public Service Delivery in the field of education and health, to promote competitive movement and to improve public service delivery of the education and health institutions.
- Provided trainings to civil servants at public service units about policies, strategies, approaches, and methods of providing and improving the quality and efficiency of

public service delivery.

- Cooperated with the ASEAN Secretariat to implement the Project on Development of Guideline on Public Service Standards for the 10 ASEAN countries.
- Encouraged ministries and institutions to use IT in providing services such as tax, customs, electricity, water, road tax, plate numbers for vehicles and motorbikes, driving licenses, trade registration, trade licenses, and so forth.
- Encouraged ministries and agencies to revise the structure to establish a single window office or mechanism in providing for public service such as SEZs, the district administration, and provincial administration, etc.

#### **Managing and developing human resources and institution**

- Developed and implemented general principles of organization of the state civil services and particular statute for SNA staff, as well as regulations and guidance to strengthen the management of civil servants and contracted officials, management, structures and the number of positions in the structure of the ministries and agencies, checking the presence of civil servants, management and assessment of the civil servants' productivity, and the delegation of authority in the appointment, transfer and termination of duties to SNA, which are the basis for the management and development of human resources from the time of recruitment to retirement.
- Integrated civil servants into new civil servant classification system (categories, ranks and classes).
- Developed and implemented a common principle of state public functions and statute for SNA staff, as well as regulations and guidance to strengthen the management of civil servants and contracted officials, management, structures and the number of positions in the structure of the ministries and agencies, checking the presence of civil servants, management and assessment of the civil servants' productivity, and the delegation of authority in the appointment, transfer and termination of duties to SNA
- Integrated civil servants into the new public function system.
- Revised and implemented the acceleration of civil servants' retirement procedure.
- Improved employment planning for civil servants and contractual staffs to ensure deployment to right place. Officials have been strictly managed to avoid overly affecting the government's budgets.
- Monitored the use of civil servants and contractual staffs within ministries and institutions.
- Decentralized the management information system of Civil servants and contractual staffs which will be implemented in other Ministries and Institutions after successful project implementation.
- Trained and developed capacity through the Royal School of Administration (ERA), focusing on initial training program, continuing education program, and other trainings to strengthen and build the capacity of students and civil servants in civil service sector.
- In order to manage the civil servants and contractual staffs, Ministry has developed annual employment plans based on the number of retirements, death, professional Physical Unfitness, work abandonment and the prioritized needs in relation to specific positions, Units, and workplaces to serve the purpose of filling vacancies. As a result, growth rates of civil servants have been implemented through statistic plan around 0.85% per year. Recruitment has been prioritized for female candidates with 20% to 50% of annual employment requirement, and 2% of disability staffs of total officials' number within Ministries and Institutions

**Table 2.1: Number of civil servants and other in the payroll list**  
by IT system as December 2017 (persons)

Description	Male		Female		TOTAL	
	Count	Percentage	Count	Percentage	Count	Percentage
National	29,791	14%	11,501	6%	41,292	20%
Sub-national	95,933	46%	71,500	34%	167,433	80%
<b>Total</b>	<b>125,724</b>	<b>60%</b>	<b>83,001</b>	<b>40%</b>	<b>208,725</b>	<b>100%</b>

Source: MCS

## Salary and allowance Reform

- Provided family allowance of up to 21 years automatically, and increased family allowance and provided exempted basis for salary tax.
- Monitored the performance of the monitoring committee on the use of the two-time class and the determination of area fees of the Ministry of Education, Youth and Sport.
- Provided area fees for health and education and set up a social security system for female civil servants (maternity allowance) and raised the pension to former officials and veterans.

**Table 2.2: Minimum salary for civil servants and armed forces (Riels)**

Indicator \ Year	2013	2014	2015	2016	2017	2018
Administration, diplomacy and technique	344,000	424,000	552,800	700,500	853,500	1,014,450
Education	402,000	550,000	652,800	800,500	953,500	1,114,450
Health	360,000	550,000	652,800	800,500	953,500	1,114,450
National police	379,930	460,930	628,270	784,730	937,977	1,098,927
Soldier	315,990	396,990	582,430	733,730	880,977	1,035,027

Source: MCS

## Challenges

2.8 During the implementation of the public administration reform and policies, the RGC faced some challenges as follows:

- Dissemination of the National Program on Public Administration Reform is limited at the sub-national level, and there is still a lack of encouragement and legal framework for promoting and supporting the implementation of this reform. Moreover, the involvement and collaboration between organizations and institutions, and development partners remains an issue.
- The institutional and human resources capacity of the ministry and agency has not yet fully met the needs of the RGC's policy implementation, while the description of positions is still inadequate.
- Capacity building of civil servants has not been systematic and not yet responded to the development of public administration.
- The analysis of the functions of ministries and agencies and work in ministries, agencies and inter-ministries for each type of service is not clearly defined and highly effective. However, budget utilization procedures are not yet timely enough to meet the need for implementing the planned action.
- Functional and Operational analysis of the ministries and institutes for each type of public service is not yet clearly identified and improved effectively. The procedure utilizing of budget is not respond on time according to workplace.
- The modernization of public administration and the promotion of public service quality through the use of information technology system is still limited. At the same time, HRMIS is not yet partly decentralized.

## Decentralization and De-concentration

2.9 From 2014-2018, Decentralization and Deconcentration (D&D) Program has focused on these priorities: (1) reform management, (2) good governance, (3) human resource development and management, (4) service delivery and local development and (5) financial decentralization.

**2.10** Under the leadership and coordination of the National Council for Sub-national Democratic Development (NCDD) with cooperation of the public administration reform, public financial management reform and other sectoral reforms, the D&D program has been implemented with the following achievements:

**1. Reform Management:** Key achievements include (1) approximately 300 legal documents prepared and implemented to ensure the promotion of public service delivery and basic economic development; (2) establishment of the D&D Process; (3) the structure and SNA management system are continuously reviewed and revised to ensure compliance responding to the different characteristics of each SNA and (4) The Association of Sub-National Administrative Councils, including the National Association of Capital and Provincial Councils, and the National League of Association of the Administration, Municipality, District and Commune Councils were created to support capacity development for Sub-National Councils.

**2. Governance:** The process of exercising decision-making power and decision-making in the management of state or private institutions or civil society organizations. Key achievements include (1) the organization and implementation of the Strategic Plan and Program on Social Accountability in close partnership with civil society to provide key information pertaining to implementation, budget utilization, service delivery and implementation of projects of commune/sangkat administrations and local authorities; (2) principles for promoting gender, equity, social equity and strategies increase women in management positions were mainstreamed into work processes and the management system of SNA; (3) mechanisms for settling complaints from citizens regarding public service delivery and SNA management were developed and put into operation; and (4) accountability between the council and the people, between the council and its administrative officers, and between the councils and the ministries and agencies has been gradually strengthened.

**3. Human resource development and management:** Key achievements include (1) key legal documents related to the establishment of the human resource management system and human resource development at the SNAs to delegate to the SNAs, the management of staff working at the sub-national level have been developed and implemented; (2) the strategic plan for increasing the number of women in SNA management positions has been developed and implemented; (3) capacity development for SNAs on regulations, the framework of systematic implementation and work procedures is regularly provided and (4) the national school of local administration was established and started functioning.

**4. Service delivery and local development:** Key achievements include (1) 14 ministries and agencies have organized functional and resource transfer functions to SNAs, in which 4 ministries transferred 16 functions to sub-national administrations, the Ministry of Environment transferred 6 functions, the Ministry of Social Affairs, Veterans, and Youth Rehabilitation transferred 3 functions, the Ministry of Rural Development transferred 3 functions; and the Ministry of Education, Youths and Sports transferred 4 functions; and (2) the Ministry of Interior proposed to the RGC the Sub-Decree on the Establishment of a One Window Service Mechanism for delivering administrative services at the SNAs. This resulted in 14 relevant ministries delegating over 600 administrative functions from the national level to capital, provincial administrations and district, municipality and Khan administrations to provide administrative services to the people through the One Window Service Office (OWSO). The OWSOs at district, municipality and Khan levels were established and put into operation.

**5. Financial decentralization:** Key achievements include (1) establishing an unconditional fund transfer system (district, municipality fund and commune/Sangkat fund); (2) establishing a flexible funding mechanism attached to a function transferred to the SNAs; (3) establishing a sub-national investment fund transferring mechanism, which is an additional financing to the SNAs in a competitive manner for implementing public investment projects; and (4) establishing SNA's own direct source of income through the sharing of tax and non-tax revenues between capital, provincial, district, municipal, Khans and communes/Sangkats

by assigning the capital, provincial administration to distribute the tax revenues at the rate of 3% to the district, municipal administration and 1% to the commune/Sangkat administration.

### Challenges

2.11 Along with the above achievements, several challenges have arisen as follows:

- Function transfer processes to the SNAs are slower than expected. SNAs have not yet been able to fully implement these functions due to the delay in transferring financial and human resources to implement those functions.
- The development and implementation of the SNA staff management system is much slower than expected, which has led SNAs to not having complete control over the management, assignment, and use of their staff with responsibility and accountability to SNAs.
- The process of recent SNA capacity developments focuses only on legislative frameworks, with no focus on specific skills development that is needed for innovative leadership initiatives. The management and assignment of public service delivery and economic development to meet specific needs of the people at the local level requires improvement.
- The sub-national management structure has yet to responded to a unified administration management policy that guarantees the leadership, management and coordination of the implementation of public actions within the mandate of each local administration.
- For the provincial department's service delivery procedures, there is a need for a deeper study and understanding between the capital and provincial administrations and capital, and provincial departments to simplify the process for the people.

## 2.4 REFORM OF ARMED FORCES

2.12 Responding to threats, the Royal Cambodian Armed Forces have exercised their rights to defend themselves in effective prevention and reparation measures, maintaining the sovereignty of all lands and maintaining the highest tolerance, in strict compliance with international law such as the achievements of diplomatic and legal efforts. Achievements made by the Royal Cambodian Armed Forces include:

- Implemented the vision of transforming former combat zones into development zones from battlefields into economic markets from hazardous areas to tourist destinations, and from fearful places to peaceful areas.
- Carrying out border defense, sea security, exercise, and training; the UN peacekeeping operations; counterterrorism; humanitarian assistance and disaster response; international cooperation; and defense resources management.
- Established the National Institute of Management of Peacekeeping and ERWs and established the Cambodian Veterans Association to provide welfare services in the military community, focusing on the RGC's land concession policy.
- Obtained the rights to do business in order to find a source of income, enhance the prestige of the army and increase the standard of living of the military community.

2.13 Currently, the Ministry of National Defense, has built a new historical achievement, **the Win-Win Monument**. The construction commenced on 25 February 2016 and the monument officially opened on 29-31 December, 2018. The achievement of this historical achievement is to show the values of peace and reconciliation under the leadership of **Samdech Akka Moha Sena Padei Techo HUN SEN**, the Prime Minister of the Kingdom of Cambodia.

### Challenges

2.14 Along with the above achievements, the Royal Cambodian Armed Forces faced the following challenges:

- Lack of a suitable vocational training center to strengthen the military's capabilities in science, technology and skills development.

- The management and the utilization of the army's physical assets have not yet maximized the benefits of improved the standard of living and organizational development.
- The establishment of strategic partnerships for long-term business cooperation and investment has not obtained responses.

### **3. OVERARCHING ENVIRONMENT FOR IMPLEMENTING THE STRATEGY**

#### **3.1 PEACE, POLITICAL STABILITY, SECURITY AND PUBLIC ORDER**

**2.15** The security, public order and social security situation of the Kingdom of Cambodia is excellent, creating a favorable environment for further socio-economic development, strengthening democracy, respect for human rights and the rule of law. Peace, national territorial integrity and sovereignty are priceless and must be protected. There is a truce at the borders, despite some small and repetitive forays, but the RGC has welcomed peaceful consultations, resulting in a positive, non-confrontational outcome.

##### **Peace, Political Stability, and Social Order**

**2.16** The security situation, public order, and social security are guaranteed to create a good security environment, which is a prerequisite for investment, tourism business and national development in all areas. All kinds of terrorism and transnational crimes have been prevented and avoided by the use of force to protect Cambodian territory against neighboring countries. The border area maintains in peace, friendship, good cooperation and development. International national events have been successful, with thorough and high security. Strike demonstrations were put in order and prevented from escalating into violent situations.

**2.17** The Ministry of Interior has implemented activities to ensure security, public order and safety for the people, especially through the implementation of "Village-Commune Safe" policies and strengthening the training of officers under the theme of "Police and Community" aims to change the attitude of police officers, administration posts so that they can serve as security service providers with an effectiveness, friendliness and closeness to people who are confident and voluntarily participate with the police in maintaining security and public order and security at the base.

**2.18** The Ministry of Interior has reformed the prison system, ensuring security, health and humanity, focusing on education, rehabilitation, vocational training and employment in accordance with international principles and UN rules and repairing and upgrading old prison facilities to meet new standards.

**2.19** Prison health work related to technique, medicines, medical equipment and treatment was worked in the collaboration with the Ministry of Health and relevant stakeholders. Prison health posts have been recognized and are under the supervision of the Ministry of Health.

##### **Challenges**

**2.20** Along with the above achievements, the MOI still has the following challenges:

- Centralized management of identity (such as a registrar and residential list) is still done by hand, not using an information system, making it difficult to manage and produce different data for each citizen.
- Transboundary crime, which has become increasingly sophisticated and has become a global challenge for the world and the region, has had a negative impact on Cambodia. At the same time, border areas may face some problems arising from uncertain border boundaries.
- Public order is also a new complex issue that needs to be addressed while the country is growing.
- The open sky policy to attract tourists, traders, and investors, may also result in criminals who fled from overseas to seek employment in Cambodia causing the

complexity that may affect security, public order, and social security, and illegal staying or overdue visa.

- Land boundary features of Cambodia including a valley of streams make it difficult for the police to prevent illegal crossing from the neighboring countries and foreigners' access and evacuation of Cambodians.
- The emerging international refugee crisis along with the country's growth prospects could result in more asylum seekers and increased refugee status that require responsible consideration.

### **Political Parties, Associations and Non-Governmental Organizations**

**2.21** By 2018, the number of Associations of Non-Governmental Organizations registering at the Ministry of Interior was 5,234, including 2,117 associations and 3,117 non-governmental organizations. In 2017, the Ministry of Interior registered 258 associations and non-governmental organizations, (including 128 associations and 130 non-governmental organizations), registering 8 indigenous communities and eliminating 6 associations and 14 non-governmental organizations from the list.

**2.22** As of the end of 2017, there are 36 political parties in which one party has been created but has not yet been registered. In 2017, the ministry decided to allow the creation of 3 political parties, registration of 4 political parties and elimination of 36 political parties from the list.

### **Combating drugs**

**2.23** The National Authority for Combating Drugs (NACD), consisting of 27 ministries and agencies as the members and a secretariat was responsible for the implementation of policies on drug control. Meanwhile, the contents of the UN Convention on Drugs are linked to the Law on Drug Control, which was approved and announced on 2 January, 2012.

#### ***Drugs demand reduction***

**2.24** The National Authority for Combating Drugs has enhanced cooperation with relevant ministries and agencies at national and sub-national levels and development partners. It has made efforts to reduce the demand for drugs focusing on education, prevention, drug rejection, accident reduction, treatment, physical rehabilitation, vocational training, life skills, integration and moving away from drugs.

#### ***Drugs supply reduction***

**2.25** The National Authority for Combating Drugs has coordinated and enhanced cooperation with relevant ministries and agencies, the Provincial Drug Control Committee and law enforcement units to take actions in time to crack down on drug offenses. These offenses include cases of attempt, cases of cultivation, production, transportation, trafficking and trading and cases of diversion of chemical ingredients for the production of illegal drugs.

#### ***Strengthening the effectiveness of treatment, rehabilitation and reintegration***

**2.26** The NACD has made a great effort in achieving the following remarkable results:

- Developed a guidebook on detoxification and treatment of drug addicts in referral hospitals and centers for drug education and rehabilitation of drug addicts in the capital and provinces.
- Launched the Social Welfare Center of the Ministry of Social Affairs, Veterans and Youth Rehabilitation and provided a livelihood system for the victims in temporary shelters for the education and treatment of drug addicts in the rehabilitation centers and promoted detoxification of drug addicts and physical rehabilitation programs following the medicinal standard at state and private transit centers.
- Developed a multi-sectoral action plan that identifies target groups and delineates clear responsibilities to relevant ministries, agencies and units and the capital and provincial drug control committees to ensure that all target groups received messages or dissemination of drugs.

- Developed guidelines for the application of needles or syringes in Cambodia to help prevent the spread of HIV/AIDS among drug users and developed operational standards to include HIV/AIDS responses into the Commune Development Plan, Sangkats and Commune / Sangkat Investment Programs.
- Implemented the campaigns against drug trafficking in accordance with the Decision on Strengthening Anti-Drug Action.

2.27 The NACD has continued to strengthen and expand the international cooperations as follows:

- Participated in and co-ordinated the implementation of mechanisms for drug control operations within the framework of Thailand, Laos and Vietnam.
- Established a permanent mechanism for information exchange at the local level through the border offices at the International Border Gate.
- Cooperated with other countries in the region through the mechanisms of ASEAN and other countries outside ASEAN and across the world.
- Received significant technical support from partner organizations and donors, especially technical support on institutional strengthening and human resources development.

## Cults and Religion

2.28 The Ministry of Cults and Religion (MOCR) plays an important role in implementing the Policy on **Promoting State Religion, Social Ethics Value and Religion Harmonization** following the RGC's reforms in the fifth mandate to enhance economic growth, create jobs, and ensure equity and efficiency in parallel with the growth trend in the region and the world.

2.29 During the 5-year period, the ministry has implemented its policy with the following remarkable achievements:

### 1. Buddhism education

The Ministry of Cults and Religion has been operating smoothly with the aim of providing equitable education services, improving the quality and efficiency of education services in the field of Buddhism by training both monks and Buddhist men about the discipline from Buddhist disciplines to higher education.

**Table 2.3: Key indicators in Buddhist disciplines**

Indicator	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	
	Actual	Actual	Actual	Actual	Actual	
Number of schools	523	585	520	543	491	
Number of monk students	8,229	9,989	10,869	11,093	9,850	
Number of teachers	Framework	16	38	38	47	41
	Contract	433	580	407	390	80
	Hire	14	139	217	345	53

Source: MOCR

**Table 2.4: Key indicators in primary Buddhism education**

Indicator	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	
	Actual	Actual	Actual	Actual	Actual	
Number of schools	743	722	765	723	796	
Number of monk students	16,227	16,734	19,516	21,076	22,930	
Number of teachers	Framework	209	161	169	169	165
	Contract	1,179	1,189	1,169	1,165	1,270
	Hire	253	209	355	537	553

Source: MOCR

**Table 2.5: Key indicators in lower secondary Buddhism education**

Indicator	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	
	Actual	Actual	Actual	Actual	Actual	
Number of schools	37	38	37	41	40	
Number of monk students	4,819	4,653	5,043	5,271	5,551	
Number of teachers	Framework	106	140	140	132	106
	Contract	36	119	113	134	36
	Hire	497	403	468	513	497

Source: MOCR

**Table 2.6: Key indicators in upper secondary Buddhism education**

Indicator	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	
	Actual	Actual	Actual	Actual	Actual	
Number of schools	15	14	14	14	14	
Number of monk students	1,526	1,596	1,644	1,821	1,526	
Number of teachers	Framework	34	49	41	33	34
	Contract	34	21	18	27	34
	Hire	238	218	224	240	238

Source: MOCR

**Table 2.7: Key indicators in tertiary Buddhism education**

Indicator	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	
	Actual	Actual	Actual	Actual	Actual	
<b>1. Number of Preah Sihanoukraj Buddhist University</b>	1	1	1	1	1	
Number of monk students	524	618	274	445	420	
Number of teachers	Framework	24	31	46	48	37
	Hire	206	93	144	157	76
Completed Bachelor's Degree	230	170	169	124	230	
<b>1. Number of Preah Sihanoukraj Buddhist University –Kampong Chhnang Branch</b>	1	1	1	1	1	
Number of monk students		361	510	419	403	
Number of teachers	Framework	1	1	2	1	1
	Hire	53	54	52	55	61
Completed Bachelor's Degree	116	96	92	72	235	
<b>3. Number of Preah Sihanoukraj Buddhist University-Battambang Branch</b>	1	1	1	1	1	
Number of monk students	356	228	201	338	262	
Number of teachers	Framework	6	3	5	5	6
	Hire	53	52	43	30	41
Completed Bachelor's Degree	126	90	88	36	89	
<b>4. Number of Preah Sihanoukraj Buddhist University</b>	1	1	1	1	1	
Number of monk students	1,176	806	758	897	830	

Number of teachers	Framework	6	31	8	0	0
	Hire	110	93	126	91	91
Completed Bachelor's Degree		50	100	100	120	210
<b>5. Number of Samdech Hun Sen Buddhist University</b>		1	1	1	1	1
Number of monk students		319	217	249	445	617
Number of teachers	Framework	7	10	12	19	5
	Hire	32	27	20	23	45
Completed Bachelor's Degree		45	90	100	111	300
<i>Post-graduation</i>		114	493	432	154	272

Source: MOCR

## 2. Management of Buddhism Dissemination and Buddhism Harmonization

The ministry has been organizing a live performance of Buddhism and promoting Buddhism linkages with society, Buddhism Concept Program, training course on duties, Code of Ethics, Khmer priests, and Cambodian Association of Khmer Priests.

2.30 In addition, the Ministry has collaborated with the Ministry of Culture and Fine Arts to produce a series of documentation on the role of the priest of a Cambodian Wedding, through a broadcast on state and private television and radio and compiling more than ten thousand books on the roles and responsibilities of Cambodian wedding rituals. In addition, the Ministry has organized research, documentation, preservation and dissemination of cultural and religious documents.

### Challenges

2.31 Along with the above achievements, the ministry faced some challenges as follows:

- Lack of regulations for monastery management and difficulties due to the knowledge of monks, priests, and monastery management committee on mainstreaming Buddhism ethics into the public because of the influx of foreign cultural influences.

## 3.2 FAVORABLE MACRO-ECONOMIC AND FINANCIAL CONDITIONS AND ENVIRONMENTAL SUSTAINABILITY

### Sustainable Growth

2.32 Cambodia's economy grew at an average of 7% between 2014 and 2017, supported by robust growth in garments, construction, real estate and transport, as well as non-garment industries such as agriculture, hotels, and restaurants and wholesale-retail sectors. As a result, Cambodia is in the process of achieving the medium term growth targets set out in the Rectangular Strategy Phase III. Although the agricultural sector is growing slowly due to the weather, the Cambodian economy maintains a good growth rate, offset by high growth in other sectors. While the external environment could have a significant impact on economic growth in Cambodia, especially in the export of foreign direct investment, tourism and related sectors, Cambodia's economic growth has continued to be strengthened by its good readiness through the introduction of necessary, timely and effective measures. At the same time, annual inflation is controlled at a rate lower than 3.0% or the target (3.5%) in the NSDP 2014-2018 although Cambodia has been affected by international oil prices and domestic food prices.

### Public Financial Management

2.33 The Ministry of Economy and Finance has made good progress in implementing the Public Financial Management Reform Program. The purpose of this reform program is to improve the efficiency and effectiveness of Cambodia's public financial management system in line with international standards. The key components of the reform program include

increasing confidence, consolidating budgeting, strengthening management and revenue collection, strengthening financial accountability through financial information management systems, expanding the implementation of program budgets and improving the implementation of budget strategic plans.

### **Achievements**

#### **1. Budget is more credible and becomes a catalyst to maintain macroeconomic stability and public financial sustainability**

- The RGC has achieved important indicators of the macroeconomic framework, including 7% economic growth, maintaining low inflation within 3%, an exchange rate around 4,000 riels/US dollar and lower budget deficits.
- Revenue has increased between 15%-20% per annum over the last 5 years, and the current national revenue increased from about 15.06% of GDP in 2013 to 19.64% in 2017, nearly double or approximately 4.58% of GDP. At the same time, the execution of revenue is closer to the goal of +/- 5% of the loan amount determined by the law.
- Expenditure has increased by 1.8 times from 2013-2017, with the focus is on key priority areas and the budget execution on expenditure being more effective, both at the allocation level and operational level. At the same time, the expenditure execution is closer to the goal of +/- 5% of the credit limit set by the law.
- The current account surplus reached 3.6% of GDP per year and reduced the total budget deficit from -7.01% in 2013 of GDP to -5.84% of GDP in 2018.
- Effective cash management with no debt arising in which the salaries and other deductions of civil servants and state employees were transferred directly into the bank account in the fourth week of the month. In addition, pensioners also received a steady increase in pensions and other benefits.
- Public debt is properly managed and consistently adhered to the four key areas (1) having the appropriate loan size that the budget and the economy can handle; (2) having a loan with a high concession or favorable conditions; (3) having a loan for the priority sectors only, focused on sustainability, growth and sector, increasing economic productivity; and (4) using credit in a transparent, accountable, efficient and highly effective manner. At the same time, the RGC maintained the ratio of debt to GDP ratio with only 20.6% (excluding heritage debt) and 22.8% (including hedge debt), as set out in the Debt Management Strategy 2015-2018 (below 40%).

**2.34** In addition, the increase in income levels has enabled the RGC to increase its expenditure on improving quality and expanding public service coverage through the recurrent budget of the national budget and public investment budget to provide much better and closer public services to the consumers. On this basis, in the last 5 years, the total amount of national budget has nearly doubled, with the total expenditure of the Ministry of Education, Youth and Sport increasing by more than three times, the total expenditure of the Ministry of Health has nearly increased by almost twice and a half; the total expenditure of the Ministry of Agriculture, Forestry and Fisheries has nearly tripled, and direct investment spending with financing in the country has increased by twice and a half. On the other hand, the proportion of budget revenues from external financing sources in the national budget has decreased from almost 70% in 1995 to only 21.4% in 2017 and will continue to decrease further to 20% in 2018. This is a testament to the fact that Cambodia has become more financially independent and more self-sufficient.

#### **2. Pre-conditions created and strengthened to ensure financial accountability**

- New accounting layout for government and public institutions was adjusted to comply with international standards and implemented.
- Eliminated completely the disbursement function at the National Treasury by transferring this function to the National Bank of Cambodia.
- FMIS Phase I was developed and implemented at the General Department of National Treasury and Provincial Treasury, General Department of Budget and General

Department of International Cooperation and Debt Management. At the same time, the General Department of National Treasury stopped using the entire Khmer IT system and began to use the full FMIS system.

- Six functions were implemented including (1) budget allocation, (2) account payable, (3) account receivable (4) cash management, (5) procurement, and (6) FMIS general ledger. In addition, the seven categories of budget content have been revised, streamlined, and implemented.
- The internal audit unit has been established in all relevant ministries and institutions to strengthen the internal control system and internal audit function has thus been strengthened.
- Budget transparency has been steadily increasing through the dissemination of key documents, including (1) summary of budget proposals approved by the Council of Ministers, 2) easy to understand budget brief after the Budget Law is approved, (3) outcome report of mid-year budget implementation review, (4) Law of Settlement of State's General Budget for annual management, (5) audit reports on Annual Public Financial Management, (6). Audit Report Specifying the Draft State General Payment Law, (7) Cambodian Public Debt Statistics Bulletin, and (8). Procurement Plan, Bidding Notice, Procurement Contract and Audit Report, subject to the procurement entity's decision/budget entity for 2016 on the date 2015. By providing budget information at every level of public funding, it also enhances accountability and transparency.
- Relevant laws and regulations, budget management, procurement, property management and state securities are promulgated and implemented.

**2.35** FMIS has so far completed pilots in the Ministry of Economy and Finance and is expanding the pilot implementation to other ministries and agencies. In the future, the system will be the core mechanism to strengthen budget efficiency and financial accountability at all levels, including financial control, financial management, and application levels.

### **3. Budget program framework developed, strengthened and expanded as a tool linking the budget with the RGC's policies**

- The full pilot program budget is implemented and expanded to all ministries, with 10 ministries implementing the program budget in 2015, 15 additional ministries in 2016 and 11 additional ministries for 2017 and three more ministries in 2018. A total of 39 ministries were involved and all have now developed their policies and strategic plans, in accordance with the Rectangular Strategy Phase III and National Strategic Development Plan 2014-2018. All capital and provincials administrations were required to implement the program budget from 2017-2020.
- The legal framework for the preparation and implementation of the program budget has been prepared and implemented.
- The budget entity mechanism promotes transparency, accountability, transfer of authority and responsibility, and high participation of professional entities in the budget cycle.
- Through implementation of full program budget at all ministries and institutions from 2018, it will support ministries and agencies to make more budget-related policies. In this endeavor, budgeting and budget negotiations have been further strengthened and improved through better reflection of the RGC's key priorities and enhanced efficiency of implementation.

### **4. Officials' capacity in public financial management was strengthened**

- Efficiency of budget implementation was increased: approaching the target of legal credit.
- Trainings have been organized continuously and collectively on budgeting, accounting, advanced payment, and procurement, among others.
- The quality of the budget strategic plans and the annual budget proposals were better developed.

**2.36** The results of the 2017 assessment, using data and information from 2014-2016, were compared to the results of the 2015 assessment using data from 2011-2013 and the 2011 Public Expenditure and Accountability Framework. This comparison showed that through the Public Financial Management System, Cambodia improved its revenue and expenditure management, and enhanced revenue collection administration, budget transparency, public procurement and payroll management.

### Challenges

**2.37** Along with the above achievements, the implementation of Public Financial Management reforms frequently encountered obstacles and challenges including: technical and financial issues. The RGC has strongly committed and has adopted a "learning and doing" or "stream crossing and rock touching" approach, which has so far gained remarkable results and experiences for future endeavors. However, in implementing the Public Financial Management Reform Program, there have been several challenges as follows:

#### 1. Institutional factors

- Joint coordination mechanisms between specialized units of the MEF with other ministries and agencies, especially in the implementation of unregulated budget.
- The willingness, understanding and participation of the ministries and agencies has increased gradually, but not enough to push for greater reforms, especially by senior management.
- There is no action plan for linking the three reforms.

#### 2. Human and technical factors

- Detailed planning of activities under the MEF and other ministries and agencies has not yet been achieved in response to the Joint Action Plan of the reform program.
- Trainings has been organized, but most of them involve the mainstreaming activities, not developing the medium and long-term capacity-building, needed to increase the skills of officials.

#### 3. Financial factors

- The state budget for supporting the reform program is limited, with the need of financial support from development partners.
- The preparation of incentives for the Public Financial Management Reform Working Group at line ministries and agencies is still in the process of developing rules and procedures to be implemented in 2018.

### Environmental Sustainability

**2.38** The management of the environment and natural resources, including climate change, is an important issue in terms of sustainability and stability of Cambodia's economic growth and development. Environmental issues are a cross-cutting issue and require coordination within the whole government at both the national and sub-national level, in collaboration with all stakeholders.

**2.39** The Ministry of Environment has a leading role in achieving environmental sustainability. The Ministry has made good progress in many areas such as (1) information and environmental awareness, (2) protected area management, (3) environmental protection, and (4) sustainable development /climate change.

**2.40** The Cambodian Millennium Development Goals (CMDGs)-Goal 7 aims to protect forests, water resources and the environment at the core of sustainable development. However, the RGC's sustainable efforts have not been achieved yet. For example, forest cover was 61.15% in 2002, but dropped to 49.8% in 2015, under the target of 60% of NSDP,

due to illegal logging activities. If not monitored, this trend can cause negative ecological effects on soil and water quality, as well as the loss of biodiversity and fish.

**2.41** The RGC is working with communities to restore environmental losses through promoting sustainable protection and management of community resources. For example, the RGC has created 499 community forests covering 514 million hectares. The number of fishing communities increased from 440 in 2005 to 516 in 2015, covering an area of 647,000 hectares. There are currently 561 protected areas (467 communities).

**2.42** Clean water and sanitation is another important milestone in CMDGs-Goal 7. Urban water supply was 88.01% in 2015, exceeding the target (> 80%), while rural water supply has reached 50% as in target. Sanitation in the urban area achieved 89% in 2015 exceeding the target (74%).

**2.43** Even though the use of charcoal for cooking has been reduced from 84% in 2005 to 74.8% in 2014, the RGC will not achieve its CMDGs target by 2015. Land registration increased from 15% in 2000 to 28% in 2011 and to 58% in 2015, exceeding the target (57%). The RGC will make further efforts to achieve the target (70%) in 2018.

### **Challenges**

**2.44** The key challenge is to continue strengthening the capacity for cross-sector coordination and cooperation on issues such as land, forests, and air quality in urban and rural areas. The RGC will continue to focus on reforestation to restore forest cover. The effects of climate change, urbanization and industrialization growth will put an additional burden on Cambodia's natural resources and ecosystems.

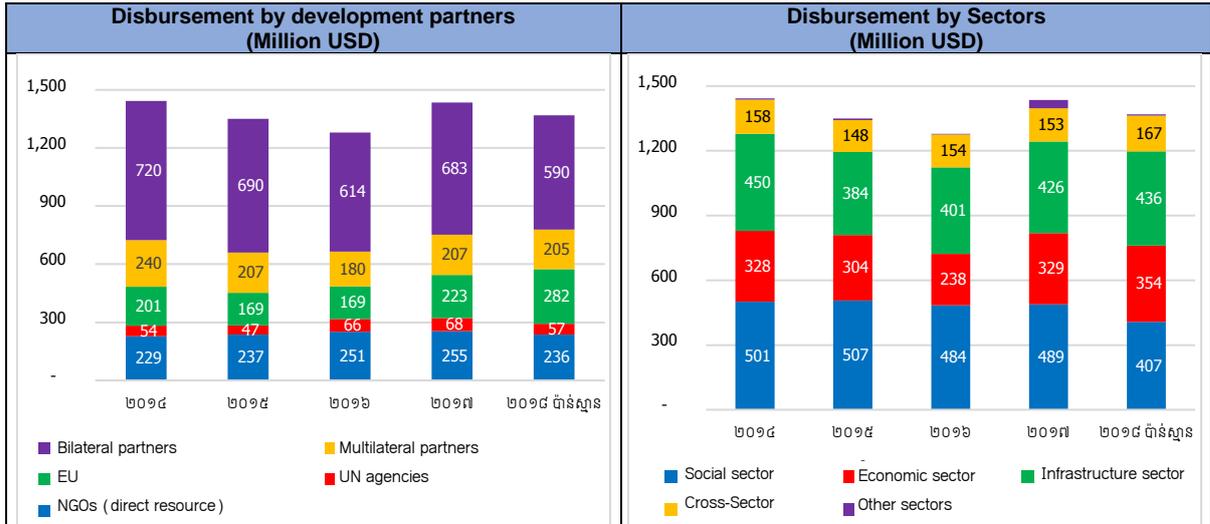
## **3.3 PARTNERSHIPS IN DEVELOPMENT**

**2.45** The RGC has made many achievements in strengthening partnerships with all development actors through the implementation and subsequent improvement of the policy framework, institutional mechanism and many necessary normative documents, especially the formulation and implementation of the Strategy on Development and Partnership Cooperation 2014-2018 to enhance the effectiveness of development. On this basis, the RGC has succeeded in mobilizing resources for national development, and it acknowledges that it continues to play an important role for Cambodia's socio-economic development in the context of Cambodia's status as of 2016 as a lower middle-income country.

### **1. Strengthening the effectiveness of development cooperation**

In the past 5 years, the RGC has made a good progress in strengthening the effectiveness of cooperation and partnership in development as follows:

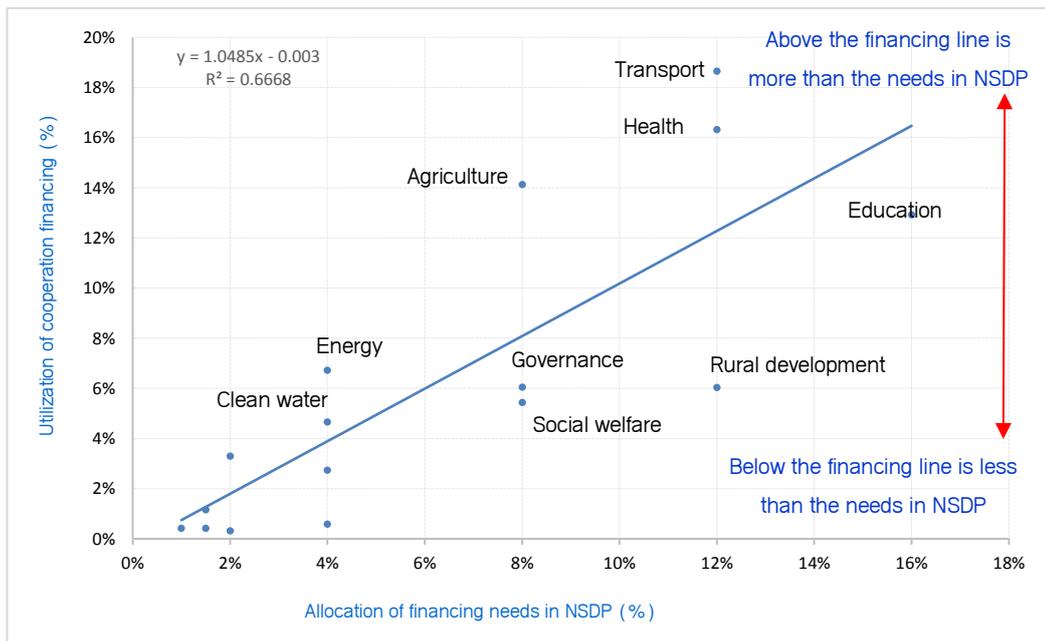
**Figure 2.1: Trend of financing by key sectors and development partners**



Source: Cooperation financing database 2018

2.46 The disbursement of cooperation financing has maintained the size of 1,400 million USD in 2014-2018. Although disbursements have declined slightly in 2015 and 2016, after Cambodia became a lower middle-income country, total financing has recovered in 2017 and is expected to maintain good growth in 2018 due to continued support from development partners on economic sector and infrastructure.

**Figure 2.2: Alignment of financing with priorities in NSDP 2014-2018**



Source: Cooperation financing database 2018

2.47 The disbursement of the cooperation financing over the last five years has been well aligned with national priorities, totaling 6,877 million USD, and accounting for 91% of the total NSDP 2014-2018 resource needs. The disbursement was also tailored to the context of Cambodia's socio-economic development, in which agriculture, energy and transport were financed more than needed because of the economic growth.

**Financing for supporting the implementation of the IDP 2015-2025**

2.48 In the period of 2015-2018, a total of 604 million USD in financing has supported the implementation of the Cambodian Industrial Development Policy. An average of 151 million

USD per year has supported key areas and key measures of the policy, and 421 million USD financed the development of the power and transport sectors. Key supporting development partners were the People's Republic of China, the Asian Development Bank, Japan, France and Australia.

**Table 2.8: Sectors of IDP**  
(Million USD)

Sectors of IDP	2015	2016	2017	2018 Estimate
Four key actual measures	57,6	168,5	103,0	92,1
Expansion of SMEs	3,9	1,6	3,7	2,7
Investment promotion	0,4	3,6	1,7	5,8
Enabling environment improvement	9,7	9,6	25,3	7,6
Support policy coordination	29,5	22,2	26,0	29,0
<b>TOTAL</b>	<b>101,1</b>	<b>205,6</b>	<b>159,7</b>	<b>137,2</b>

Source: Cooperation financing database 2018

### Coordination of partnership consultation mechanism

2.49 The RGC has continued to conduct bilateral and multilateral consultations with key development partners such as Japan, Korea, Australia, Europe and UN agencies to review and obtain direct the support of those partners in accordance with national development priorities. In addition, the RGC has implemented a joint technical working group mechanism to promote the effectiveness of partnerships at the sectoral level. By 2018, the Cambodia Rehabilitation and Development Board (CRDB) has prepared a review of the performance of the joint technical working group mechanism to enhance sectoral efficiency and prioritized work.

### 2. Implementation of targets in NSDP 2014-2018

2.50 Based on the principle of firm ownership and clear vision of leading development cooperation with all development stakeholders, the RGC has achieved great progress for the implementation of NSDP 2014-2018, especially on the use of the national system. .

**Table 2.9: Progress of the implementation of targets in NSDP**

Indicators	2014	2018 (estimate)
1. Progress of the disbursement of cooperation financing	1,242 million USD	1,369 million USD
2. Implementation of program-based approach	25%	32%
3. Use of the national system	32%	61%

Source: Cooperation financing database 2018

### Challenges

2.51 In the context that Cambodia has become a lower middle-income country, its size and forms of financing disbursement from development partners have changed. This has resulted as some development partners have adjusted their strategies of cooperation and diverted the support from granting aid to concessional loans. At the same time, development partners need to continue to strengthen national systems and national capacities, in particular, to increase the integration of cooperation financing with the national budget in formulating and implementing programs to support the Sustainable Development Goals, national and sectoral

strategic plans as well as supporting Cambodia to graduate from the Least Developed Countries status.

### 3.4 DEEPENING CAMBODIA'S INTEGRATION INTO THE REGION AND THE WORLD

2.52 Cambodia continues to implement an agreement with ASEAN to integrate into the ASEAN Economic Community as an equal partner. Cambodia has also recently joined the Development Bank for Infrastructure Investment.

2.53 Through this effort, the RGC has made the following achievements:

#### **Protection of national benefits, especially the protection of independence and sovereignty**

- Cambodia has explained how Cambodian legal measures were used to safeguard its sovereignty, through the meetings of senior leaders of Cambodia with international dignitaries, international organizations and the Cambodian communities abroad and through issuing official documents at the ministerial level.
- Cambodia has been negotiating with neighboring countries to peacefully find a solution to the remaining border problem based on the non-change of the border line after independence from the colonies and transformation of the border area with all its neighbors into areas of peace, friendship, cooperation and development. In this regard, the Ministry successfully borrowed from the UN, 18 pieces of UTM maps with 1/100,000, which was submitted by the RGC in 1964, in order to verify the legal validity of the 1/100,000 Bonne map of 26 pieces published by the Indochinese Geographical Group that the RGC has used for decades.
- Cambodia has been working closely with its representatives abroad as well as with relevant ministries and agencies, including host countries, rescuing and repatriating Cambodian citizens, especially Cambodian workers abroad.

#### **Implementation of foreign affair policy that is flexible, smart and responsive to the geo-politic pressure and tense competition of the powerful countries**

- Cooperated with the Ministry of Interior of Cambodia and the United States to accept evicted Cambodians from the United States.
- Worked actively with all ASEAN member states to achieve ASEAN's goals as a community based, legal, caretaker and people-centered community based on "**One Perspective, One Identity, One Community**" and to promote ASEAN's relationship with other countries and regional organizations by adhering to the principle of neutrality, non-discrimination, openness, transparency, inclusiveness, an outward looking approach and peaceful resolution of disputes.
- Cambodia consistently participated in maintaining ASEAN's core roles and centrality in the regional initiative on zoning and addressing the challenges that affect peace, security and stability in the region to ensure that the ASEAN people will remain in the region with unity, peace, stability, and cohesiveness.
- Cambodia always provided ideas and solutions to regional and global issues, especially tensions in the South China Sea. Cambodia supported and encouraged ASEAN and China's efforts to build trust and confidence based on the ASEAN-China Strategic Partnership to fully and effectively implement the Declaration on Implementation South China Sea and the process of implementing the Code of Conduct in the South China Sea.

#### **Implementation of economic and cultural diplomacy to strengthen the national economy**

In 2018, the Ministry has decided to open three new Cambodian embassies in Europe: Turkey, Serbia and Bulgaria in order to strengthen ties, increase political confidence and open new markets.

- Cambodia has been negotiating with the European Union to block the measures the EU planned to impose on Cambodia, especially the withholding of EBA.

- By 2018, Cambodia signed a visa exemption agreement for holders of diplomatic and official passports with a total of 34 countries.
- Cambodia expanded economic cooperation with countries in the region and the world by promoting access to larger markets and production bases, and capacity building and promotion of human resources development, and promoting connectivity. Cambodia has built physical connection, institutional connectivity and people-to-people bonds between Cambodia and those areas. It has gained benefits from the plans to reduce the development gap in ASEAN Connectivity, leading to better employment opportunities and increased prosperity.
- Cambodia joined the Asian Infrastructure Investment Bank in 2016.
- Cambodia carried out obligations and participated in initiatives as an active member of ASEAN, which will continue to deepen integration to achieve the ASEAN Community Outcome 2025.
- Cambodia signed a Memorandum of Understanding with the Board of Eurasian Economic Commission to promote relationship between Cambodia and EEC member countries in May 2016 in Suzhou, Russia. The country also signed a Memorandum of Understanding as the dialogue partner with the Shanghai Cooperation Organization in September 2015, and achieved the principles required to applying to be this organization's observer in 2017.
- Hosted the World Economic Forum on ASEAN in May 2017.

#### **Active participation in maintaining peace, stability and fighting the world's challenges**

- Cambodia has transformed itself from a country that accepts the UN peacekeeping forces from the UN to a country that sends peacekeeping forces to join the UN mission. From 2006 to 2018, Cambodia has sent forces to join the UN peacekeeping missions in 8 countries: Sudan, South Sudan, Chad, Africa, Central Lebanon, Cyprus, Syria and Mali.
- By 2018, there are international organizations, the UN agencies, and many foreign NGOs working in various fields of cooperation with Cambodia, including foreign NGOs that have signed a memorandum of understanding with the Ministry (395 agencies) and 26 UN agencies which are operating in Cambodia.
- In 2016-2018, Cambodia has been elected as: 1. Coordinator of Least Developed Country Group under the WTO Framework from February 2017 to February 2018, 2. Member of the Board of United Nations Development Programme/UN funds for the people of the United Nations And the UN Office. For the service project (2018-2020), 3. Member of the Intergovernmental Committee of the Second Protocol of the Hague Convention of 1954 for the Protection of Cultural Property in the Event of Armed Conflict 1999 for the term of 2017-2021 and has received support as Unanimous Chair of the Committee for two years, 2017 and 2018, 4. Vice-President of the UN General Assembly 73 th for 2018-2019, and 5. Member of the UN Economic and Social Council for 2019 mandate.
- UNESCO registered the site of Cambodia's Sambo Preyuk Temple in the World Heritage List on July 8, 2017, and Lakhon Khol as the humanity heritage on 28 November 2018.
- **Samdech Akka Moha Sena Padei Techo HUN SEN**, the Prime Minister of the Kingdom of Cambodia, signed a Memorandum of Understanding with Mr. Tigran Sargsy, Chairman of the Board of the European Economic Commission for Asia to promote the development of relations between Cambodia and EEC member countries.
- Strengthened and expanded bilateral relations with international friends, international organizations and the UN agencies for assistance in the development of the country in all sectors.

**2.54** The introduction of the Policy on Promoting Agricultural Production and Rice Export and Cambodia's Natural Rubber Development Strategy 2011-2020 clearly shows that Cambodia aims to compete in the global rice and rubber market.

**2.55** The IDP stated that Cambodia intends to diversify its economic base and increase productivity to compete in regional and global markets efficiently. Progress has been made in improving legal frameworks to strengthen the investment and trade environment.

**2.56** Cambodia is playing a key role as a global citizen through its involvement in peacekeeping and mine clearance activities. Cambodia's open sky policy plays an important role in attracting most tourists from the region. Cambodia's tourism promotion is growing globally. The performance of Cambodia's Olympic athletes in the Ryo and Cambodia's plans for hosting the 2023 SEA Games show that sports and athletics are other entry points for integration into regional and global affairs.

### **Challenges**

**2.57** Cambodia's integration with the Asean Economic Community, including global trade relations, will require cooperation and coordination between governments and other development actors in strengthening national capacities and systems to improve service delivery and strengthen competitiveness of economic trade and build capacity for monitoring trade trends in all sectors. Cambodia's competitiveness is low labor costs due to unskilled labor. In order to maintain this competitiveness, it is necessary to upgrade skills to the workforce to strengthen productivity.

**2.58** Political pollution both internally and externally, as well as the interference of the internal affairs of Cambodia under the image of "human rights" and "democracy" of the organization and some countries have created challenges for Cambodia. The problem of border demarcation with neighboring countries: Cambodia-Vietnam, Cambodia-Thailand and Cambodia-Laos and the problem of Cambodians working abroad suffering to abuse and overwork contrary to ILO's principles are also challenging.

## **4. PROMOTION OF AGRICULTURAL SECTOR**

**2.59** Agriculture contributed approximately 23.5% (current price) of the gross domestic product in 2018. Industry contributed about 34.4% and services about 42.1%. The increase or decline of the share of the agriculture depends on the growth of the other two sectors of the economy (industry, construction and services). The contribution of agriculture has changed from 30.7% to 23.5% from 2014 to 2018 since the industry, construction and services have grown.

**2.60** In 2018, the contribution of the agricultural sub-sectors in the GDP were 58.1% for crops, 11.1% for livestock and poultry, 24.1% for fisheries and 6.7% for forestry. It is noted that crop and fishery production are the leading sub-sectors in agricultural production.

**2.61** Within the framework of Cambodian economy, workforce is divided into three main categories: (1) workforce in agriculture sector, (2) workforce in industry sector and (3) workforce in service sector. From our observation, workforce in agriculture sector has been significantly decreasing. In 2010, there was 54.2% of the total workforce in agriculture sector and decreased to 48.7% in 2013 and 45.3% in 2014. In 2017, there was only 37% of the total workforce. Rural-urban and cross-border migration has been on the increase.

**2.62** The importance of agriculture is reflected through policy frameworks and development strategies, as well as the government's policy that focus on promoting and improving agricultural productivity, diversification and agriculture commercialization in a new turn to accelerate the economic growth and to alleviate poverty. In addition, the RGC promulgated IDP 2015-2025, of which one of the the main goals relevant to agriculture is to promote exports of agriculture processed products to 12% of the total exports in 2025. With this regards, in order to ensure agricultural development, Cambodia must seize an opportunity, especially to gain excellent competitiveness in the local, regional and global markets and at the same time reduce the imports.

2.63 The Ministry has also acknowledged that all Cambodia agricultural farming systems are susistant/family based for household consumption and they has been adversely affected by natural disaster resulting from climante change. This is due to the fact that these small-scale farming are relying on rain water and inefficient irrigation system, which leads to flucation of annual agricultural production.

2.64 By trying to modernize Cambodian agriculture sector which would be able to tackle challenges encountered by farmers and agriclultural communities, the RGC has taken some effective and efficient integrated measures to build and rehabilitate major infrastructure including improvement of agricultural production chains and the increase in market competitiveness, such as roads, water supply system, power supply distribution, technical assistant and agricultural inputs, land management reform and investment financing, mechanisms to increase the market access, agricultural community establishment and development, and the strengthening of institutional coordination machanisms.

#### 4.1 IMPROVED PRODUCTIVITY, DIVERSIFICATION AND COMMERCIALIZATION

2.65 The Ministry of Agriculture, Forestry and Fisheries (MAFF) has recently introduced the **Agricultural Extention Policy** to ensure that farmers an their communities are able to acquire a better agricultural knowledge/skill and technology. In addition, after the RGC introduced the **Policy Paper on the Promotion of Paddy Production and Rice Export**, milled rice export volume has gradually increased to approximately 67% for 5 years' period from 2014 to 2018. Pka Romduol has been recongized as the world highest quality rice.

2.66 Moving extensive farmingt into intensive farming has become one of the major policy agendas. The expansion and strengthening of the support services including research and dissermination of modern technology in all sub-sectors based on the potential geographical areas, the distribution of seed, fertilizers, agricultural materials, and the provision of rural credit, have been taken into serious consideration and set as priority by the government in order to elevate agricultural productivity in the respond to the market demand focusing on quantity, quality, safety and international standard.

##### Rice Production

2.67 Rice crop was cultivated on over 3.05 million hectare land in 2014 and increased to 3.34 million hectares in 2018 (2.74 million hectares of rainy season paddy and 0.59 million hectares of dry season paddy). Out of 3.25 million hectares of harvest, there was 2.65 million hectares of rainy season paddy and 0.596 million hectares of dry season paddy.

2.68 Average paddy yield, both dry season and rainy season paddy, increased from 3.079 tons/hectare in 2014 to 3.353 tons/hectare in 2018. The yield of rainy season paddy was approximately 3.094 tons/hectare, and the yield of dry season paddy was 4.512 tons/hectare. The rice production increased from 9.32 million tons in 2014 to 10.89 million tons in 2018 (rainy season price production about 8.212 million tons and dry season rice production about 2.678 million tons). In 2018, rice surplus was 5.836 million tons, equal to 3.735 million tons of milled rice.

**Table 2.10: Rice Production 2014-2018**

Rice Production	2014	2015	2016	2017	2018
Cultivated land (million hectare)	3.05	3.05	3.12	3.18	3.34
Harvested land (million hectare)	3.03	3.02	3.09	3.18	3.25
Production (million tons)	9.32	9.33	9.95	10.52	10.89
Average yield (tons/hectare)	3.07	3.08	3.21	3.29	3.35

Source: MAFF

### Subsidiary and Industrial Crop Production

2.69 The land size for subsidiary and industrial crops has increased from 953,597 hectare in 2014 to approximately 1.091 million hectare in 2018 (an average increase of approximately 3.03% during the last five years and 3.42% compared to 2017). The amount of subsidiary and short-term industrial crops production has increased from 14.7 million tons in 2014 to approximately 16.6 million tons in 2018 (an average increase of 10.52% during the last five years and 1.41% compared to the previous year).

### Agricultural Product Export (Commercialization)

2.70 Export of agriculture products has a positive trend and rapidly increased during the last five years increasing from 3,445,132 tons in 2014 to 4,233,532 tons in 2018. Export growth in 2018 has accelerated to about 22.8% over 2014-2018 period, but decelerated slightly from 2017. The main agricultural exports were 626,225 tons of milled rice, cassava products (cassava slice, fresh cassava, cassava powder), totaling more than 2.6 million tonnes, 101,973 tons of cashew, 204,184 tons of red corn, 102,457 tons of fresh mangoes, and 32,821 tons of bananas. Rice export increased annually over the last five years. Specifically, the rice export in 2018 was 626,225 tons, increased 61.7% compared to 2014 (387,061 tons), but slightly decreased by 1.5% compared to 2017 (635,267 tons). In 2018, there was 78.82% fragrant rice, 16.93% long grain white rice, and 4.25% long grain rice to 61 countries and 87 exporters.

### Agriculture Cooperatives

2.71 For the establishment and registration of the agricultural cooperatives from 2005 to 2018, there were a total of 1,166 farming communities with a total of 130,59 members (80,439 women, or 62%) with shareholder value of 37,297 million riels and total capital of 69,077 million riels. In addition to the agricultural cooperatives, the Ministry has also promoted and registered eight agricultural communities nationwide, with 97 members of the agricultural cooperatives and a total capital of over 413 million riels.

### Research and Development of Agriculture in Cambodia

2.72 During the last five years, the Cambodian Agricultural Research and Development Institute (CARDI) has conducted an average of 90 experiments in 536 sites and 9 surveys of 3,755 farmers, as well as other research activities.

### Rubber Development

2.73 The total area of rubber in Cambodia increased from 357.8 thousand ha in 2014 to 436.7 thousand ha in 2018 (an increase of 32.7%), in which the agro-industry rubber land (the land of the former rubber plantation area, the Cambodian Rubber Research Institute, and the Economic Land Concession area) accounted for 64.22% and the family rubber accounted for 35.78%. Family rubber area increased from 140.35 thousand hectares in 2014 to 161,103 thousand ha in 2018 (an increase of about 13% between 2014 and 2018). The agro-industry rubber land has also seen significant growth, rising from 217,463 thousand hectares in 2014 to 275,579 thousand ha in 2018 (up 21% from 2014 to 2018).

**Table 2.11: Rubber production 2014-2018**

Rubber production	Unit	2014	2015	2016	2017	2018
1. Cultivated area	000 ha	357.8	389	432.7	436.3	436.7
2. Harvested area	000 ha	90.5	111.2	127	170.2	234.7
3. Rubber yield	000 tons	97.1	126.9	145.2	193.3	220

Source: MAFF

2.74 Over the past five years, rubber export has doubled in its quantity from 100 thousand tons, equal 154,132,389 USD in 2014 to 217 thousand tons, equal 286,944,529 USD in 2018.

## 4.2 PROMOTION OF ANIMAL HEALTH AND PRODUCTION

2.75 Small scale and commercial animal production in Cambodia has noticeably improved both in terms of the number of animals and production practice. This progress is resulting from the research and technical knowledge on animal raising technique, animal breeding and breed selection, feed production, animal husbandry. From 2014-2018, family and farm animal production (pig and poultry) has positive trend. However, there has been a negative trend for cattle raising. The number of cow declines from 3.053 million heads in 2014 to 2.917 million heads in 2018; likewise, the number of buffalo has also decreased from 542 thousand heads in 2014 to 501 thousand heads in 2018. This drop of cattle production is resulting from the fall of cattle utilization as draught force as increasing number of farmers tend to use agricultural machinery rather than cattles for ploughing (more than 97% of rice cultivated area has been used agricultural machines). There is a lack of rural labor force (migration), the difficulty in relocated the water source and sufficient feed for cattle husbandry.

2.76 Poultry production particularly chicken and duck, increased from 31.58 million heads in 2014 to 37.33 million heads in 2018 for both family and farm levels. With the development in sub sector on animal production, the animal waste management has been taken into high consideration through the provision of education and extension on animal husbandry best practice, the construction of bio-digester in animal farm and family animal raising. The construction of bio-digester in national level has been actively implemented an in 2018, 26,587 household biodigesters have been constructed in 13 provinces.

**Table 2.12: Animal production 2014 -2018**

Animal Type ('000 heads)	2014	2015	2016	2017	2018
Cattle	3,060	2,917	2,920	2,972	3,002
Buffalo	542	506	524	509	505
Pig	2,736	2,776	2,971	3,074	3,135
Poultry	31,584	34,519	35,734	36,245	37,332

Source: MAFF

2.77 Over the past five years, the export of cattle, pigs, chickens, monkeys, crabs, meat products, livestock and dairy products to foreign countries has increased, with 43,757 cattle, 109,838 pigs, 56,000 breeds of chicks, 77,646 crabs, 7,063 tons of dog food, 18,604 tons of salted skins and 8,900 tons of milk. In 2018, 6,786 pigs were exported, 5,505 pigs, 10,472 crabs, 1,275 tons of salted skins and 7,558 tons of milk.

2.78 Formulation of legal standards and implementation of sanitary standards for animal products with the implementation of animal hygiene measures to prevent and combat public health disease through the prevention of human-to-human transmission and Modern slaughterhouse to protect public health and facilitate trade and respond to shifts International commitments.

### Challenges

2.79 Generally, Cambodia's agriculture still has a lot of potentials that have not been used yet. The past practices were believed to achieve satisfied results. However, we still face a number of challenges, including:

**Agricultural productivity and marketing:** Crop and livestock productivity remain low, making it difficult to compete, especially while production cost is high. On the other hand, food safety inspection, agricultural inputs' quality and agricultural services at the local level, especially at the district level, are still limited. Farmers' adaptation to climate change, technical outreach, and the delivery of agricultural marketing information to farmers are still not comprehensive.

**Infrastructure and logistics:** The agricultural irrigation system has not yet fully covered the large areas of cultivation. Especially auto irrigation drainage system has not yet expanded to farmers' land. The problem of transport costs and logistics are problems contributing to higher production costs.

**Agricultural technical and technology research:** Research and service delivery are limited, and the ability to gain knowledge on the techniques of farming, raising animals and aquaculture, as well as the use of agricultural inputs in accordance with technical standards as well as in the processing of the products are still limited, affecting high production costs and the competition in the market. The investments in education, agricultural research, and extension are still relatively narrow and demand more attentions.

**Crime crackdown:** Forestry crimes, fishery crimes, the illegal import and export of poultry still exist, especially in the provinces along the borders. Land clearance around forestry areas and flooded forests are always happening until these days.

## 4.3 LAND REFORM AND CLEARANCE OF MINES AND UXO

### Land administration

2.80 The achievements during the implementation of NSDP 2014-2018 are:

- Until the end of 2018, 73.25% of the total 7 million land titles, exceeding the 3.25% plan, including land registration of 24 indigenous communities, equal to 684 titles were issued;
- 8,353 complaints of land disputes were solved, and 3,967 cases were completed with 21,002 families on 6,320 hectares;
- Launched a QR Code on a new model of land titles, in which information is accessible on smartphones;
- Establishment of Geodetic Benchmarks as follows: 7 of the Zero Order points, 155 of the First Order points, 496 of the Second Order points, 1383 of the Third Order points and 835 Levelling Benchmarks;
- Produced an Otophoto map to support land registration, achieving 13,004 pieces.

### 2.81 Land planning and urbanization

- Prepared the national park map, forest cover map, urban area map and agricultural land map for national land use planning.
- Approved and officially launched the Land Use Master Plan of Phnom Penh, Land Management Plan in Preah Sihanouk Province, Land Management Plan in Battambang.
- Approved and officially launched Land use master plans for Takhmao town, Kandal; Siem Reap town, Siem Reap; Kampot town, Kampot; Kep town, Kep; Chrey Thom district, Kandal and Svay Antor district, Prey Veng.
- Approved 80 commune/Sangkat Land Use Plans throughout the country and the infrastructure master plan of Koh Rong development.

### 2.82 Land distribution

- From the implementation until 2018, all social land concession programs have provided land to a total of 78,545 families (140,765.47 hectares) and constructed 6,699 houses for the people and decided to give a total of over 1.2 million hectares of land (710,000 land plots) to approximately 400,000 families through the implementation of old policies, new activities in the land sector.

### Challenges

- Reserved land for social land concessions targets are illegally invaded and occupied
- The use of the land is not maximized, requiring further support and trainings in the techniques of cultivating, livestock and especially helping to find markets for the sale of collected products.

- Adoption of appropriate techniques for women to perform the job at home requires multiple motivation and promotion, and practical demonstration.
- The location of social land concession project is a new location requiring further development.

### 2.83 Construction development and management

- Nationwide construction from 2000 to November 2018, issued 43,559 construction permits with a total construction area of 115,248,551 square meters and a total estimated cost of 43,896,500,976 USD.

#### Challenges

- Construction on the the state public land
- Construction without permits and illegal construction
- Limited regulations and technical standards

**Tabel 2.13: Achievement on land reform**

No	Indicator	Unit	2014	2015	2016	2017	2018
1	Percentage of land titles issued to people	%	55	59	63.6	66.4	70
2	Indigenous land community titling	Communities	8	11	14	19	24
3	Resolution of Land Disputes by the Cadastral Commission (CC)	Cases	5,808	6,445	6,892	7,055	7,400
4	Land Use Plans for Communes and Sangkats	No	76	76	82	82	130
5	Master Plans for Districts and Khans Level	No	0	0	0	0	6
6	Master Plans and Land Use Plans for Municipalities	No	1	3	3	4	14
7	Spatial Plans for Provincial Level	No	0	0	0	1	3
8	Social Land Concessions for poor households	Families	5,096	5,443	5,443	5,562	5,562

## CLEARANCE OF MINES AND ERW

2.84 Mine actions, having five pillars, i.e. education about mine and ERW, mine and ERW clearance, victim assistance, supporting the fighting with the use of mines against humans, and destruction of the warehouse of mines against humans have made a remarkable progress.

**Table 2.14: Indicators of Mine Action Sector 2014-2018**

Key Indicators	Unit	2014	2015	2016	2017	2018
Number of casualties caused by landmines and ERW (killed and injured)	Person (target)	151*	136*	122*	110*	99*
	Person (achieved)	154	111	83	58	30*
Number of casualties caused by mine and ERW tampering (killed and injured)	Person (target)	99*	86*	73*	60*	48*
	Person (achieved)	77	73	37	36	28*
Landmine and ERW contaminated land cleared/released (based on information from the Baseline Survey)	Ha (target)	8,708*	9,143*	9,600*	10,080*	11,113*
	Ha (achieved)	18,417	18,530	13,228	14,672	3,852*

**Note:** ( \* ) The estimate and ERW

## Challenges

- Land size suspected to remain contaminated by Mine/ERW until the end of 2018: 1,729 square kilometers.
- Donors funding to mine actions in Cambodia has decreased since Cambodia becomes the lower middle-income country.

## 4.4 SUSTAINABLE MANAGEMENT OF NATURAL RESOURCES

### FORESTRY REFORM

2.85 The Ministry of Agriculture, Forestry and Fisheries (MAFF) has focused mainly on the implementation of forest sub-sector reform. Over the last five years, the MAFF implemented a number of activities such as forestry laws enforcement, community forestry establishment and expansion, strict management of forests and forestry crime crackdown, strengthened reserved forest management, forest conservation area for biodiversity and wildlife area establishment, and permanent reserved forest area demarcation, tree seedling at extension station, reforestation in the forest restoration area and other locations, which of this meet the RGC's strategic goals in reforming the forestry sector.

**Table 2.15: Achievements on key forestry-related outputs**

Decription	2013	2014	2015	2016	2017
Reforestration (ha)	17,932	5,893	53,992	251,084	26,799
Timber export (m3)	39,743	75,292	21,655	15,868	9,149
Timber import (m3)	500	1,300	1,574	1 429	5,519
Forest Crime Crackdown (Case)	1,523	2,400	2,189	1,490	1,428

Source: MAFF

2.86 At the request of the MAFF, the RGC authorized the planting of trees on the erosion of forests by collaborating with the private sector. Meanwhile, the MAFF has issued a declaration on private forest measures in 2017, which aims to identify private forest rules as guidelines for the establishment and the development of private forest.

### FISHERIES REFORM

2.87 Fish has been considered as an essential daily food source for Cambodian because it is an important protein source which account for 81% of total protein source of Cambodian food consumption. Fishery sub sector has also contributed to the creation of employment for about 6 million Cambodian to increase their income contributing to poverty alleviation and national economic development.

So far, the MAFF has achieved the following:

#### Fisheries community development

Fisheries Administration has coordinated to create totally 516 fishery communities (CFi) in provinces. These communities consist of totally 147,518 families, equal to 332,168 members and they comprise of 475 of fresh water fisheries communities and 41 of marine fisheries communities. Within the present territories of fisheries communities, there are 496 conservation areas being created in which 4,988 pillars and 242 banners were set up to determine their conservation areas for protection and management purposes.

#### Fisheries Conservation

Conservation has been seriously taken into account to sustainably maintain fishing yields. After the abolition of commercial fishing areas in 2012, the new 50 conservation areas have been established with the size of 97.58 hectares. There are totally 644 conservation areas including the areas of fisheries communities, the endangered fish species preservation

zones, marine protection areas. Since 2013, there have been 161 of 8 meter pillars, 72 of 12 meter pillars, 25 floating patrolling stations, 8 concrete stations, 4 main stations (ferries).

### Illegal Fishing Crackdown

Fisheries Administration has implemented in all aspects fully complying with fisheries law and relevant legal documents particularly the Government's regulation no 01 and has achieved magnificent results to sustainably retain fish resources and food security for communities. The above achievement has been made thanks to the strong collaboration between local authorities at all level, relevant authorities, and local communities. As results, there is a decline in the number of illegal fishing from 3,686 in 2014 to 2,650 in 2018.

### Aquaculture Development

The RGC's main policies in retaining food security and reduce the pressure on fisheries resources in natural water territory, aquaculture development have carried out in every aspects and places and the fish habitats in fisheries communities has also been established to enable the increase in aquaculture yield by 20% annually. The major aquaculture development consists of fish or prawn farming which has a double increase in yields to 250,206 tons in 2018 from 120,005 tons in 2014. Crocodile farming has doubly risen from 215 thousand heads in 2014 to 420 thousand heads in 2018 and The implementation of fish fingerling hatching activities has risen from 120 million heads in 2014 to 215 million head in 2018.

### Development of Processing Technology and Quality

Fisheries processing has a great potential for fisheries to contribute to food security, nutrition, livelihoods of the people, and national economic development.

2.88 In quality and safety monitor and control on fisheries products, Fisheries Administration has strongly taken attention through sending specialized officials to cooperate with relevant authorities to prevent the use of prohibited chemicals, especially imported fisheried products.

### Fisheries Research Study

The research on freshwater and marine fisheries has worked well with close cooperation with development partners which was directly implemented by Institute of Research and Development of Freshwater, and Marine Fishery. The research findings have been published in thousands brochures and posters.

2.89 Obviously, the fish capture (freshwater, marine, and aquaculture) has a remarkable increase in quantity from 745,000 tons in 2014 to 911,000 tons in 2018. Within these total fish capture, the freshwater capture has increased from 505,000 tons to 538,000 tons, the marine catch has risen from 120,000 tons to 123,000 tons and the aquaculture capture has also gone up from 120,000 tons to 250,000 tons in the period of 2014 to 2018.

**Table 2.16: Fisheries Capture Situation in 2014-2018**

No	Description	Unit	2014	2015	2016	2017	2018
1	Aquaculture capture	'000 t	120.05	143.14	172.50	207.44	250.20
2	Freshwater capture	'000 t	505.01	487.90	509.35	527.80	537.85
3	Marine capture	'000 t	120.25	120.50	120.60	121.03	122.85

Source: MAFF

## MINES AND PETROLEUM SECTORS

2.90 The Ministry of Mines and Energy (MME) has implemented the NSDP 2014-2028 and made the following achievements:

### Mineral Sector

- Developed National Policy on Mineral Resources 2018-2028.
- Developed Law on Amendment of Law on Mineral Resource Exploitation and Management.
- Developed Sub-decree on Mineral Exploration and Mining Industrial License Management Sub-Decree on Mineral Products Export Management.
- Eliminated the anarchy of the dredging business of the sea, river and streams, and hosted the ASEAN Minerals Ministers Meeting.
- Constructed a National Geological Laboratory.
- Supported the construction of 5 cement factories which are producing cement and have a total production capacity of nearly 7 million tons per year for domestic needs.
- Developed community projects where the mining business is located.

**Table 2.17: Indicators for Mineral Sector**

No	Indicator	Unit	2014	2015	2016	2017	2018
1	Revenue from Minerals	USD	2,813,781	9,994,586	13,097,395	14,562,745	18,213,433
2	Mineral Exploration License	No	131	103	61	54	56
3	Mining License	No	20	23	23	27	26
4	Construction Materials Resources License	No	320	316	401	319	314

### Petroleum Sector

- Prakas on the procedure of technical safety management of the installation fuel service station, LPG station, and joint fuel and LPG service station.
- Circular on the safety of the installation fuel service station, LPG station, and joint fuel and LPG service station.
- Developed National Policy on Petroleum 2020-2030 and Law on Petroleum Management and Petroleum Products.
- Prepared the management of the downstream and upstream petroleum operations.
- Signed petroleum MOU with KrisEnergy Corporation for the petroleum production well development Block A.

### Challenges

2.91 In the Fifth madate, the implementation of mines and energy sector encountered the following challenges:

- Lack of officials for the general operation and lack of budget for the operation, management, and development of mines, petroleum and energy.

## ENVIRONMENT PROTECTION AND BIODIVERSITY CONSERVATION

### 1. Development of green economy, science and technology

2.92 With the ministry's efforts and close collaboration with relevant ministries and agencies, the following achievements have been made:

#### 1.1 Green economy

- Prepared strategic plans, action plans, guidelines, national reports and mechanisms related to climate change, biodiversity management and biosafety, green development, and scientific and technological researches.
- Established the National Council for Sustainable Development and the General Secretariat to promote sustainable development in order to ensure the balance between economic, social and cultural development in the Kingdom of Cambodia.

## 1.2 Science and technology

- Coordinated the development and implementation of the Nuclear Energy Utilization program for the purposes of peace, renewable energy, clean energy, biomass, energy efficiency and greenhouse gas emission reduction.
- Collaborated with development partners in formulating proposals to mobilize budget for implementation of climate change programs, management of biodiversity resources and biosafety, sustainable city, sustainable energy, and scientific and technological researches.

## 2. Responses to climate change

- The RGC has increased its budget allocations for the implementation of the Cambodia climate change projects and programs.
- Developed Cambodia's policy and position for negotiating and implementing the United Nations Framework Convention on Climate Change and on Biodiversity and multilateral and bilateral agreements at national, regional and international levels.

## 3. Biodiversity and Biosafety

- Studied and evaluated the value of biodiversity and ecosystem services and plant species, which are rare, vulnerable and nearly extinct, and studied the feasibility of creating national parks and gardens.

## 4. Control and inspection of pollution sources

- Regularly inspected the pollution sources at factories across the country.
- Introduced the testing of the reporting system of the emissions and movements of toxic substances into the environment by major pollutants sources.
- Inspected environmental pollution crimes.

## 5. Environmental quality monitoring

- Followed up public water quality at 31 targets in the capital and provinces and took samples and put into operation the Chaktomuk Water Quality Monitoring Station
- Followed up air quality, air acid at 7 targets in Phnom Penh, Siem Reap, Battambang, Preah Sihanouk and Kampong Speu.
- Announced and implemented 5 sub-decrees: Sub-decree on waste management of urban areas, Sub-decree on creation of environmental and social funds, Sub-decree on management of electrification of electrical and electronic equipment, Sub-decree on management of plastic bags, Sub-decree on drainage management system and waste water treatment system.
- Organized and implemented the circular, directive, decision, memorandum of understanding, technical guidelines to support the implementation of existing sub-decrees and regulations.

## 6. Environmental impact assessment

- Monitored the implementation of environmental management plans and environment protection contracts.
- Developed and implemented a Strategic Plan on Environmental Impact Assessment.

## 7. Protected area management

Evaluated national forest cover resources in 2016 with results showing that Cambodia has a total of 8,742,401 ha, equal to 48.14%, with an average annual change rate of 0.67%. According to estimates over the next two years, the forest cover loss rate will be further mitigated.

**2.93** Through the forest cover area, the protected areas are continuously increased from 23 sites to 53, including the of Biodiversity Conservation Corridor (the northeast Biodiversity Conservation Corridor, the north Conservation Corridor, the Biodiversity Conservation Corridor of the Cardamom Mountains). At present, the total surface area of the protected area system is over 7.4 million ha, equal to 41% of the entire country land. In addition, the MOE has prepared a number of necessary documents, especially the National Strategic Plan for the Management of the Protected Areas 2017-2031, and the National REDD+ Strategy 2017-2026, which is important to mobilize funds from other sources for managing, preserving and conserving sustainable forest resources in Cambodia. In fact, three REDD+ projects are at the "Keo Seima" wildlife sanctuary, "Prey Lang" wildlife sanctuary and "Tatai" sildlife sanctuary and the Southern Cardamom Mountains National Park and has been cooperating the development of technical procedures for validity valuation between the General Department of Nature Conservation and Protection and some core partners.

**2.94** At the same time, to implement the Decentralization and Deconcentration Policy, the MOE has been delegating the functions of the administration for Nature Conservation and Protection to the capital and provincial Departments of the Environment on the implementation of the management of protected areas and the implementation of REDD + activities at the sub-national level, which is the MOE's in-depth reform on the protection and conservation of natural resources management and sustainable biodiversity in accordance with the the RGC's policy and the various conventions and agreements.

### **9. Community development, ecotourism development and heritage area management**

**2.95** The MOE has achieved the following key achievements on community development and management:

- Prepared, revised and published the guidelines for the preparation of the Protected Areas Community to be distributed to the Department of Environment, Protected Areas Community Committees, and development partners for official use for the preparation and strengthening of community capacities in the protected areas of the Kingdom of Cambodia.
- Prepared guidelines and community coordination mechanisms with institutions and stakeholders to compile the Protected Areas Community to have the management structures at national and sub-national level in order to enhance the effectiveness of protection and management of protected areas.
- Drafted guidelines on procedures for the preparation of eco-tourism communities in the protected areas communities and prepared guidance for owners of eco-tourism investment projects to comply with legal procedures.
- Educated, disseminated and raised awareness on eco-tourism and natural resources conservation.
- Studied to develop proposals and created maps for the creation of a natural heritage site "Phnom Tbeng", in Preah Vihear and "Phnom Yat" in Pailin.
- Studied and prepared data of 155 ancient sites and 350 poles to mark the protection boundary of three ancient protected areas in the "Phnom Kulen National Park" and the study of 86 ancient sites at the "Kulen Promtep" wildlife sanctuary in Preah Vihear and found fossils there.
- Participated in the protection and preservation of the " Yaknaing" temple at Virak Chey National Park, Rattanak Kiri and the Historic Village of "Choeung Ek" round village to be sustainable in collaboration with Department of Culture and Fine Arts.

Table 2.18: Key indicators related to environment

No	Indicator	Unit	2014		2015		2016		2017		2018	
			Target	Achieved								
<b>1. Green development, science and technology</b>												
<b>1.1 Green development</b>												
1	Number of SMEs and government officials trained on green innovation, environmental logos (ECO), and environmental logo and green economy certification	Persons	0	0	0	0	0	0	110	145	110	120
2	Research on Renewable Energy (Solar Energy) and/or Energy Efficiency for industry	No/time	0	0	0	0	0	0	1	1	2	2
3	Policy priorities for green development incorporated into the Rectangular Strategy Phase IV and the National Strategic Development Plan 2019-2023	No/sector	0	0	0	0	0	0	0	0	4	4
<b>1.2 Science and technology</b>												
1	National Agenda for Research on Science and Technology: policy, regulation, guidelines and agreements on science and technology	No	0	0	1	1	2	2	2	2	2	2
2	Services and technology ensuring the development and adoption of green technology and services, and with low emission of carbon (implementing technology transfer and research projects)	No. of projects	0	0	0	0	0	0	1	1	1	1
3	Number of trainings on strengthening knowledge and understanding of science, technology and research to ensure sustainable development.	No	0	0	0	0	2	2	2	2	4	3
<b>2. Responses to climate change</b>												
1	The expenditure on climate change compared with GDP	%	1.07	1.3	1.1	1.2	1.13	0.9	1.16		1.18	
2	Mainstreaming climate change into national and sub-national plans	No of LMs/LAs	13	9	14	13	17	14	19	14	21	14

No	Indicator	Unit	2014		2015		2016		2017		2018	
			Target	Achieved	Target	Achieved	Target	Achieved	Target	Achieved	Target	Achieved
3	Number of vulnerable communes vulnerable to climate change	No.	600	791	550	N/A	500	695	450	N/A	400	N/A
4	Carbon credit from clean development mechanism and other mechanisms (REDD+ and voluntary markets)	tCO <sub>2</sub> e /yr	2,280,377	2,226,061	2,334,650	2,226,061	2,388,814	7,350,934	2,443,040	N/A	2,497,275	N/A
<b>3. Biodiversity and biosafety</b>												
1	Number of ministries and agencies receiving a promotion of biodiversity issues	No	10	15	16	20	16	22	18	21	15	16
2	Number of policy research, guidelines, national reports and information systems related biodiversity, biosafety and the distribution of benefits from biodiversity resources.	No	3	6	5	6	7	10	15	29	2	3
3	Number of cooperations and partnership with relevant institutions	No	1	2	2	2	3	4	3	6	2	15
4	Number of capacity building courses and disseminations	No	3	5	8	12	9	13	8	7	4	8
<b>5. Protected areas management</b>												
1	Protected areas and biodiversity conservation areas	areas	23	23	41	41	45	45	49	49	53	53
2	Number of rangers	No	960	960	960	960	960	960	960	960	1,221	1,221
3	Zoning the boundaries and maps for protected areas	poles	1,050	1,050	1,050	1,050	1,650	1,650	1,704	1,704	2,159	2,159
4	RAMSA areas	areas	3	3	3	3	4	4	4	4	4	4

Source: MOE and NCSD

### Challenges

- Necessary policies and laws to ensure the sustainability of natural resources and the environment are not sufficient for the current and future needs.
- Institutional capacity and expertise in coordinating and aligning the implementation of policies, legal documents, strategic plans and action plans is not yet efficient and effective.
- Public private understanding and participation in sustainable development is not yet comprehensive.
- Cooperation and financing from development partners haven't yet met with the needs of the policies and strategic plans which have been implementing.
- Mainstreaming the basic principles of sustainable development, including climate change, green economy, biodiversity, science and technology into the sectoral action plans is not complete yet.
- The legal documents on environmental protection are not adequate.
- Lack of equipment, materials, and means for waste treatment with environmental safety.

- The capacity of sub-national administrations to manage waste at urban areas, municipalities and districts is limited.
- There is limited awareness and involvement of the public and stakeholders on environmental protection.
- Resolving land use conflicts in and around the protected areas is not fully settled.
- Lack of information and data on biodiversity and natural resources.
- There is yet to be a plan for management and allocation and identification of management zones in all protected areas for effective protection, management, and conservation of natural resources and biodiversity in protected areas.
- There is no resource center to serve as a local center for providing knowledge and information about the environment.
- Supporting and collaborating on environmental education, disseminating information and preparing environmental status reports are still limited.
- Resolving the impacts on land invested with people and stakeholders.
- Some companies still do not have good cooperation with the MOE.
- Some companies have not yet completed the full legal procedure.
- The implementation of some investment activities is slow.
- The infrastructure is not yet connected to some tourist sites.
- Lack of connections to investment projects, ecotourism and tourism communities
- Limited law enforcement

## DISASTER MANAGEMENT

2.96 The National Committee for Disaster Management (NCDM) has made the following achievements:

- Developed a Roadmap for dissemination and implementation of the Law on Disaster Management in Cambodia. The disaggregated disaster loss and damage data (2005-2017) in Cambodia had been analysed and generated;
- Established the Platforms for Real-time Information Systems (PRISM) streamlines data management, reporting, flow and analysis for the National Committee for Disaster Management (NCDM) and Provincial Committees for Disaster Management (PCDM) for real time information decision making
- Developed Law on Disaster Management and Established and implemented the rapid onset disaster Early Warning System “EWS 1294” in 11 provinces across Cambodia
- Updated and promulgated the National Action Plan for Disaster Risk Reduction 2014-2018
- Established Cambodia Disaster Loss and Damage Database (CamDi)
- Established the coordination task force for preparedness, emergency response and recovery
- Developed a Climate Change Action Plan for the Disaster Risk Management Sector 2014-2018

### Challenges

- Capacity gaps (disaster information and monitoring, risk assessments and disaster risk reduction strategies);
- The only few numbers of line ministries-institutions has established a disaster management unit/ mechanism and assigned a focal point for effective and productive coordination;
- Financing and investments (no specific budget allocation for the effective implementation of disaster risk reduction, disaster prevention and preparedness and recovery programme activities-public-private investments and risk insurance penetration);
- Governance challenges and localization (including community-based disaster risk reduction);

- Changing risk landscape (Rapid and poorly managed urbanization, etc.);
- Effective early warning (technological and data gaps) and its translation into early action (human capacity gaps);
- Inadequate subsidiary legislations, policies, and guidelines for disaster management in line with the regional and global development trends

## RURAL DEVELOPMENT

### Rural infrastructure development

2.97 The rural infrastructure development has achieved the following:

**Table 2.19: Indicators measuring progress 2014-2018**

No	Indicator	2018		2015		2016		2017		2018	
		Target	Actual								
1	Rehabilitation and construction of rural roads – out of total 40,000 km	28,600	28,030	29,450	28,284.5	30,300	28,578.7	31,150	28,961.6	32,000	29,172.4
2	Rural road covered with double bituminous surface treatment (DBST) or concrete	550	20.58	980	69.23	1,430	47.8	1,880	86.68	2,330	65.95
3	Periodic maintenance	2,900	818.65	2,900	820.66	2,900	1,281.43	2,900	1,674.95	2,900	1,715.34
4	Inventory of roads, rural road maps and instalment of traffic signs	40,692.8	33,962.1	40,692.8	48,296.3	40,692.8	42,848	40,692.8	45,112.8	40,692.8	45,314.7

### Clean water supply development

The implementation of clean water supply has achieved the following:

Indicator	Planned/ Achieved	2014	2015	2016	2017	2018
% of rural population access to improved drinking water	planned (%)	46	50	53	56	60
	achieved (%)	46.6	50.3	53.9	58	62

### Rural sanitation

Rural sanitation has achieved the following results:

No	Indicator	2018		2015		2016		2017		2018	
		Target	Actual								
1	% of rural population access to sustainable improved sanitation	42	46.2	46	53.7	50	56.7	55	58.8	60	60

### Community development

Community development has achieved the following results:

No	Indicator	2018		2015		2016		2017		2018	
		Target	Actual								
1	Experience exchange trainings on strengthening the capacity of VDCs (times)	2	2	2	2	2	2	2	2	2	0
2	Number of trainings for VDCs	0	226	0	222	215	180	260	101	168	28
3	Supporting to integrated village development (villages)	7	7	5	5	6	6	5	5	5	0
4	Mainstreaming awareness on the preparedness, prevention, and disaster reduction in communities (persons)	0	105	0	420	0	490	0	525	0	
5	Promoting household food security (families)	0	220	0	200	0	830	0	320	0	
6	Strengthening Takeo Rural Development Center (persons)	0	549	0	712	0	530	0	700	0	
7	Strengthening Kampong Speu Rural Development Center (persons)	0	518	0	568	0	727	0	727		
8	Strengthening Cambodia-Korea Rural Development Center (times)									8	0

### Rural economy development

The rural economy development has achieved the following results:

No	Indicator	2018		2015		2016		2017		2018	
		Target	Actual								
1	Population trained on biomass stove technique and creating small businesses (persons)	234	234	80	80	110	110	75	75	66	0
2	Community population receiving counselling on job market and small business initiatives (persons)	210	210	401	401	311	331	1,419	1,419	100	0
3	Population/community receiving rural credit services (persons)	5,923	5,923	5,438	5,438	5,729	5,729	5,933	5,933	12	0

## Ethnic minority development

The ethnic minority development has achieved the following results:

No	Indicator	2018		2015		2016		2017		2018	
		Target	Actual								
1	Assessing the identification of ethnic minority communities (450 communities)		100	20	10	20	10	25	10	20	11
2	Dissemination workshops and strengthening the officials' capacity at national and sub-national level	4	2	4	2	4	2	4	2	4	2
3	Celebration of the World Ethnic Minority International Day	1	1	1	1	1	1	1	1	1	1
4	Preparing the internal rule on the management and utilization of the ethnic minority communities (450 communities)	10	5	10	5	10	5	10	5	10	5

## Challenges

**2.98** Climate change affects the sustainability of rural infrastructure projects, and the migration of rural people has led to a shortage of labor force in rural areas. Increase in the overloaded vehicles and the over speed limit driving make rural roads vulnerable to damage and traffic accidents, and there is no participation in the maintenance of rural roads from the community level and road users. There is limited awareness of rural sanitation and participation in maintenance of community water wells and ponds.

## ONE VILLAGE ONE PRODUCT

**2.99** In the Fifth Legislature of the National Assembly, One Village One Product movement led by the One Village One Product Movement National Committee was integrated into the CARD and made the following achievements:

- The National Policy on Promotion of the One Village One Product Movement 2016-2026 approved by the RGC on August 11, 2016, and officially promulgated at both national and sub-national level.
- Established the One Village One Product National Committee in 2017.
- Appointed of the composition of the One Village One Product National Committee.
- Specified the structures and functioning of the OVOP general secretariat and the four subordinate departments.
- Designated April 9 of every year to mark the national day of Khmer product consumption to enable the Cambodian people to understand and purchase Khmer products during the Khmer New Year celebrations.

## Challenges

- Limited support from the subnational authority in promoting the OVOP movement.
- Limited cooperation and coordination between the general secretariat of the OVOP and relevant ministries that are members of the OVOP national committee.
- Limited financial concession or low-interest loans for the associations, communities, makers and producers.
- Cambodian people's limited awareness of the benefits from the consumption of Khmer products.
- Limited cooperation between SME and the general secretariat of the OVOP in the promotion of Khmer products, One Village One Product.

- Significant gap in the competitiveness of Khmer products and foreign products in the product exhibition in the capital/provinces/cities/ districts.

## **5. DEVELOPMENT OF PHYSICAL INFRASTRUCTURE**

### **5.1 DEVELOPMENT OF TRANSPORT AND URBAN INFRASTRUCTURE**

**2.100** With the efforts and participation from the LMs and LAs, the following achievements have been made:

#### **1. Laws and regulations**

- Law on Roads introduced in 2014 and Law on Traffic introduced in 2015.
- Amendment of Article 40, 41, 47, 48, 75, 77, 82 and 90 of the Law on Traffic introduced in 2017.
- Royal decree on the establishment of Logistics National Council in 2017.
- Sub-decree on the establishment and functions of the MPWT in 2016.
- Sub-decree on the management of drainage system and waste water treatment system in 2017.
- Prakas on procedure for ship entry at the Cambodian ports in 2017.
- Prakas in 2017 on (1) port security in Cambodia, (2) procedure of the issuance of driving licenses and scorecards, (3) procedure of the providing vehicle plate number and deleting from the vehicle list, checking the technical specifications of all types of vehicles, (4) of conditions and procedure permit issuance to the individual for inland transportation business, (5) of conditions and procedure permit issuance to the vehicles for inland transportation business, (6) adjusting the Prakas on establishment and functions of the technical departments, technical units and capital and provincial department of public works and transport.

#### **2. Reform**

- Modified the structure of the Ministry by adding a few departments to meet the need for the development of transport infrastructure.
- Continued to prioritize the effectiveness of both the policy implementation and the establishment of necessary mechanisms to provide services to the people more effectively.
- Continued to implement the the RGC's three reforms i.e. (1) Public Administration Reform Program, (2) Public Financial Management Reform, and (3) Sub-National Democratic Development Reforms.
- Continued to implement the automation system to provide public transportation services to eliminate unofficial expenses, complicated procedures, transparency, fast delivery, and confidence to provide services closer to the citizen effectively.

#### **3. Preparedness for digital economy and responses to Industry Revolution 4**

Being prepared to use the SMART transportation:

- Continued to register online more efficiently.
- Permitted the shared transportation such as Grab, PassApp, etc.
- Developed and used the port data exchange system.
- Introduced App operation for participation in road maintenance program.
- Studying the App operation for roads' sidewalks (Japan).
- Studying the feasibility to construct the automatic train system in Phnom Penh.

#### **4. Construction and rehabilitation of road structure**

- Rehabilitated and constructed road infrastructure such as national roads Grade 1, national roads Grade 2, provincial roads, 4-lane national roads, or big bridges.

- Road infrastructure funded by international cooperation financing and to be completed in the fifth mandate (2014-2018).
- Completed the Master Plan for Highway Development and Road Network Planning in the Kingdom of Cambodia.
- The process of highway construction of Phnom Penh - Preah Sihanouk Province, 190 km and completed the feasibility study, finding the highway budget sources Phnom Penh - Bavet and Phnom Penh - Siem Reap.

## 5. Railways

- The south section (Phnom Penh-Preah Sihanouk), already restored and constructed (financed by ADB, Australian Grant Aid, Ofid Organization, Malaysia, and the RGC's counterparts) is currently transporting cargo and tourist passengers.
- The northern section (Phnom Penh-Poipet), restored and constructed, (national budget), is currently in the process of transporting passengers and connecting railroads of Cambodia-Thailand.
- Built and operated railroads from Phnom Penh's main terminal to Phnom Penh International Airport for passengers.
- Preparing to sign the agreement on border crossings through Cambodia-Thailand railway.
- Studying the feasibility of building an automation train system and the possibility of constructing a tramway in Phnom Penh.
- Completed the Master Plan for Railway Development in the Kingdom of Cambodia, which is a technical assistance from the Republic of Korea.

## 6. Logistics

- Cambodia gained better ranking in the logistics sector from 129<sup>th</sup> in 2010 to 73<sup>rd</sup> in 2016, reaching its 53<sup>rd</sup> position in 2025 (World Bank Rating Index).
- The RGC has introduced the IDP 2015-2025, including planning and implementation of the Transport and Logistics Master Plan, linked to major economic corridors.
- Established the General Department of Logistics, initiating to promote a specific structure in the arrangement, management, monitoring and development of logistics in Cambodia.
- Completed the study of the preparation of the logistics master plan in the end of March 2018 with the main objectives of the master plan: (1) creating new development and investment opportunities in the new growth sector, (2) attracting investment and creating new jobs, (3) reducing traffic jams in the suburbs and in Phnom Penh, especially the construction of a curb or an off-road bypass and (4) reducing logistics costs.
- Preparing the national transport and logistics master plan.
- Implemented the technical cooperation project "Improvement of Logistics System Project " supported by JICA 2018-2022.

## 7. Inland transport, municipal public transport and traffic safety

- There are 14 vehicle technical specification checking centers and 3 mobile technical specification checking vehicles.
- Introduced the automation system and set up the QR Code system to verify the accuracy of the transport service documents.
- Integrating registration of vehicle identification and vehicle registration with the automation system of the General Department of Customs and Excise, General Department of Taxation and the Directorate General of Identification.
- Modernized the automation system, making it easier for citizens to choose their numbers and register their vehicles and check their technical specification online.
- Cooperated technically to develop the Mobile App to understand the theory of driving and traffic laws and check vehicle information and driving license for technical authority as a user.
- Reduced the transportation cost from 01 May 2016 for:

- Preah Sihanouk Autonomous Port reduced 10% and Phnom Penh Autonomous Port reduced 5% of container lifting services fee at the container terminal
- KAMSAP reduced 10% of container service over-time recording fees and additional 10% of container controlling fee when loading on board.
- Cambodia Cargo Transport Association reduced US\$10 per container for 40 feet and US\$5 per container for 20 feet.

### **Border crossing transport and connectivity**

- Improved road infrastructure connectivity with countries in the region and strengthened and expanded the upgrading of the road standards.
- Restored, constructed and full connected with neighboring countries and regional integration (for ASEAN Standard, Cambodia hasn't had roads under Grade 3 any more).
- Constructing the upgrading of some ASEAN roads as standard 1 (4-lane, AC) such as National Road 5, to be completed by 2020.
- Participated in implementing initiatives in transport sector such as one belt, one road.
- Signed the Memorandum of Understanding on Highway Connectivity and Strategic Cooperation in Transport 2018-2025 and the 2030 Vision with Vietnam.
- Completed the feasibility for the project for the construction of a bridge across the Tonle Sap River (Preah Vihear) / Selomphao (Champasak Province, Laos) and connecting roads are under negotiation for the construction.
- Under the MOU on the implementation of cross-border shipping agreements with Laos, implemented the quota 40 vehicles, with Vietnam, implemented the quota 500 vehicles, with Thailand, implemented the quota 150 vehicles, and within three regions between Cambodia, Laos and Vietnam, implemented the quota 150 vehicles.
- Implementing a pilot project of the ASEAN Customs Transit System, Cambodia, Laos, Myanmar, and Vietnam, which is the East-West Corridor of ASEAN after implementing the pilot projects in Singapore, Thailand and Malaysia, the North-South Corridor of ASEAN under technical assistance from European Commission on Customs Transit System.
- Within the framework of the ASEAN agreement on Facilitation of Car Passengers Transportation.
- Within the GMS, began implementing a temporary inland transportation agreement for 500 commercial vehicles.
- In short, the hardware of the Cambodian highway network is affordable for the connectivity, with software problems, which is an integral part of the overall ASEAN that takes time.

## **8. Waterway and maritime transport and ports**

### **Public service delivery**

#### **Sea trade ships**

- Formed a tripartite cooperation to develop coastal ships of Cambodia, Thailand and Vietnam.
- Participated in regional cooperation, combating maritime robbery and armed robbery on ships in Asia and member countries.
- Collaborated with the Marine Transport Technology Coordination Center to gain knowledge of regulatory and management of the ships and crews.

#### **Waterway infrastructure and port buildings**

- Studied the data producing maps for navigational routes in rivers and seas.
- Studied the project for construction of Sambo port of Kratie, Sa Ang port, Prek Koy commune, Sa Ang district and Kampong Luong commune port, Ponhea Leu district, Kandal province and Banlung town port, Rattanakiri province.
- Studied on the project of the construction of Tbong Khmum Multi-Purpose Port (Tonle Bit).
- Studied the depth of water and marking the navigation lines in the Bassac river from Phnom Penh to the Chrey Thom border of Cambodia-Vietnam.
- Studied and collected data on the two sides of the river from Phnom Penh to Kratie.

## 9. Public enterprises

### Public works and construction laboratory

- Implemented to duty to experiment the construction and public works in compliance with the technical standards to ensure all physical infrastructure have good quality and long-term use.

### Preah Sihanouk Autonomous Port

- Completed a 240m container terminal at 11.5m depth and expanded an additional 160m container terminal.
- Completed the development of a 330 meter, 13.5 meter deep multi-purpose terminal and a base serving logistics for oil exploration with 200 square meters, a depth of 7.5 meters and restored ship parkings the a depth of 12 meters.
- Registered to sell security in the Cambodia Securities Exchange in 2017, having become a public enterprise in form of a state-owned company that has publicly issued the securities.

### Phnom Penh Autonomous Port

- Constructed the new LM17 container terminal, 25km from Phnom Penh, with the capacity to handle 300,000TEUs per year.
- Registered to sell securities in Cambodia Securities Exchange in December 2015.

## 10. Sustainable transportation development

- Promoted the reduction of greenhouse gas emissions from vehicle by encouraging people to use buses, trains, bicycles, and walking.
- Developed guidelines on "Road Development", focusing on environmental considerations and increasing capacity to review environmental impact assessment reports in the public works.
- Prepared a guide on Green Infrastructure with the Climate Change Resilience Project.
- Encouraged to use renewable energy such as solar LED, for street lighting
- Promoted all types of public transport in the city i.e. train, buses, passenger boats and AGT building study
- Developed a master plan on logistics, considering green logistics and fuel saving, is collaborating with GIZ on the project on energy efficiency and climate change mitigation in transport.
- Developing a waste water treatment system in the city

## 11. Partnership in development and international cooperation

- As a co-chair of the Working Group on Transport Infrastructure between the RGC and the Private Sector and the Technical Working Group on Infrastructure Techniques and Regional Integration, established legal frameworks and organized a forum to support development and problem solving.
- Provide a set of principles to private companies in their feasibility studies on highway projects as a priority project as set out in the Master Plan.
- Promoted the implementation of the Phnom Penh-Preah Sihanouk Highway Project
- Communicating with development partners to provide technical assistance in the formulation of procedures relating to investment projects for road construction projects.
- Within the framework of ASEAN and between dialogue partners in ASEAN, the transport sector has been promoted and the relationship of the partnership has been enhanced with remarkable progress.
- Participated in implementing policies and transport strategic plans such as one belt one road initiative, the Master Plan on ASEAN Connectivity 2025 and ASEAN Transport Strategic Plan 2016-2025 and other plans.

### Challenges

2.101 Beside the above achievements, there are challenges in public works and transport as follows:

- Public service delivery has not been smooth and people's confidence.
- The capacity for the function of sub-national institutions is not yet fully answered.
- Lack of human resources, qualified technicians and skills to take advantage of the advancement of technology and innovation.
- Lack of policies, laws and regulations related to transport, and limited awareness and capacity to enforce the laws.
- Lack of technical standards and some unresponsive practices require regular updates to new technology.
- Lack of multimodal transportation systems as well as limited technical and professional skills in logistics.
- There is limited capacity for mainstreaming the resilient technology and limited participation in prevention from climate change.
- Urban development is still struggling with housing problems, public transport, traffic jams and traffic accidents.
- Lack of participation and insights on waste disposal of liquid and solid waste and waste water treatment systems and treatment stations.
- Lack of interconnections between road infrastructure development and land development, urbanization and land use.
- There is no specific monitoring and evaluation mechanism.

## CIVIL AVIATION

2.102 From 2014 to 2018, the **State Secretariat of Civil Aviation (SSCA)** has been working hard to carry out its tasks in an active role and achieved fruitful results in response to the National Strategic Development Plan 2014-2018. This includes:

### Airport Infrastructure

#### Phnom Penh International Airport

- Constructed three 4E aprons, renovated and expanded passenger terminals and expanded the freight terminals.

#### Siem Reap International Airport

- Reinforced the runway and the end of safety route RESA 05 and RESA 23, constructing two new taxiways C and D, constructed a total of 21 airport aprons for 4D and installed a new airbag and continue providing maintenance.

#### Preah Sihanouk International Airport

- Built 1 new taxiway, Repaired and expanded two airport aprons for 2C.
- Expanded the passenger terminals which can accommodate more than 500 thousand passengers a year and installed a new airbag and continue providing maintenance.

**Other airports:** Battamban, Stung Treng, Koh Kong, repaired and reinforced the runway and for Rattankiri, Mondulkiri, and Preah Vihear, provided the land location to the provincial administration for development according to the principles of the RGC.

### Air Transport Services

2.103 There are several key achievements in air transport as follows:

**Table 2.20: Result of air transport 2014-2018**

Year	2014	2015	2016	2017	2018
Airlines	27	30	38	46	48
Flights	60,935	65,622	69,041	84,671	99,197
Air Passenges	5,467,591	6,042,484	6,624,816	8,237,405	10,013,118
Cargoes	32,849 tons	37,150 tons	46,462 tons	63,949 tons	73,592
Fly Over	41,160	46,933	55,075	58,737	67,151

Source: SSCA

### Air traffic Control System

2.104 The SSCA has modernized the use of satellite routing systems (PBNs) at three international airports, reducing the timeframe and cost of flight through Japanese Government's capacity-building technical assistance via Japan International Cooperation (JICA). There are 48 airlines operating, including 9 domestic airlines and 39 international airlines.

### Human resource development

2.105 Building the capacity of the officials through trainings focused on 3 skills: Safety Oversight Trainings, Aviation Security Oversight and Generic Training for officials in charge of safety oversight and security oversight, officials in charge of drafting regulations as well as public service providers in civil aviation.

### Civil aviation legal framework

2.106 The SSCA developed and introduced safety regulations related to regulations and the additional revisions on the regulations, procedures, guidelines and other legal documents in accordance with the need and recommendations of the International Civil Aviation Organization (ICAO) and developed drafts on National Safety Program, State Safety Program, Air Security Program and has been preparing economic regulations and technical regulations to ensure the sustainability of business equipment in the air transport industry.

2.107 For air navigation service, it was permitted by the RGC to the Cambodia Air Navigation Service Company under Build-Operate-Transfer (BOT) with 22 years from 2002 to 2023, managed and modernized by the company in navigation technology.

### Civil aviation safety

2.108 The SSCA has developed a legal framework, technical standards of security and a number of national civil aviation security systems such as regulations, procedures, standards, requirements, and some manuals related to security measures and the air transportation of hazardous goods in accordance with the laws and regulations of civil aviation in Cambodia.

### Challenges

2.109 Beside the remarkable achievements above, there are a few challenges as follows:

- Legal documents, technical standards, economic regulations are still lacking, which need to be prepared and revised to respond to recommendations (ICAO).
- Participation in developing international airport infrastructures by SCA is limited as the company thinks Cambodia is a small country.
- Lack of expertise to help prepare legal standards to comply with the recommendations (ICAO).

## 5.2 WATER RESOURCES AND IRRIGATION SYSTEM MANAGEMENT

2.110 The **Ministry of Water Resource and Meteorology (MOWRAM)** has important roles and responsibilities in monitoring and managing all activities related to water and meteorology development and alleviating natural disasters. Hence the implementation of the MOWRAM's strategic plan on water resources development and management, the Rectangular Strategy Phase III for the Fifth Mandate of the National Assembly and National Strategic Development Plan 2014-2018 aims at increasing the ability and potential of irrigation in addition to the existing irrigation capacity to increase agricultural production, flood and drought mitigation, and sea water intrusion prevention. The MOWRAM is making all efforts to secure the effective and sustainable development.

### Water Resources Management and Development

- Irrigated 316,689 hectares of rice plantation (225,895 hectares of rainy season and 90,794 hectares dry season paddy fields) and 4,413 hectares of minor crop.

- Beside the enhancement of irrigation capacity, the maintenance of sustainable irrigation of rice of 485,698 hectares including (395,239 hectares of rainy season rice and 90,459 hectares of dry reason rice) and 1,556 hectares of minor crops was done through regular and periodic repair-maintenance.

### **Water Sustainability Protection and Conservation**

- Developed and approved the Sub-decree on Procedures for establishing, discharge and determining the roles and duties of Farmer Water User Community.
- Developed and approved the Sub-decree on River Basin Management.

### **Hydrological and Meteorological Information Management**

#### **Hydrological Works**

- Set up 25 hydrological stations along Mekong, Tonle Sap and Basac River.
- Repaired 09 hydrological stations (Mekong-Hycos).
- Set up 42 water level staff gauges and repaired 10 water level staff gates along the river and stream at the checking points.
- Set up 08 automatic equipment along stream in Kampong Speu province.

#### **Meteorological Works**

- Set up 44 meteorological stations and repaired 14 stations in the provinces.
- Installed rain gauge post in 46 stations and repaired 23 stations.
- Equipped automatic equipment in 13 stations.

### **Challenges**

2.111 In the operation, the MOWRAM came across some difficulties as follows:

- The annual budget investment provided on water resources and meteorology management and development was still limited.
- The budget for maintaining the irrigation infrastructure, hydrological and meteorological forecast system was still limited.
- Farmer participation in management, construction, usage, and maintenance of the irrigation and drainage system, and flood control, was still limited.
- Need for weather resistant technological implementation in the irrigation system plan.
- Inter-sectorial Integrated Water Resource Management needs further strengthening due to the increase of pressure on water resource derived from development such as increase in agricultural sector, urbanization and industrialization and power production.

## **SUSTAINABLE DEVELOPMENT OF THE MEKONG RIVER BASIN**

2.112 The Cambodia National Mekong Committee has achieved the following:

- Adopted the 2016-2020 Basin Development Strategy and the Strategic Plan of the Mekong River Commission 2016-2020.
- Underwent an institutional reform of the Mekong River Commission and the new structure of the Secretariat of the Mekong River Commission, appointing executives from the member states and the decision to have a Secretariat headquarter in Vientiane and the Flood Control Center in Phnom Penh.
- Completed the study on the sustainable development and management of the Mekong River, including the impact of the hydropower dam projects on the main river.

- Continued implementing the Mekong River Commission's procedures for sharing of data and information, water usage monitoring, notification, prior consultation and agreement, maintenance of water on the main river and water quality.
- Adopted the strategy and action plan to adapt to climate change in the Mekong Basin and fisheries management and development strategies in the Mekong Basin.
- Developed guidelines for cross-border environmental impact assessment, joint environmental monitoring activities for hydropower dams on main river and drought management strategy, and updated planning guidelines for hydropower dams on main river and sustainable hydropower development strategy.
- Approved the formulation of financial contributions in equal proportion by 2030, which highlights the high commitment of the governments of the four countries to the Mekong River Commission.
- Continued to strengthen cooperation with dialogue partners: China and Myanmar and shared data and information, joint technical conferences and exchange visits, and joint research on key issues and collaboration with Lancang-Mekong Water Resources Operation Center.
- Mobilized financial and technical support from various development partners and countries.

### Challenges

2.113 Beside the key achievement above, there are challenges in the sustainable development of Mekong basin as follows:

- The effectiveness of regional coordination with member countries is limited.
- The awareness of the Mekong Agreement 1995 and the Mekong River Commission's water use procedures is limited.
- The role of the Mekong River Commission in regional cooperation is limited, which is necessary to continue and promote regional cooperation and relations with existing regional mechanisms and new mechanisms related to the development and management of water resources and related resources in the Mekong Basin.

### URBAN DRINKING WATER SUPPLY

2.114 To implement clean water supply policy for all urban centers at least 80% of urban population have access to clean water by 2015, 85% by 2018 and 100% by 2025. People living in urban areas have access to clean water based on four conditions: water quality, sustainability and reasonable price (with a comprehensive consideration about water production cost factor):

- Issued a Prakas on the Procedures for Water Tariffs and relevant Prakas related to other businesses.
- Launched new clean water production plants in Mondulkiri, Battambang and Kampong Cham.
- Launched the construction of a new clean water production plant in Kampot .
- Kampot Provincial Water Supply Capacity Expansion Project (being implemented by Japanese companies, consultants and construction contractors).
- The ADB's loan projects were implemented by public water authorities.
- Completed the bidding for company selection for Stung Treng water supply construction.
- Carried out clean water pipe work in 6 provinces.
- The Ministry is assessing the first quality documents constructed in 2 provinces.
- Technical standards of water supply systems supported by development partners.
- 3 infrastructure investment projects.
- Formulated laws on the management of water services and the Prakas on national water quality standard and private water supply.

- Developed an effective water quality control system and set up a private and public water management operating system in Cambodia through data entry.
- Created " Cambodia Water Suppliers Association".
- Continued to train and carry out plans to expand clean water infrastructure to achieve autonomy as an economic enterprise.
- Transfer of 6 duties to the sub-national level.

**Table 2.21: Clean water supply**

Indicator	2014 (M <sup>3</sup> )	2015 (M <sup>3</sup> )	2016 (M <sup>3</sup> )	2017 (M <sup>3</sup> )	2018 (M <sup>3</sup> )
Phnom Penh Water Supply Authority	149,557,507	161,623,637	179,639,191	194,601,306	156,440,443
Siem Reap Water Supply Authority	4,342,164	4,794,513	5,385,593	5,911,794	4,762,304
Public Water Supply Authorities	17,653,808	19,956,623	23,230,160	26,749,072	69,638,060
Private Water Supply Companies	25,450,050	34,027,448	41,921,328	53,550,965	53,550,965
% of population access to clean water supply	81.28%	88.01%	75.07%	85.84%	85.84%
<b>TOTAL</b>	<b>197,003,529</b>	<b>220,402,221</b>	<b>250,176,272</b>	<b>280,813,137</b>	<b>280,813,137</b>

Source: MIH

### Challenges

- Lack of legal documents for the management of water supply sector.
- Limited counterpart budget for the development of clean water.
- Limited human resources at the national and sub-national level, requiring the establishment of a training center for clean water technical skills in the future.
- The data provided by the water supply service providers is not accurate.
- The capacity for self-management of the public water supply authorities is limited.

## 5.3 ELECTRICAL POWER DEVELOPMENT

2.115 The Ministry of Mines and Energy (MME) has implemented the NSDP 2014-2018 with the following achievements:

- The development of electricity generation increased from 1,088 MW in 2013 to 2,650 MW in 2018, of which domestic sources increased from 685 MW to 2,207 MW, making electricity import decline from 56.3% to 14.55%. By 2018, coal-fired power sources accounted for 35%, hydropower 49% and power imports about 15% and 33 sub-terminals covering 20 capital and provinces.
- Currently, 349 areas across the country are receiving safe and reliable electricity, and only 10 areas haven't been connected to the national network.
- The RGC has implemented a plan to lower electricity tariffs and electricity tariff gaps supplied by the national network for 2015-2020 and implemented a plan to add housing favors and generate different rates of electricity for day and night.
- In technical cooperation with the International Nuclear Energy Agency and Vietnam, the MME focused on laws and regulations, safety of substances and sources of radiation in health, agriculture, water resources, energy development plans, environment, industry, conservation of cultural heritage and human resource development and the creation of nuclear and radiation regulator structures.

### Challenges

2.116 In this fifth mandate, the implementation in mine and energy sector encountered the following challenges:

- Lack of officials for general operations and capital for management operation and development of mining, oil and energy.

## 5.4 DEVELOPMENT OF INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT)

### Post sector

2.117 As of the end of 2018, the Ministry of Post and Telecommunication (MPTC) granted licenses for international fast delivery services to 34 companies (only 21 companies in 2013) to improve customer access to services as well as to the implementation of post sector open policy. Based on the results of the Cambodia Autonomous Post Enterprise, the postage use rate reached 0.0903%, below the target of 0.12% per person per year. Domestic and international postal service catered about 95% of the nationwide service.

**Table 2.22: Indicator on user rate**

No	Indicator	2014	2015	2016	2017	2018
1	Rate of service user (1peron/year)	0.0926	0.0903	0.1007	0.0915	0.0903
2	Rate of service per square km per office	3,352	3,352	3,352	3,352.5	3,352.5

Source: MPTC

### Telecommunication sector

2.118 The rate of fixed and mobile phone users have not yet reached the target. As of the end of 2018, the number of mobile subscribers has reached 19,315,892, equal to 118.90 in 100 people, of which 11,559,300 have been connected to mobile internet, equal to 71.15 per 100. Fixed phone numbers are 131,582, equal to 0.81 per 100 people, of which on 171,953 have been connected to fixed internet, equal to 1.06 per 100 people, are relatively low. Fast speed connections or broadband connections are at the lowest level of 150,730 networks, equal to 0.938 networks per 100 people. Slow speed or neroband have only 2,618 networks, equal to 0.016 networks per 100 people across the country, compared with the ASEAN countries and the world.

2.119 Up to the first semester of 2018, the development and investment of fiber optic infrastructure has a total length of 43,410 kilometers. These backbone structures are connected to Vietnam, Lao PDR and Thailand. The MPTC also launched an international fiber-optic network via an optical cable below the seabed. In addition to improving service quality, the ministry has urged mobile companies to expand their network to rural areas by installing phone antennas and microwave with 11,091 poles.

**Table 2.23: Data on telecommunication service uses**

No	Description	2014	2015	2016	2017	2018
1	<b>Total number of phones</b>					
	- Mobile phones	20,451,982	20,850,543	19,915,503	18,572,973	19,315,892
	- Fixed phones	361,056	265,387	227,261	132,911	131,582
2	<b>Total internet</b>					
	- Mobile internet	4,957,449	6,710,624	8,000,834	10,703,056	11,559,300
	- Fixed internet	68,496	85,384	98,298	138,672	171,953

Source: MPTC

**Table 2.24: Rate of phone and internet user**

No	Description	Unit	2014	2015	2016	2017	2018
1	<b>Rate of total phone user</b>						
	- Mobile phones	per 100 persons	134.69	135.35	127.45	117.19	118.90
	- Fixed phones	per 100 persons	2.38	1.66	1.45	0.84	0.81
2	<b>Rate of total internet user</b>						
	- Fixed internet	per 100 persons	32.65	43.56	51.20	67.53	71.15
	- Mobile internet	per 100 persons	0.45	0.55	0.63	0.87	1.06

Source: MPTC

#### 2.120 Information Communication and Technology

- Integrated the former National Authority for Information Communication and Technology Development (NiDA) to the Ministry of Post and Telecommunication.
- Mainstreamed awareness and promoted the use of ICT for the development of rural communities, especially for vulnerable people such as disabled persons, women, children, elderly, etc.
- Prepared the Best Women's Award in technology in 3 topics: (1) Best Women Entrepreneurs in Technology, (2) Female Engineers Success in ICT Skill, (3) Women Participating in Promoting Use of Technologies for social or community development.
- Cooperated with relevant ministries, agencies and units in formulating the Policy on Development of ICT 2020.
- Cooperated with relevant ministries, institutions, units and Korea International Cooperation Agency, to prepare the Master Plan of ICT 2020.

#### 2.121 Building capacity in posts, telecommunication and ICT:

- Provided Bachelor Degree in Post, Telecommunication, ICT, and civil servants from 24 provinces/cities and 25 ministries and agencies.
- Prepared the Best Women's Award in technology in 3 topics: (1) Best Women Entrepreneurs in Technology, (2) Female Engineers Success in ICT Skill, (3) Women Participating in Promoting Use of Technologies for social or community development.
- Mainstreamed awareness and promoting the use of ICT for the development of rural communities, especially for vulnerable people such as disabled persons, women, children, elderly, and ethnic people through volunteers, students and local authorities.

#### 2.122 Challenges

- Lack of common technical framework and ICT mechanism.
- The quality of the software is limited and duplicated which creates complication and lacks of integration.
- Resource mobilization and coordination for promoting science and technology remain a challenges.

### Media

2.123 About 88% of population can access information, educational programs and entertainment programs, broadcasted on radio and television and social media.

**Table 2.25: Access to public information**

Indicator	Unit	2013	2014	2015	2016	2017	2018
1. Number of population listening to radio, watching TVs	%	85	86	87	88	-	-
2. Magazines, leaflets, and newspapers	%	42	46	50	52	-	-

Source: Ministry of Information

## Science, technology and innovation

**2.124** The National Council for Science and Technology was established and the General Secretariat of the National Council for Science and Technology was stationed at the Ministry of Planning in 2015 to support the transformation into a more diversified economy through the promotion of science and technology innovations in ministries, agencies and the private sector. In the initial stage, the Secretariat prepared a National Master Plan on Science and Technology to integrate this work into the NSDP. The achievements are:

- Disseminated the National Master Plan on Science and Technology 2014-2020.
- Developed a legal framework for the foundation of the development of science and technology.
- Approved the figures for the two indicators of Goal 9 of the Cambodia's Sustainable Development Goals.
- Developed a database of research and development for 2015, to formulate policies, plans and decisions for the development of science and technology and to sustain the growth of socio-economic development.
- Developed a National Classification of Science and Technology 2017 to agree on the documentation and preparation of indicators for monitoring and evaluation, management, policy formulation and implementation planning.

### 2.125 Challenges

- Being unable to fully implement: (1) making Technology as the National Priority 6 for 2017-2020, (2) increasing public investment in R&D by establishing National Research and Development Fund and (3) prioritizing the receipts of assistance and international cooperation.
- Being unable to fully implement the agreement with the Briefing Paper and Recommendations of the 3<sup>rd</sup> meeting of National Council for Science and Technology in 2018.
- The main challenge is the lack of understanding leading to the disagreement for implementation at the technical level.

### Capacity building in posts, telecommunication, ICT

- Organized the National ICT Award Competition 3 times.
- Mainstreamed awareness and promoted the use of ICT for the development of rural communities, especially for vulnerable people such as disabled persons, women, children, elderly, and ethnic people through volunteers, students and local authorities.

## 6. PRIVATE SECTOR DEVELOPMENT AND EMPLOYMENT

**2.126** The RGC has determined that the private sector is the engine of the economic growth. The private sector plays a key role in promoting growth and socio-economic development, especially the achievement of the Royal Government's goal of diversifying production bases, integrating advanced technologies and innovations aimed at enhancing efficiency and strengthening the competitiveness of the national economy and creating jobs.

### 6.1 STRENGTHENING PRIVATE SECTOR AND PROMOTING INVESTMENT AND BUSINESS

**2.127** From 2014, the Royal Government of Cambodia has launched a deep reform agenda to improve the business and investment environment, in particular to accelerate the provision of business services and further open market negotiations for Cambodian goods. Through this in-depth reform, the Ministry of Commerce has achieved remarkable progress as follows:

#### Reform

- Enhanced the delegation of public services to sub-national level in accordance with Sub-Decree "Sub-National Democratic Reform Policies".

- Delegated to the Capital City, Provincial, Municipal, District and Khan administrations: (1) Authorization role, (2) Permission to issue Certificate of Origin (C/O) Form D on agricultural products at the Provincial Departments of Commerce located along the border and Special Economic Zones, (3) Price tag on goods, (4) Do listing of goods price and (5) Business of precious metals as of all kinds of jewelry.
- Developed human resources and infrastructure, financial management, decentralization and deconcentration, as well as export-import and trade promotion services in order to ensure fast and efficient delivery work for the public demand in line with the development context in the region and the world.

### Business service provision

- **Business Registration:** (1) Has been implementing business registration through automation system, (2) issued Prakas on management and issuing permission for Businesses, recognizing legal representative for business registration transaction, and creating management and evaluation legal representative committee.
- **Intellectual Property Rights:** (1) Registered as a member of international trademark, the Lisbon Agreement on name of Origin of Goods and Geographical Indication, and International Geographical Indication Network Organization, (2) issued statements on exclusive goods, trademark protection, international trademark registration, protection of geographical indication goods, online trademark registration, draft Prakas on establishment of council of complaints and procedures for dispute resolution, and listing of licenses and franchises.
- **Export-Import:** (1) Has been issuing certificate of origin, export-import licenses and export-import of unprocessed gemstones, (2) cooperated to connect the automation system of certificate of origin (C/O Form D) to the ASYCUDA system of national single system platform, and is trying to connect with the ASEAN member states in order to reach full implementation, and (3) has been registering for export permits under the generalized system preferential of trade.

### Business promotion

- Promoting agricultural and agro-industry products, which has in turn promoted the use of Khmer products as a substitute for imported products and eventually will increase export to international market.
- Organizing campaigns to sell Khmer products in all the provinces throughout Cambodia, and participating in oversea annual exhibitions under the bilateral, regional or global frameworks.
- Issued the sub-decree on organizing and functioning of the Halal Products Control Committee of Cambodia, and has developed Pepper Policy, Cambodian Agro-Business Development Policy, and contributing to establishment of Industrial Development Policy 2015- 2025 and the development of business and investment environment.
- Maintaining and expanding the strategic inventory of reserved foods for victim intervention and market research.
- Facilitating trade of Cambodian agro-products for faster exports with reduced cost.
- Promoting the development of private sector institutions through the establishment of chambers of commerce, business associations throughout the country.
- Promoting for the price tag in national currency in businesses nationwide to ensure price transparency and protect consumer interests.
- Creating legal documents and trade-related laws to ensure legality and effectiveness in carrying out business operations.
- Developing the ability to publish statistical information and business information through business newsletters, and information technology.

## Integration of regional and global trade

- As a member of ASEAN, Cambodia has made a significant contribution to achieving regional economic integration in the framework of the “ASEAN Economic Community” which has four main characteristics: (1) one market and production base, (2) a highly competitive special economic zone (3) a region with equitable economic development and (4) a region with a complete integration into the global economy. In particular, in order to contribute to boosting economic integration to the "single market", in general, Cambodia has worked closely with other member countries to implement four basic principles: (1) removal of customs clearance and non-tariff barriers for special goods and services, (2) removal of tariff and non-tariff barriers for all goods and services; (3) the Joint Policy on Customs for External Imports and (4) the free flow of labor and capital. In particular, Cambodia has been working to improve its One Window Service to be able to integrate into an ASEAN single window in order to ensure trade facilitation for the "ASEAN Economic Community". However, both Cambodia and other ASEAN members need to do more work within the framework of the "ASEAN Economic Community".
- Opened 5 Cambodia Business Centers in the People's Republic of China (Beijing, Shanghai, Haiyan, Guangzhou, and Xi'an).
- Opened the Permanent Mission of Cambodia to the World Trade Organization, Geneva, Switzerland.
- Concluded negotiations with the Vietnamese side in the signing of Memorandum of Understanding between the Ministry of Commerce of Cambodia and the Vietnamese Ministry of Industry and Trade on the construction of the Cambodian Border Market (Psar Da) in Memot, Tbong Khmum and trade facilitation between the two ministries.
- Strengthened trade partnerships and explored overseas markets to attract foreign investors and businesses in Cambodia.
- Cooperated with Center of ASEAN – Japan, ASEAN-China, ASEAN - Korea, ASEAN - Indonesia, ASEAN – USA, ASEAN - Russia, ASEAN - Hong Kong in order to strengthen trade and investment partnerships, and to promote Cambodian Products in Foreign Markets.
- As of the end of 2015, ASEAN has become the ASEAN Economic Community (AEC) making a lot of progresses including ASEAN tariff liberalization, trade facilitation through issuance of Self Certificate of origin (SC) in ASEAN, issuance of certificate (Form D) electronically, ASEAN Trade Repository (ATR), ASEAN Solutions for Investment, Services and Trade (ASSIST), ASEAN Single Window (ASW), Standards, and Compliance, the One ASEAN Declaration, Vientiane Declaration on Approval of Workplan for Initiative for ASEAN Integration (IAI), Vientiane Declaration on ASEAN Connectivity in 2025, and negotiation on bilateral and regional integration. The Ministry has also been actively negotiating the Regional Comprehensive Economic Partnership framework (RCEP), which includes 16 partner countries, whose members have vowed to end this agreement by 2019.
- Cooperating with Europe, the Middle-East, Africa, Timor-Leste and other countries in the Americas to expand markets for the Cambodian products.
- Prepared a 2<sup>nd</sup> Trade Policy Review (TPR), which was submitted to the WTO in late 2017.
- Implemented the Trade Development Support Program (TDSP), which contributed to development policies and deepened trade reforms focusing on trade facilitation reforms, boosted foreign direct investment (FDI) and increased revenue from customs payment.

- Implemented the 1<sup>st</sup> step of Enhanced Integrated Framework (EIF Tier 1) and Cambodia Export Diversification and Expansion Programme 1 (CEDEP 1), which has made it possible to manage and implement a trade support program, develop Diagnostic Trade Integration Study (DTIS), mainstream the trade sector, prepare policies as well as strategies on trade, enhance recognition of quality rice production, promote the participation of women in the trade sector, and promote silk products creating jobs in this sector.
- Implementing the Cambodia Trade Integration Strategy Update (CTISU) and the Trade SWAp Road Map 2019-2023.
- Implementing the Accelerating Inclusive Markets for Smallholders (AIMS): The project covers 17 provinces and five types of products: fragrant rice, vegetables, chicken, cassava, and silk.
- Inspecting export-import of goods at all border gates and at domestic markets in order to prevent the flow of goods which is not accordance with technical regulations.
- Cooperating in the bilateral, multilateral framework on strengthening the quality and safety of products and trade policies with the goal of promoting and protecting the reputation of Cambodian products in international markets.

Table 2.26: Key indicators in trade sector 2014-2018

No.	Indicator	Unit	2014	2015	2016	2017	2018
1	Import	Riels-bil	76,818	43,316	50,175	51,870	52,696
		Usd-mil	19,024	10,669	12,371	12,824	12,984
2	Export	Riels-bil	43,140	34,682	40,855	38,980	39,336
		Usd-mil	10,683	8,542	10,073	9,637	9,687
3	Export of Clothes	Riels-bil	21,576	23,147	26,879	22,831	26,287
		Usd-mil	5,343	5,701	6,627	5,642	6,474
4	Business Registration	Number					
4.1	- Company		3,850	4,417	3,161	5,781	11,188
4.2	- Sole Proprietorship		874	1,430	853	1,488	3,222
4.3	- Domestic Branch		505	550	409	246	579
4.4	- Foreign Company (Representative Office and Branch of Foreign Company)		55	73	75	99	142
5	Trademark Registration	Number	4,557	4,157	4,326	3,847	3,479
6	Number of factory registered for Generalised System of Preferential (GSP)	Number	1,077	1,182	1,271	1,350	1,445
7	Number of workers (male-female) working in factory registered for GSP	Person	793,745	871,668	884,489	963,330	988,856
8	Total Salary	USD-Mil	1,192	1,412	1,766	1,952	2,194

Source: MOC

## 2.128 Challenges

- The process of using the automation system for business registration, trademark registration and issuing certificates of origin has not been smooth yet. Public service users in the trade sector have not yet fully utilized the automation system.
- Possibilities of performance and awareness of the public, especially business people, on the status and context of regional and global trade activities are limited.

2.129 Cambodia, which is a cultural and natural tourism destination, has been making steady progress by maintaining the annual growth of tourism sector, which contributes to more than 12 % of GDP. At the same time, tourism is identified as a priority sector and “green gold” because it does not only creates employment opportunities, promotes people's livelihoods and generates national income, but also attracts domestic and foreign direct investment and the influx of international currency, which contributes to the Cambodia socio-economic development.

2.130 In the implementation of NSDP 2014-2018, the Ministry of Tourism (MOT) has made the following achievements:

### Tourism product development

The number of capital-provincial tourist sites in 2017 increase by 59 to 394 sites.

- Cultural historical tourist sites: 114.
- Natural cultural historical tourist sites: 21.
- Recreative natural sites: 24.
- Historical tourist sites: 6.
- Recreative tourist sites: 33.
- natural cultural tourist sites: 27.
- Natural tourist sites: 169.

### Strengthening tourism industry quality following “One Service, One Standard”

In order to promote the quality of the tourism industry in terms of "One Service, One Standard", MOT has set up a number of tourism quality standards at the regional and national levels:

#### ASEAN tourism quality standard

- ASEAN Green Hotel Standard, ASEAN Residence Standard, ASEAN Public Toilet Standard, ASEAN Spa Standard, ASEAN Tourism Community Standard, ASEAN Clean Tourism City Standard, ASEAN Meeting Room Standard.

#### National tourism quality standard

- Cambodia Green Hotel Standard, Cambodia Housing Standard, Cambodia Meeting Room Standard, Cambodia Toilet Standard, Cambodia Tourist Community Standard, Cambodia Clean City Standard, Cambodia Restaurant Standard, Cambodia Tourist Information Center Standard, Cambodian Adult Entertainment Center Standard.

### Work for attracting Chinese tourists

- Tourism service quality evaluation system for the Chinese market, promotion, education, awareness raising and cooperation.

### Strengthening tourism promotion

In 2017, there were many promotion activities for Cambodian tourism in the international market, using simple advertising method and modern technology:

- Tourism promotion using simple methods and advanced technology.
- Collaborated with international news partners and produced and published promotional materials.
- Strengthened and managed the MOT's overseas representatives.

- Promoted with ASEAN and promoted tourism in the country.

### **Strengthening regional and global tourism cooperation**

- Tourism cooperation with the World Tourism Organization and cooperation within the ASEAN framework.
- Bilateral cooperation and tourism cooperation within the subregion framework.

### **Travel and tourist transport facilitation**

- Facilitated transportation and travelers at international border gate areas and international gateways.
- Strengthened and promoted the security, tourism safety.

### **Enforcement of laws and legal norms**

- Conducted competitions to select outstanding tour operators and travel agents and Code of Professional Operation and Code of Professional Ethics for tour operators and travel agents of the Kingdom of Cambodia.
- Managed community tour guide uniform and Korean translators continuing from the Korean language guides.
- Supported for blocking the sales activities, entertainment packages, "zero fees".
- Delegated the function of "the management of adult tourist entertainment centers" and evaluated the classification of adult tourist entertainment centers.
- Guidance on the implementation of the campaign "Clean Restaurant: Non-Paper Trash Restaurant".

**Table 2.27: Indicators for the implementation of NSDP 2014-2018**

Indicator	Unit	2014	2015	2016	2017	2018
International tourists	million	4.50	4.78	5.00□	5.60	6.20
Domestic tourists	million	9.00	9.68	10.64	10.86	11.00
Accommodation service	rooms	51,985	63,279	72,623	74,556	81,536
Tourism employment	thousand	425	455	500	550	620
Tourism receipts	million US\$	2,736	3,012	3,212	3,638	4,375

Source: MOT

## **CULTURE AND FINE ARTS**

2.131 With strong commitment and responsibility of leaders and officials at all levels, the **Ministry of Culture and Fine Arts (MOCFA)** has made the following significant achievements:

### **1. Improving the performing arts promotion and dissemination to strengthen the positioning of Cambodia as a cultural destination**

2.132 The MOCFA has expanded the cultural promotion and cultural creativity as a priority program that contributes significantly to raising awareness and public participation through public service delivery and the organization of the cultural events.

## 1.1 Public service delivery

**Table 2.28: Number of national and international tourists visiting museums**

Indicator	Unit	2014	2015	2016	2017	2018
Phnom Penh National Museum (International)	persons	184,816	206,637	233,371	313,088	311,078
		157,287	172,795	195,054	233,978	209,201
Tuol Sleng Museum (International)	persons	305,373	438,882	468,184	488,564	476,743
		188,978	375,373	389,067	419,659	421,024
Choeng Ek Center (International)	persons	214,145	279,679	289,087	262,841	249,103
		160,982	232,867	232,977	206,763	197,980
Wat Phnom Resort (International)	persons	218,965	157,267	214,665	268,798	278,733
		153,982	114,367	157,065	205,008	211,974

Source: MOCFA

## 1.2 Culture promotion

- Cooperated and allowed the friend countries to borrow the national archaeological items to exhibit in their countries to make the people of the world know the great value of the glorious civilization of the nation's past which promotes national prestige and attract tourists to visit Cambodia.
- Organized major cultural art events.

## 1.3 Research and publication

- Studied the ancient sites in collaboration with national and international institutions.
- Studied Khmer popular games, and traditions of Kreung Ethnic and researched to produce written culture magazine articles printed every year.
- Studied and created classical dance, traditional dance, and performances.
- Made accomplishments in paintings and sculptures.

## 2. Making Cambodia the welcoming destination of the foreign filming

**2.133** Promoted Khmer film productions and Khmer Karaoke, produced program document "Culture", cultural video documentary, short and long films, and current videos incorporating the educational messages on anti-drug and anti-corruption and promoted foreign filming in Cambodia.

## 3. Making Cambodia the cultural products promotion destination

- Organized the national performance on silk weaving, ancient painting, copper sculpture, wooden sculpture, and artistic paintings.
- Researched Khmer weaving, Buddhist shape, Khmer sculpture books "Fire Sculpture", Khmer home appliances.
- Training and disseminating Khmer sculptures in 14 provinces: Kandal, Kampong Speu, Kampong Thom, Prey Veng and Kratie.
- Created new accomplishments, wooden sculptures and artistic paintings.
- Organized artistic costume exhibitions in the country every year.
- Participated in handmade pottery exhibitions in countries such as Vietnam, Thailand, Dubai, Korea, Nepal, Codivor, Japan and China.

#### 4. Conserving heritage areas to contribute to the national economic development

2.134 The Ministry has been protecting and preserving ancient buildings at risk by repairing temples in the provinces and managing ancient stations facing losses by setting standards and the boundaries of ancient stations in the capital and in some provinces. At the same time, the documentation of "La Khon Khol Pagoda of Svay Andet" for request for listing on the list of Human Intangible Cultural Heritage for 2018 successfully completed and listed in the Intangible Heritage List and the World Heritage List.

#### Tangible and intangible heritage registered in the World Heritage List

**Table 2.29: Registration in the World Heritage List**

No	Description	Date
1	Registered "Traditional Story of Reamke Takrut" in the World Heritage Memorial List	15 May 2014
2	Robe pulling game and its ritual registered in the Intangible Cultural Heritage List of Humanity	02 December 2015
3	Long handle chabey registered in the Intangible Cultural Heritage List of Humanity	30 November 2016
4	Sambo Preykuk temple area registered in the World Heritage List	08 July 2017
5	La Khon Khol Pagoda of Svay Andet registered in the Intangible Cultural Heritage List of Humanity	28 November 2018

Source: MOCFA

**Table 2.30: Conservation and repairing**

No	Indicator	Location
1	Conserve and repair Bantey Chmar and Bantey Tob temples	Bantey Meanchey
2	Conserve and repair Trapaing Prasat temple and Tob bridge	Odor Meanchey
3	Conserve and repair Banon temple, the north corridor of Baset temple, Ek Phnom temple and Steong temple	Battambang
4	Conserve and repair Preah Steong temple and Bakan temple	Preah Vihear
5	Repair Sambo Preykuk temples	Kampong Thom
6	Conserve and repair Phnom Trob temple, Mohaleap pagoda, the north entrance gate of Nokor Bacheh temple, Svay Sach Phnom pagoda, Hannchey temple, centers of Hannchey temple	Kampong Cham
7	Conserve and repair Preah Theat Toch temple, Cheong Ong Temple	Tbong Khmum
8	Conserve and repair Kachroleong temple, Srey Krubleak temple	Kandal
9	Conserve and repair Phnom Chiso temple, Neang Khmov temple, Tmor Dos temple, Tamao temple, Taprum temple (Tonle Bati)	Takeo
10	Conserve and repair Preah Samdey temple	Tbong Khmum

Source: MOCFA

#### World Heritage National Committee

##### Disseminating and promoting the awareness on the world heritage

- Published books for the dissemination of the World Heritage.
- Collecting and compiling books on cultural heritages that have been listed as World Heritage List until 2017.
- Collected and compiled Yellow Booklet on Structure and Communication in the World Heritage National Committee.
- Studied and monitored all documents and all aspects of the 41<sup>st</sup> sessions in Krakow, Poland.

- Studied the guidance of ECOMOS and IUCN, on the applications for registration and evaluated the proposal to register the cultural heritage and natural resorts of the State Parties to the Heritage Convention 1972 for the 41st Meeting in Krakow, Polan.

### 5. Strengthening institutional capacity and partnership to increase work efficiency and services

2.135 The ministry promoted administrative reforms and public financial management reforms and strengthened the capacity of civil servants as well as law enforcement, regulation development, and public service delivery.

#### Public service delivery

Table 2.31: Public service delivery

Indicator	Unit	2014	2015	2016	2017	2018
Issuing the permit for business on new songs	songs	84	127	45	2,077	158
Issuing the permit for new production openings	copies	41	66	54	59	76
Registering the application for Khmer video production	titles	136	144	99	106	99
Issuing the permit for Khmer video filming	titles	121	107	56	61	85
Issuing the visa for business on Khmer videos	titles	148	142	106	85	68
Issuing the visa for business on foreign videos	titles	434	415	508	552	550
Checking and permitting the import and export of artistic souvenirs	items	8,699	5,551	4,297	8,239	2,800
Researchers reading in the National Library	persons	7,918	7,829	15,376	9,748	151,420
Providing ISBN to the publishers	numbers	554	572	592	452	531

#### Public administration reform and public financial management reform

- Strengthened the efficiency of human resource management and development such as by regulating the rank of civil servants and promoting and appointing civil servants in accordance with the hierarchy.
- Reviewed the status of the use of civil servants in organizational structure, position structure, position descriptions of the civil servants to ensure the selection, deployment of the civil servants and the utilization of the human resources according to the actual needs of the work.
- Recruited new civil servants in the new framework and the internal framework exam.
- Strengthened the implementation of Public Financial Management and Procurement Reform Program.

#### Strengthening the capacity of the civil servants

- Organized trainings and workshops to strengthen the capacity of the civil servants on skills related to job performance such as public administration management, preservation and registration of intangible cultural heritage, basic skills of cinematic profession, seminars on the implementation of the Convention for the Safeguarding of the Intangible Cultural Heritage 2003 and the Convention on the Protection and Promotion of the Diversity of Cultural Expressions 2005.

#### Enforcement of the laws and regulations

- Cracked down on film offenses and seized the VCDs without a visa.
- Collaborated with the heritage police and local authorities to protect ancient monuments from destruction.

- In addition to enforcing the existing laws and regulations, the ministry has drafted royal-decrees, sub-decrees, and important Prakas that are fundamental to preserving and developing the culture.

### **National and international cooperation**

- Cooperated with national and international organizations as well as other countries to mobilize funds to preserve and develop national culture.
- Organized cultural exchanges through art performances, cultural events, or bilateral and multi-lateral cultural weeks with friendly countries.
- Facilitated the lending of Cambodian antiques to display in the exhibitions in the friendly countries to promote the glorious civilization of the nation.
- Cooperated with friendly countries including the United States and Thailand in the framework of cooperating and protecting the relics of Cambodian antiquities illegally exported from Cambodia.
- Collaborated closely with organizations and partners in arts and culture activities such as Khmer Amatak Arts Organization and Khmer Art Institute by signing a labor cooperation agreement to organize exhibitions, the preparation of the arts performance, and the seminars.
- Collaborated closely with UNESCO in Cambodia, ministries and agencies, associations and the private sector to prepare the document "National Policy on Culture".
- Strengthened the dialogue through "Art Forum" to provide opportunities for stakeholders both public and private, NGOs, CSOs, and social media practitioners to express their opinions and understanding of each other to conserve and develop the national cultural development such as organizing a cultural forum on the "Cultural Industry in Cambodia", etc.
- Cooperated with ministries and agencies, especially to collaborate in organizing arts programs both at national and international events and in collaboration with Union of Youth Federations of Cambodia in organizing Angkor Sangkranta events in Siem Reap.
- Cooperated with international organizations and countries in capacity building, conservation and dissemination of cultural arts, national culture, festivals, exhibitions, special seminars with UNESCO in the implementation of the Convention for the Safeguarding of the Intangible Cultural Heritage 2003 and the Convention on the Protection and Promotion of the Diversity of Cultural Expressions 2005.

### **Challenges**

**2.136** Beside the above achievements, the ministry encountered several challenges as follows:

- Lack of professors in the framework of university and a high school of arts who have the skills and experience.
- Continued cultural crimes that requires cooperation and protection from relevant ministries and agencies because of the wide range of cultural works across the country, including tangible and intangible heritage.
- Laws and regulations for the management and delivery of cultural services are inadequate including limited implementation in the local and international practical contexts.
- The ability of the dissemination and all forms of notification is not comprehensive.
- The ability of quality innovation and creativity is limited and the law enforcement is limited, causing copyright infringement.
- Lack of physical infrastructure that fosters a culture such as performance halls, etc.
- Information systems do not have a clear legal system and the awareness, appreciation and the use of national cultural art by artists, youths, and the public are limited causing effects to the nation's beautiful cultural traditions.

## 6.2 DEVELOPMENT OF INDUSTRY AND SMALL AND MEDIUM ENTERPRISES (SMES)

### Industry sector

**2.137 The Ministry of Industry and Handicraft (MIH)** has reformed the work of managing small and medium enterprises and handicraft by strengthening the law enforcement and amendment of the Law on Factory and Handicrafts Management, with a focus on key inspection work by helping to guide directly the factory owners about the regulation and technical standards and avoiding the inspection work as the disturbance or oppression. In addition, the MIH has already issued a Prakas on the technical specification and industrial safety management on the risky mechanical machinery and equipment, and strengthened the management of the steamer to minimize the phenomenon that causes disasters to humans and other assets eventually.

- Total factories: 1,611 factories with total labor force: 1,003,253.
- Amended the Law on Useful Model Certificates, and Industry Patterns.
- Law on the Approval of the Agreement on the Recognition of European Patent Validity between the Government of the Kingdom of Cambodia and the European Patent Institution.
- Implemented patent recognition and mutual industry modeling with partner countries (Singapore, Japan, China) to strengthen the protection of industrial property and attract investment.
- Cambodia has become the 151<sup>st</sup> full member of the Patent Cooperation Treaty and the 66<sup>th</sup> member of the Geneva Treaty of 1999 of the Hague Agreement concerning the international industrial painting registration.
- Promoted productivity in order to reduce production costs, improve quality, production data and competitiveness, trained and provided counselling to owners and employees of the factory, enterprises and handicrafts on methods (refinement - order - clean - standard - stable) on the production management system, machine maintenance, food safety, lean production, knowledge management, supply chain management, green production, and business excellence.
- Provided technical and technological services, and further enhanced and reformed accreditation work.
- Researched and translated draft Law on Promotion of Technology Transfer in Cambodia.
- Revised the guidelines on industrial waste management.
- Prepared the procedure for monitoring, evaluating and certifying the environmental management in handicraft and factories.
- Issued the Prakas on public service pricing for participation in trainings on industry safety.
- Re-organized the public services, reformed regulations and amendments of the laws.
- Coordinated the transfer of technology between China and the National Committee for ASEAN Cooperation in Science and Technology.
- Installed an industrial property modernization system.
- Received application documents for the patent registration and issued the patent certificate for a Khmer patent.
- Carried out accreditation for private institutions and companies.

### 2.32: Indicators on industry sector

Indicator	2014	2015	2016	2017	2018
Number of factories	1,301	1,450	1,579	1,522	1,611
Labor	778,878	849,546	921,858	982,203	1,003,253
Total product value (Million USD)	7,413	8,973	9,568	10,794	12,203

Source: MIH

### Small and medium enterprises

- Developed a policy framework for SME development in Cambodia.
- Developed a Sub-decree on the Establishment of the Union of Association of SMEs in Cambodia.
- Accelerated the registration, the permit issuance to owner of the factories or enterprises and issued 4 Prakas concerning the process of delegating power to SNAs.
- Prakas on the use of iodized salt logos.
- Requested a specialist from UNICEF to assist in the development of salt processing plants and iodine fortification techniques.
- Provided technical assistance and coordination of financial granting to 13 food producing and processing SMEs to change to use new technologies.
- Completed a draft Incentive Policy for SMEs and Handicrafts.
- Building human resources on software and hardware skills to employers, workers and SMEs and handicraft officials through short courses, on-job trainings, local and oversea training.
- Created a SME eco-park with a theme "One Province, One SME and Handicraft" through the Mekong-Lancang Cooperation.
- Developed a facilitation mechanism for the registration of SMEs and services under one roof.
- Facilitated the listing of the SMEs and handicrafts more easily and simply through online registration.
- In the process of preparing a functional analysis list for delegation to register enterprises and handicrafts with capital of less than US\$ 50,000 and no risk to provincial, municipal, district and Khan administration.
- Compiled database on production of the SMEs and handicrafts.

**Table 2.33: Number of enterprise and labor force**

Indicator	2014	2015	2016	2017	2018
Enterprises	143,192	146,842	152,332	155,640	155,745
Labor force	936,476	960,347	996,673	1,106,745	1,107,806

Source: MIH

### Standardization

- Over the five years from 2014 to 2018, 895 standards have been approved.
- Set up a system for certification of product quality and safety and efficiency of the management system of the factory and SMEs in accordance with national, regional and international standards for ensuring product and production in Cambodia complied with the standard with quality, safety and efficiency.
- The system certifies product quality standards and certifies standard management systems (ISO 9001, ISO 14001, ISO 22000, GMP, etc.). Both systems are recognized by International Accreditation Organization of the Australia and New Zealand according to international standard ISO/IEC 17065 and ISO/IEC 17021.
- Organized product registration system in accordance with international principles and mutual recognition coordination in ASEAN to ensure safety for consumers.
- Prevented the use of dangerous substances, the production of chemical weapons, as well as drug trafficking or production using imported chemicals. The ministry has also set up a mechanism to monitor and evaluate the use of chemicals in the industry by setting chemical use standards and standard use of prescribed chemicals.
- Developed the product registration and product safety registration systems as well as mechanism for managing chemicals or hazardous chemicals, or dangerous goods.
- Strengthened the capacity as well as provided mutual trust between producers and consumers. The ministry also made efforts to enhance the capacity of the laboratory

analysis to obtain an internationally recognized testing capacity according to Standard ISO/IEC 17025.

- Internationally accredited in accordance with ISO/IEC 17025 is the analysis capacity of the Cambodia Industry Laboratory Center to test the samples of food and water products in both microbiology and chemistry.

**Table 2.34: Number of product samples 2014-2018**

Indicator	2014	2015	2016	2017	2018	TOTAL
Number of samples	3,426	3,664	5,020	5,534	4,764	22,408

Source: MIH

### **Metrology**

- Actively forecasted 1,757 metrological tools.
- Created an electrical laboratory.
- Strengthened management capacity to be internationally recognized ISO/IEC 17025 and 17020.
- Increased the capacity as the member of ASEAN, international and regional organizations.
- Promoted the activities related to the legislation and promoted the enforcement of the Law on Metrology and regulations as a basis for the metrological performance.
- Established specialized training courses on metrology in response to the actual need and regulations to manage the units and promote businessmen with transparency and accountability in society.

### **2.138 Challenges**

- Reviewing and restructuring financial incentives that provide incentives for investment in sectors as set out in the IDP are limited.
- Understanding the application procedures for establishing and obtaining the certificate for the operation of the factory or handicraft is limited.
- Lack of human and financial resources and equipment in the process of enterprises registration.
- Lack of means of transport with 20 tons standard weight to monitor the metrological tools.

## **6.3 DEVELOPMENT OF LABOR MARKET**

### **Development of working conditions and harmonization in industrial relations**

- Prepared the labor inspection checklist more effectively, transparently and reliably, and introduced code of conduct for labor inspectors, especially the development of the information technology management system.
- Strengthened the use of foreign labor force data management system by requesting work quota, work permits and employment cards through online system.
- Increased the minimum wage for garment, textile and footwear workers from US\$153 to US\$170 per month for 2018, including other benefits, workers can receive between US\$187 and US\$198.
- Furthered Better Factories Cambodia (ILO-BFC) and strengthened the implementation of the Labor Law and International Labour Conventions.
- Issued directive to the owners of the factories, enterprises, and establishments to allow pregnant women to leave the work places at least 15 minutes early and allow Cambodian Muslim workers to use traditional Islamic clothing.
- Encouraged factories to prepare breastfeeding rooms for women having children whose age are under 12 months and to have a crèche (day-care center) for women having children whose age are over 18 months.

- Issued measures to prevent fainting accidents by requiring all factories and enterprises to inspect the technical conditions and surroundings of the factory to ensure safety before letting workers to work.
- Developed guidelines for the preparation of a infirmary of the enterprise or establishment.

### **Development of technical and vocational education and training**

- Prepared a Sub-decree on National Technical and Vocational Education and Training Day (TVET Day), to be held on June 15, each year.
- Training with short-term certificates (less than one year), technical and vocational diploma, associate degree/high diploma, bachelor's degree of technology, diploma of engineering, Master's Degree, and apprenticeship trainings to participants, students in industry, business, techniques, handicrafts, tourism service and agriculture.
- Developed a capacity-based standard package in some key sectors.

### **Development of jobs and employment**

- Formal economic enterprise and establishments registered with the MLVT increased by 21.1%, receiving an average wage of over US\$ 2 billion per year.
- Informal economic enterprises and establishments registered with the MLVT. The informal economy played an active role in complementing with formal economy and contributing a considerable amount to the national economy of about US\$ 6 billion a year.
- 99.3% of the total labor force is employed
- Carried out UN joint Programme: "UNited for Youth Employment in Cambodia" to develop youths and young women to gain access to decent work and productive employment.
- Provided overseas employment services to more than 1.2 million people (Thailand, Republic of Korea, Japan, Malaysia, Singapore and the Hong Kong Special Administrative Area).

### **Development of social security fund**

- Implemented the social security funds for public officials, former civil servants and veterans.
- Provided occupational risk benefits, an increase of 10.30% compared to 2016. The expenditure on the occupational risk benefits is 19 billion riels, an increase of 21.98%.
- Implemented the social security fund on health care by expanding to enterprises and establishments and re-identifying workers by 2017.
- Implemented allowance allocation program to 9,925 women workers delivering 9,990 babies, and the total allowances amounted to 3,996 million Riels.
- Continued to cooperate with relevant ministries to address the problems of safe transportation and commutation of workers, through adjusting means of transportation and strictly enforcing the Traffic Law.
- Cooperated with ASEAN countries in implementing the pension scheme, by allowing workers to transfer their membership, seniority, and social security contributions from one country to another after the employment contract and to be a basis for the pension calculation. Overseas workers can get this scheme like those of within the country.

### **Challenges**

**2.139** In addition to the aforementioned tremendous achievements, the development of the labor market remains a key challenge that require flexibility and perseverance with these issues in updating the next five-year strategic plan against key challenges as follows:

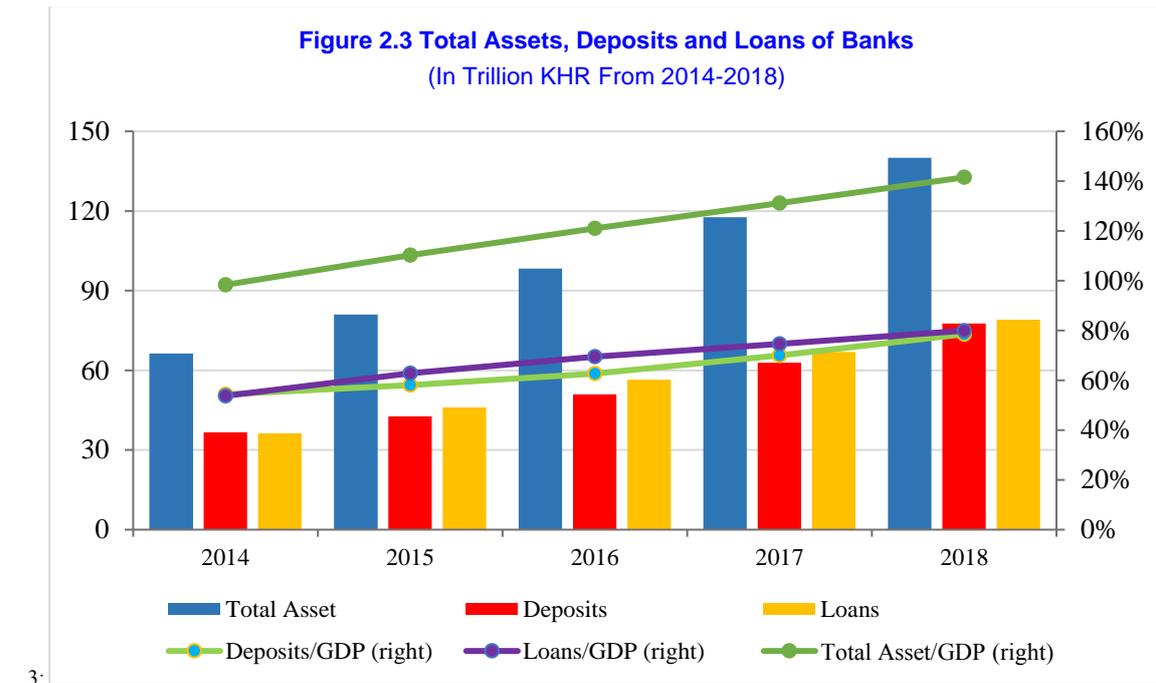
- The productivity quality of labor force is still low, compared to other countries in the region, as most of the labor force works in the informal economy.
- Job and seniority database management system is not strong.

- Preparing a occupational safety and health (OSH) management system at enterprises is not good enough, meanwhile, workers' safe transportation is not secure.
- Management on closed factories and payment of seniority indemnity are not good enough.
- Limited migration protection service.
- Limited implementation of National Policy on Technical and Vocational Education and Training 2017-2025 at both public and private levels.
- Implementation of the National Qualifications Framework, National Standards, capacity and capacity-based curriculum, recognition framework from technical and vocational education and training to higher education institutions has not achieved substantial results requiring the establishment of a model center for the technical training in many places and organization of the policy dissemination day is not extensive enough.
- Inadequate Intermediate and advanced technical training.
- Workforce capacity development to increase productivity is not comprehensive.
- Incomplete response regarding to skills, internship, professional conscience, and quality of technical and vocational education and training to actual demands.
- Limited participation from the private sector in vocational and technical training.
- The coverage of social assistance and social security fund is incomprehensive and incomplete.
- The management process of the program and scheme of social protection systems are not concentrated.
- Establishing legal frameworks and supporting infrastructure such as the legalization supporting system for the people and the vulnerable, and the registration of the operating institutions is unclear.
- The implementation of social security fund as well as the expansion of the existing scheme to increase protection for all people is time-consuming, likewise, the need of resources to operate.
- The effectiveness and quality of the public service provision of the Ministry is not completely responsive to users' needs; planning, forecasting, reporting, statistical system are not clear; Memorandum of Understanding and legal instruments do not have clear management mechanisms, and promotion of gender equality in the labor and vocational training is still limited.
- Inspection and audit, monitoring and evaluation implementation of policies and strategic plans as well as strengthening the mechanisms of the committees and other working groups well functional.

## 6.4 BANKING AND FINANCIAL SECTOR DEVELOPMENT

### Banking development

- The total assets of banking institutions grew approximately 22.5% annually during 2014-2018, up from 66.3 trillion Riels in 2014 (98.3% of GDP) to 140 trillion Riels (141.5% of GDP) by October 2018. The deposit from customers also grew approximately 24.1% annually during the last 5 years with the increase from 39.7 trillion riels in 2014 (59.1% of GDP) to 86.6 trillion riels (87.5% of GDP) in October 2018. However, the credit to private sectors by banking institutions surged around 22.6% annually during the same period, reaching 78.2 trillion Riels (79.9% of GDP) in October 2018 from 38.01 trillion Riels (56.7% of GDP) in 2014.



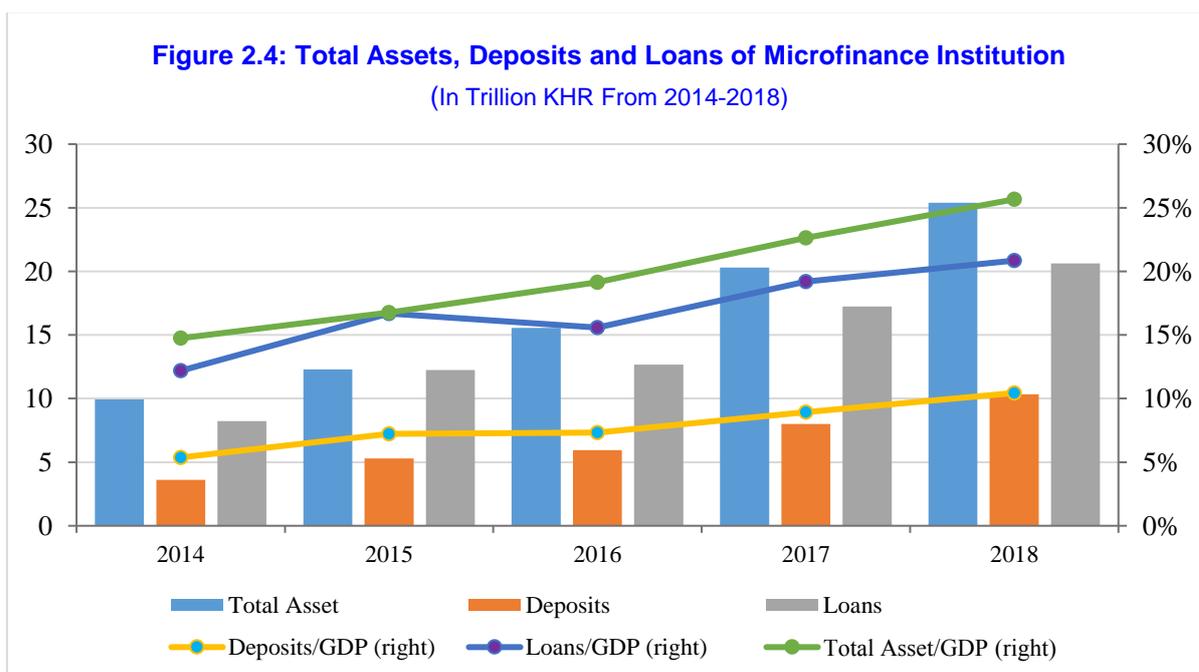
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- The sector has grown rapidly and remarkably in the form of numbers of operators and scale and scope of Cambodia banking operations. In the mean time, the NBC has been continuing to strengthen the onsite and off-site supervision for the banking and financial institutions with great caution and attention such as (i) the analysis, monitoring and assessment of the institution business activities via supervision system, (ii) the periodic off-site surveillance system (iii) the use of CAMELS methodology based on risk base and forward looking to evaluate the soundness and safty of the entire banking system.
- Financial and capital condition, asset quality, business performance, liquidity, governance and the enforcement of laws and regulations of the banking and financial institutions have been improved after the National Bank of Cambodia issued new prakas such as: (i) prakas on liquidity risk management framework for banks and other financial institutions (ii) prakas on minimum registered capital of banking and financial institutions, (iii) prakas on capital buffer in banking and financial institutions, (iv) prakas on credit risk grading and impairment provisioning, (v) prakas on auditing of banking and financial institutions. In the meantime, the National Bank of Cambodia has continued cooperating with other supervisory colleges that have established their branches and subsidiaries in Cambodia to strengthen cooperations by sharing information and any systematic risks and concerns in order to jointly solve the possible crisis and to prevent cross border systematic risks.
- Moreover, to maintain the public's confidence in banking and financial sector, the National Bank of Cambodia has issued a prakas on auditing companies for banking and financial institutions and has urged the financial and banking institutions to pay more attention to the compliance with the Basel Core Principles the compliance, the preparations of financial statements in accordance with international financial reporting standards (IFRS), the implementation of consumer protection policies; and the compliance with the foreign account tax compliance act (FATCA).
- NBC has made a number of important achievements including the establishment of an early warning system and a financial stability unit. NBC has also studied the risk analysis and conducted stress-testing exercises based on the IMF Financial Sector Assessment Program.
- NBC is preparing a number of Prakas related to liquidity risk management for the banks and financial insitutions and strengthened its role as the final borrower through the implementation of Prakas on liquidity provision for banks and financial institutions to be protected in advance for the systematic risks.

- NBC, MEF, and SECC have established a working group to formulate a crisis management mechanism for Cambodia's financial sector.
- Those achievements were made since the NBC officially launched the Fast Payment System, aiming at promoting the use of local currency "Riel" and electronic payments more effectively and at modernizing Cambodian payment system. In addition, the NBC launched the Central Shared Switch system to facilitate the inter-bank settlement through debit cards/ATMs and POS in order to increase the efficiency of payment service and to reduce cash circulation in market. Recently, the NBC has been developing the Real Time Gross Settlement (RTGS) to smooth the large value transaction payments.

### Microfinance sector development

- The Cambodian microfinance sector (MFIs) has continued to grow remarkably and sustainably in the form of scope and scale of operations with profitability, and actively provided the mobile banking and fund transfer services.
- The total assets of MFIs had grown in an annual average rate of 33.3% over the period 2014-2018, surging from 9.94 trillion Riels (14.7% of GDP) in 2014 to 25.38 trillion Riels (25.7% of GDP) in September 2018. This sector provided loans to its clients at the annual average growth rate of 34.5% during the same period, reaching 20.62 trillion Riels (20.8% of GDP) in September 2018 from 8.22 trillion Riels (12.2% of GDP) in 2014 and also collected the deposit at the annual average growth rate of 46.7% from 3.62 trillion Riels (5.4% of GDP) in 2014 to 10.33 trillion (10.4% of GDP) in September 2018.



- As of mid-2015, all the institutions have completed and submitted reports on the risk assessments of Anti Money Landering (AML) threats and Criminal Financing Terrorism (CFT).
- In 2015, the Steering Committee for Microfinance identified the sector's challenges and took some policy and problem-solving measures for NBC and microfinance operators to monitor and implement.

### Challenges

#### Banking sector

2.140 Despite some developments and progress, the banking sector still faces a number of challenges as follows:

- High dollarization has caused the loss of seigniorage which constrains the wider use of market-based instruments in implementing monetary policy tools and reduces the flexibility that the RGC has to act in a crisis, should one occur.
- Cambodia does not have a clear institutional framework and mechanism to ensure the financial stability. Limited comprehensive, timely and accurate data is a challenge to monitor efficiently the risks on financial stability.
- The proportion of riels in terms of deposits and circulation is low compared to that of US dollars. Some government transactions remain in US dollars and many sellers, especially in the urban areas, advertise goods for sale in US dollars only.
- The NBC remains committed to risk-based and forward-looking supervision as demonstrated by the recent issuance by NBC of the Prakas on the implementation of Risk-Based and Forward-looking Supervision. In achieving this goal, NBC faces the challenges of inadequate specialization in terms of risk-based and forward-looking supervision, and information technology. Likewise, laws and regulations are required to be regularly monitored in order to catch up with the market progress.

### Microfinance sector

- Limited public knowledge about the microfinance sector, misunderstanding that microfinance institutions are state-owned or nonprofit organizations, leading to a lack of prudent consideration of interest rate, payment capacity, and the improper use of microfinance services.
- The high interest rate offered by microfinance institutions, a result of the high cost of funding and operations.
- Lack of information technology system and human resources to implement CIFRS; and uncertainty of tax base calculation for provisioning and transferring retained earnings to registered capital.

## 7. CAPACITY BUILDING AND HUMAN RESOURCES DEVELOPMENT

### 7.1 STRENGTHENING AND ENHANCING EDUCATION, SCIENCE AND TECHNOLOGY AND TECHNICAL TRAINING

2.141 The Education Strategic Plan 2014-2018 highlights the important work phases of **the Ministry of Education, Youth and Sports (MOEYS)** in the implementation of the Education, Youth and Sports reforms in Cambodia in line with the RGC's reforms of during the fifth mandate.

2.142 Over the last 5 years, the MOEYS and development partners have jointly implemented the Education Strategic Plan, achieving significant achievements such as increasing enrollment with equity at all levels, especially 9-year basic education, strengthening and promoting governance, public institutions, addressing emergency issues, and increasing scholarships for poor students. The ministry also paid close attention to measures to improve the quality and responsiveness of education services, especially the promotion of teacher profession, capacity development and incentives as well as increased efficiency and effectiveness in managing educational services.

2.143 The achievements made by the MOEYS are:

#### 1.1 Progress by sub-sector

##### 1.1.1 Early childhood education

The number of kindergartens increased from 5,625 of school year 2013-2014 to 7,587 of school year 2017-2018 (4,900 state kindergartens, 456 private kindergartens and 2,955 community-based kindergartens). In the school year 2017-2018, the number of children received education services was 431,510 (girl: 218,488, equal to 50,63%).

##### 1.1.2 Primary education

State primary schools increased from 6,993 of school years 2013-2014 to 7,189 of school years 2017-2018. The net enrollment rate at primary education reached 97.8% of the

school year 2017-2018, the completion rate was 82.7%. The Policy on Child-Friendly Schools has been successfully implemented to provide all children with access to quality education through at least basic education and provide breakfast and scholarship for poor students and provide transportation to teams providing additional training and monitoring at municipality, district/Khan has increased the enrollment rate and stability of education.

### **1.1.3 Secondary education and and technical education**

Over the past 5 years, the gross enrollment rate at lower and upper secondary education has grown from 53.3% and 26% in the school year 2013-2014 to 59.2% (54.6%) and 28.5 % (Target 27.7) in the school year 2017-2018, and the completion rate increased from 39.2% in the school year 2013-2014 to 46.5% in the school year 2017-2018 (44.6% target). The ministry has adopted a Policy on New Generation Schools and five new generation schools are in operation.

### **1.1.4 Higher education**

Higher education institutions are under the control of 16 ministries and institutions. Higher education institutions under the management of the MOEYS is 73, (state: 13 and private: 60). 38 higher education institutions provide post-graduate education services.

### **1.1.5 Informal education**

The the number of capital and provinces, which has implemented vocational literacy programs is 25, post-literacy programs is 18, re-enrollment programs is 22, income-generating programs at Community Learning Centers is 24, equivalent primary education programs is 22 and vocational programs is 21.

### **1.1.6 Youth development**

The MOEYS has developed a document on national youth development framework, National Youth Service, Risk Management in Implementation on Cambodian Youth Development, draft Entrepreneurship Policy and Monitoring and Evaluation. The MOEYS has updated the documentation for the Children Council and the Youth Council, organized the Youth Volunteer Network at both national and sub-national levels, the Youth Red Cross Movement, 150,000 Scout Movement Members, and expanded 5,000 Scout members in 2017.

The MOEYS has continued to strengthen technical skills and soft skills for the youths by disseminating job market information to youths and organizing forums on labor education and labor market information for youths and entrepreneurship trainings. The MOEYS has prepared the documentation on career counseling and information on secondary career counselor training skill.

The MOEYS has organized life-skills training seminars on AIDS prevention, drug and alcohol elimination, Traffic Law, elimination of violence among youths.

### **1.1.7 Physical education and sports**

The MOEYS organized a secondary education student competition selecting a national champion in Kampong Cham and sent delegates to international competitions, including the World Petanque Championship, where Cambodia won three consecutive gold medals. Cooperated to organize a friendly talk with sports men and women and offered the incentives to the winners of the world championship and international competition in 2017 under the presidency of Samdech Hun Sen, the Prime Minister and Samdech Ketti Pretpanditta Bun Rany Hun Sen, providing strength and warmth to win the game in the present time and SEA Game Competition 2023, hosted by Cambodia.

## **1.2 Progress of the reform implementation**

The MOEYS launched eight sector reforms in 2014 and expanded to 15 points from 2015-2018 on the basis of the five pillars: (1) implementing the Teacher Policy Action Plan; (2) reviewing the curriculum and basic study book and improving the study environment; (3)

implementing inspection; (4) enhancing the assessment of study such as the national, regional, and international assessment; and (5) reform of higher education.

- Reform 1: Public Financial Management.
- Reform 2: Teacher deployment.
- Reform 3: Reform of the teacher training centers.
- Reform 4: Promoting teacher's qualifications.
- Reform 5: Inspection.
- Reform 6: Assessment of study results.
- Reform 7: Reform of the exam at upper secondary school.
- Reform 8: Reform of the curriculum and basic books.
- Reform 9: Construction of the school buildings and repairing.
- Reform 10: Assessment of the higher education institutions.
- Reform 11: Promoting sports.
- Reform 12: Implementing the action plan of the youth policy.
- Reform 13: Technical education.
- Reform 14: Establishment of new generation schools.
- Reform 15: Preparing career path and principal training.

**Table 2.35: Key indicators and targets in education, youths and sports**

Key indicators in education		Unit	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	
			Actual	Actual	Actual	Actual	Actual	Actual	Projected
1	Percentage of five year old children in all aspects of ECE	%	56.5	59.9	61.4	64.1	66.4	68.5	68
2	Number of primary schools (grade 1-6)	No	6,910	6,993	7,051	7,085	7,144	7,189	7,606
Net Enrolment Rate in Primary Education									
3	Total	%	97	98.2	98	98.4	97.7	97.8	100
4	Male	%	97	97.9	97.4	97.7	97.2	97.5	100
5	Female	%	97	98.5	98	99.3	98.2	98.1	100
6	Urban	%	89.8	83.6	82.9	83.3	81.3	102.8	100
7	Rural	%	98.6	98.4	97.2	96.5	96.5	96.7	100
Gross Enrolment Rate in Primary Education									
8	Total	%	121.1	119.2	115.3	114.9	113.7	113.8	103
9	Male	%	123.1	120.8	116.1	115.4	114.4	114.6	103
10	Female	%	119	117.5	114.4	114.3	112.9	112.9	103
Completion Rate in Primary Education									
11	Total	%	91.5	88.9	84.1	80.6	79.9	82.7	83
12	Male	%	91.9	87.7	81.8	82.5	76.7	79.1	84.2

13	Female	%	91	90.2	86.6	83.9	83.2	86.4	84.5
14	Number of Lower secondary schools	number	1,622	1,659	1,674	1,684	1,699	1,716	1,672
Gross Enrolment Rate in Lower Secondary Education									
15	Total	%	56.5	53.3	55.1	56.5	57.6	59.2	54.6
16	Male	%	56.2	52.1	53.3	53.8	54.2	55.3	50.9
17	Female	%	56.7	54.5	56.2	59.4	61.5	63.4	54.9
18	Urban	%	78.4	60	58.3	59.2	57.1	57	55.5
19	Rural	%	52.6	51.7	52.1	52	60.2	61	54.8
Completion Rate in Lower Secondary Education									
20	Total	%	42.2	39.1	40.3	39.2	44.5	46.5	44.6
21	Male	%	42	38.23	38.9	37.3	39.39	42.3	41.1
22	Female	%	25.5	40	41.8	41.2	48	51.1	44.6
23	Number of Upper secondary schools	number	433	444	455	463	486	516	668
Gross Enrolment Rate in Upper Secondary Education									
24	Total	%	29.8	26	25.3	251.1	26.5	28.5	27.7
25	Male	%	31.9	25.2	23.8	24.1	23.6	21.9	27.5
26	Female	%	27.6	25.7	26.9	26	28.1	30.9	27.7
27	Number of Technical High Schools	number	2	3	3	4	7	9	8
28	Number of student in technical high schools	%	897	653	868	1,166	1,148	1,471	1,492
29	Literacy Rate (15-45)	%	80.7 (2013)	80.7 (2013)	78.1 (2014)	78.1	78.1	82.5	81.4

Source: MOEYS

## Challenges

2.144 Beside the above achievements, there are still challenges in the development of education, youths and sports as follows:

- **Early childhood education:** Early childhood enrollment in rural areas, and among vulnerable children and children with low socio-economic status have not yet been met. Early childhood education services do not meet the minimum standards such as qualifications for early childhood educators and lack of early childhood educators.
- **Primary education:** Keeping students in school and completing their study need to be improved, especially for disadvantaged children. The proportion of children who have the basic skills of reading, writing, and thinking remains gap.
- **Secondary education and technical education:** Dropout at lower and upper secondary education is still high. The lack of school facilities is a factor contributing to the overall dropout rate as well as the lack of teachers, especially the lack of specialized teachers in subjects such as science, technology, engineering and mathematics, ICT, and foreign languages. The gap between the skills offered to students

in general education schools and technical education does not meet the labor market demands.

- **Higher Education:** Inequality in student study from low-income households. Studies on science, technology, engineering, creative art, and math are still low. Lack of means to encourage research activities in higher education institutions.
- **Informal education:** Lack of skills and limited resources for Community Learning Centers.
- **Youth development:** Soft-skill training programs, entrepreneurship training, technical skills training suffers from a lack of supporting resources and facilities. Human resources and youth management centers with limited coverage of the country. Children's council and youth council are not yet functioning properly and lack support from stakeholders. Implementation of the strategic plan to expand Scout members is not yet completed.
- **Physical education and sport:** The infrastructure for sports is limited. Capacity of physical education and sports, players, coaches and referees are still limited. Lack of resources for implementing the master plan to host the 32<sup>nd</sup> Southeast Asian Games in 2023.

## 7.2 PROMOTION OF HEALTH AND NUTRITION

### 1. Promotion of the population health and well-being

2.145 People's health was better promoted by expanding coverage of health care services and improving service quality and increasing the prevention of financial risks of access to health care services. Specifically, economic growth and declining poverty have played a role in increasing living standards and improving the quality of life of the people. In fact, the average life expectancy of Cambodians of both sexes has increased from 61.9 years in 2000 to 68.7 years in 2015 (66.7 years for males and 70.7 years for females).

2.146 The health of Cambodian people has been enhanced as shown by the improvement of key health outcomes, especially the reduction of maternal and infant mortality rates and the reduction of illness and death from communicable and non-communicable diseases and the risk of being transmitted a disease faced by people.

**Table 2.36: Trends of the reduction of maternal, infant mortality rate and malnutrition 2005-2015**

Indicator	2005	2010	2014
Maternal mortality ratio (100,000 live births)	472	206	170
Neonatal mortality rate (1,000 live births)	28	27	18
Infant mortality rate (1,000 live births)	66	45	28
Under 5 mortality rate (1,000 live births)	83	54	35
Stunting among children aged under five	43%	40%	32%

**Table 2.37: Trend in reduction of sickness and death rate and risk factors of communicable and non-communicable diseases and public health issues 2014-2018**

Indicator	2014	2015	2016	2017	2018
Number of new HIV infection per 1000 uninfected population*	-	0.05	0.04	0.03	0.03
Tuberculosis incidence per 100,000 population*	-	380	345	326	-
Tuberculosis death rate (100,000 population) ***	58	55	20	19	-
Malaria incidence per 1,000 population	1.64	2.26	1.50	2.96	4.00
Malaria mortality rate reported by public health facility per 100,000 population	0.07	0.08	0.01	0.01	00
Prevalence of adult 25-64 years-old having Hypertension*	11.2% a (2010)		14.5% b	-	-
Prevalence of adult 25-64 years-old having Diabetes	2.9% c (2010)		1.5% d	-	-

Prevalence of Tobacco use among male (M)& female (F) adults				
- age > 15 years	21.8% e		21.8% f	-
- age 13-15 years	6.3% e (2010)		2.4% f	-
Prevalence of alcohol use among male & female adult	53.5% g (2010)		45.5% h	-

a,b,c,d,e,f,g,h Survey Report STEPs 2010 and 2016, University of Health Science

- Targets cannot be set by year since STEPs is done every 5 year.

\* Data started the recording in 2015 and \*\*\* Results 2018 will be released in late 2019

## 2. Increasing the prevention of financial risk in access to health services

**2.147** Financial risk prevention for access to health services aims to remove financial barriers to health care and to protect people, especially the poor and vulnerable people, from falling into poverty as a result of the cost of health care. This is done through social health protection mechanisms such health service policy that exempts fees for the general people, equity fund program, alternate payment, and reproductive health cards for poor people, Social Security Fund for health care, and voluntary community health insurance. The Equity Fund program has rapidly grown from 66% of total health facilities in 2014 to 98% by the end of 2017 and 100% in the first quarter of 2018. Up to the end of 2018, Equity Funds (poor people, non-workers, members of councils/communes/Sangkat, village officials, national sport players, mine operators, tricycle workers) and Social Security Schemes in health care (employees of the economy in the public official system, former officials, and veterans) can reach more than 30% of the total Cambodian population.

**2.148** The effectiveness of the expansion of the above-mentioned social health protection coverage along with the expansion of service coverage and the improvement of the quality of health services and regulating the health market has reduced the financial burden on the health services for the general population. This progress is confirmed by the decline in proportion of households facing health problems from 8.8% in 2009 to 3.7% in 2016. The proportion of families who became poor after spending on health care from 5.7% in 2009 to 1.6% in 2016, and the family's pocket spending on healthcare (at public and private health services) are at a high level of 60.4% in 2016, which could be a poverty trap, although it has declined from 62.3% in 2014<sup>1</sup>.

## 3. Increasing health service delivery

**2.149** Access to services and coverage was marked by progress due to increased access to reproductive health, maternal and child health, nutrition, prevention services, treatment of communicable non-communicable, chronic diseases, and other public health problems as shown in the following table.

**Table 2.38: Indicator trend of the use of health service 2014-2018<sup>2</sup>**

Indicator	2014	2015	2016	2017	2018	2018 Target
OPD consultations (new cases only) per person per year	0.59	0.61	0.63	0.71	0.72	0.75
Bed occupancy rate (%)	95.2	87	93.9	94.4	100.5	95
Hospital mortality rate (%)	0.97	0.98	0.84	0.87	0.72	<1
Contraceptive prevalence (modern methods) (%)	35	39	32.6	24.8	21.9	43
Proportion of births delivery at health facilities	80	80.35	80.52	85.37	84.05	88
Caesarean section rate (% of live births)	5.37	5.26	5.35	5.83	6.77	8
Percentage of pregnant women who received ANC4 consultation by health personnel	66.4	71.5	72.2	76.8	77.2	87
Percentage of post-partum women who received PNC consultation by health personnel	56.4	68.2	67	70	68.4	98
Percentage of infant who were breastfed within 1 hour of birth (as percentage of live births) *	-	70	64.6	63	67	90

<sup>1</sup> Results from the data analysis in Cambodia Socio-Economic Survey 2009 to 2016, WHO

<sup>2</sup> Achievement report in health sector in 2014 and 2017, MOH

Percentage of pregnant women received folic acid 90 tablets	86.1	73	86.5	88	79.9	79
Percentage of post-partum women received folic acid 42 tablets	82.4	62	74.3	78.3	70	80
Percentage of children 12-59 months received Mebendazole during the last 6 months (Round 2)	71	88	93.1	81.7	78.2	93
Percentage of children 12-59 months received Mebendazole during the last 6 months	70	70	88.4	80	78	79
DPT-HepB-Hib 3 coverage rate (%)	98	95	100.1	97.6	98	95
Coverage rate of measles vaccination at 9 <sup>th</sup> month	94	92	106	96	103	100
OPD consultation (new cases) per children under 5 per year	1.45	1.52	1.64	1.55	1.6	1.56
% of people with HIV treated with ART tested with viral load suppression during the past 12 months *	-	84	64	80.78	84.63	88
Percentage of adult peoples aged above 14 year-olds living with HIV on ART *	-	79	76.5	85	-	-
Percentage of children aged 0-14 year-olds living with HIV on ART *	-	92	90	97	-	-
Number of people with HIV (adults and children) receiving ART**	-	-	-	-	59,526	
TB treatment success rate (%)	90	93	90	93	93	>90
TB case detected ***	12,250	35,638	33,736	34,467	-	35,000
Percentage of adults aged 25-64 with hypertension received treatment *	-	29	30	33.8	30	55
Percentage of adults aged 25-64 with diabetes received treatment *	-	17	20.4	36.5	32	45
Percentage of women aged 30-49 years screened for cervical cancer *	-	1.18	2.62	1.81	0.26	6
Number and percentage of adult population with depression received treatment *	-	2	2	2	1.71	30
Number and percentage of people with drug used received treatment *	-	22 (1,300)	28	30.11 (3,110)	100 (8,096)	60
Cataract surgical rate per 1,000,000 population per year	1,801	1,500	2,109	1,954	2,286	2,000

\* Data started recording in 2015

\*\* Data started recording in 2018

\*\*\* Results in 2018 will be in late 2019

**2.150** Key factors that contribute to achieving progress in improving access to services and coverage include (1) large investment in expansion of infrastructure of health facilities, human resources, pharmaceutical equipment supply, medical tools; (2) expansion of the coverage of social health protection projects, especially the equity fund program; (3) expansion of the road network, especially in rural areas; (4) increased household spending capacity on health care; and (5) increased health recurrent expenditure of the national budget on health.

**Table 2.39: Data on health facilities 2014-2018<sup>3</sup>**

Public health facility	2014	2015	2016	2017	2018
Number of hospitals	97	99	111	117	123
Number of health centers *	1,105	1,141	1,165	1,190	1,205
Number of health posts	106	81	96	119	129
<b>TOTAL</b>	<b>1,308</b>	<b>1,321</b>	<b>1,372</b>	<b>1,426</b>	<b>1,457</b>
Number of beds	9,897	10,689	10,870	11,408	11,883

**Table 2.40: Data on public health staff 2014-2018<sup>4</sup>**

Types of staff	2014	2015	2016	2017	2018
Doctors, specialized doctors	2,347	2,346	3,129	3,130	3,432
Associate doctors	906	863	866	839	613
Pharmacists	526	525	759	769	745

<sup>3</sup>Health Achievement Report 2018, MOH

<sup>4</sup>Health Achievement Report 2018, MOH

Dentists	243	250	476	500	497
Bachelor midwife			89	145	272
Associate midwife	2,963	3,130	4,022	4,178	4,279
Primary midwife	2,327	2,282	2,364	2,320	2,256
Bachelor nurses			116	149	215
Associate nurses	5,700	5,745	7,897	7,850	7,912
Primary nurses	3,299	3,173	3,198	3,060	2,864
Associate lab technicians	484	506	833	775	797
Other staffs	2,179	2,134	1,633	1,744	1,556
<b>TOTAL</b>	<b>20,974</b>	<b>20,954</b>	<b>25,382</b>	<b>25,459</b>	<b>25,438</b>

**Table 2.41: Trend in national budget expenditure in health 2014-2018<sup>5</sup>**

Public health sector	2014	2015	2016	2017	2018
<b>Recurrent expenditure</b>	<b>825,199.9</b>	<b>959,769.6</b>	<b>1,050,177.6</b>	<b>1,177,419.0</b>	<b>1,378,106.7</b>
% of the expenditure compared with the approved budget	84.4	93.8	94.5	98.0	98.9
Central					
Recurrent expenditure	550,138.1	643,545.0	653,198.9	679,835.7	825,738.2
% of the expenditure compared with the approved budget	79.7	89.5	93.8	95.0	100.7
Capital and provinces					
Recurrent expenditure	275,061.8	316,224.7	396,978.7	497,583.3	552,367.9
% of the expenditure compared with the approved budget	95.6	104.1	95.8	102.3	96.3

**2.151 Quality of Services:** The overall quality of public health services has been improved steadily due to improved structural and technical quality (procedures for providing care services). This progress has contributed to the decline in maternal and infant mortality and child mortality and communicable diseases. However, the quality of the service does not yet fully satisfy the needs and expectations of the users yet due to the resource constraints.

**2.152 Effectiveness:** Fast and consistent economic growth has enabled the RGC to increase national budget expenditure on health as aid funding declines. The ongoing Public Financial Management Reform has provided opportunities for the MOH to improve the cost effectiveness. The effectiveness and responsiveness of public health providers has been promoted through a mechanism that combines the delivery of services to financial resources such as incentives for midwife, service delivery packages, and special agencies.

**2.153 Equity:** Access to health services and in health financing has been continuously promoted as a result of using resources that are targeted towards primary health care delivery in rural areas and the expansion of the coverage of equity fund, along with more health financing interventions. It is noted that finding health care is becoming more equitable, and the attitudes of people seeking health care are also improved, especially among lowest-income people.

#### **4. Promoting governance and accountability**

**2.154** Progress has been made in strengthening the enforcement of health regulations, especially the elimination of illegal private services and counterfeit pharmaceutical products. Several regulations on health have been developed and put into effect. Decentralization of private service regulatory functions to SNAs has been ongoing. As the legal framework for governance of health systems has been developed and put into effect, the capacity to

<sup>5</sup>Health Achievement Report 2018, MOH

strengthen the law enforcement has become a major challenge to the leadership function of the MOH and SNAs that oversee the regulatory function delegations.

## Challenges

**2.155** Although the general health status of the people has been improved, the health sector is still facing challenges in both epidemiology (the burden of communicable and non-communicable diseases and public health issues), and health systems operations that need to be effectively addressed in short, medium, and long term.

### Epidemiology

- Maternal, infant, and children mortality and malnutrition among women and young children (acute and chronic) are high compared to other countries in the region.
- HIV infection is still a concern among the population. New cases and mortality rate remain high. Multi-drug resistance of the TB and anti-malarial drug resistance are still the main challenge of the clinical section.
- The increase in the burden of non-communicable diseases, along with the longevity of the population, poses a problem to the structure and approach of health services delivery.
- New epidemics or new pop-ups continue to threaten regional and international security.
- The impact on human health due to risk-taking drugs and alcohol, lack of food, urbanization, urban areas with health risks, environment and climate change requires effective multisectoral responses.

### Health system operation

- Provision of quality health services faces resources constraints, especially human resources, diagnostic capacity and shortage of medicines and medical tools.
- The delivery of health services remain unresponsive to health problems caused by communicable and non-communicable diseases, chronic diseases, mental illnesses and other major public health problems.
- Inappropriate habit in seeking health care in rural areas such as delaying the seeking of treatment, self-treatment, etc.
- Reduce the gap of the delivery of health services with quality, safety and efficiency in all geographies and continue to promote equity.
- People's pocket spending on health care is high, while risk awareness is still low, and social health insurance for both people inside and outside economic systems is in the process of development.
- Lack of skilled health personnel, especially at health centers and hospitals, affecting the ability to expand service coverage and improve quality.
- Investments in medical technology, information technology and ability to analyze, interpret and utilize the data are limited.
- The rapid expansion of private health services brings challenges to the MOH's leadership and management functions and regulatory capacity in all levels of health systems.
- Delegation or function assignment to SNAs affects the functional and organizational structure of the MOH and all health units.

## FOOD SECURITY AND NUTRITION

**2.156** In Cambodia, one in three children under five are stunted, one in four are underweight and one in ten children are wasting. Recent calculations of the economic burden estimate that malnutrition costs the country nearly 400 million USD in GDP annually. The RGC of Cambodia (RGC), including CARD, has made a commitment to address food security and nutrition (FSN) and to eliminate food insecurity and hunger. Guided by the highest levels of RGC and with support from development partners, such commitment called for evidence-based, cross-

sectoral approaches and solutions that also require robust coordination at both national and sub-national level.

**2.157** In line with its mandate, CARD led development of the planning framework and coordination mechanisms for FSN. In addressing food security, there has been marked improvement in food availability; improvement of water supplies and sanitation has exceeded planning targets and continues strongly; health services, regulation and education are improving to plan; and there has been improved coordination of responses to shocks. The contributions of the development partners alongside the work of the concerned government ministries and departments, have been critical in maintaining the pace of these improvements and sustaining them over time.

**2.158** The core achievements of CARD for cross-sectoral coordination of relevant line ministries and partners include:

- **The NSFSN 2014-2018** has provided strategic guidance for both sectoral and cross-sectoral actions supporting FSN.
- **Awareness raising of the importance of nutrition** via establishment of the National Nutrition Day on 6 November every year and the National Workshops on Food Security and Nutrition.
- **Training** is an important role of CARD and the **FSN Trainer Pool** has continued to serve a vital role in the delivery of training and in the facilitation of cross-sectoral coordination, whilst at the same time committing to ongoing professional development.
- **Disaster preparedness** has improved through coordination of Humanitarian Respond Forum (HRF) and NCDM and annual conduct of CamRex, with extension to some sub-national exercises.
- **Information systems and research** to provide an evidence base for decision-making for FSN has been very productive, with numerous studies conducted by or disseminated by CARD and partners.
- **Advocacy** for additional public funding for FSN, including for MoH and MoP for nutrition-specific and nutrition-sensitive interventions, for the treatment of acute malnutrition and salt iodization, iron fish and soy sauce and rice micronutrient fortification.

## Challenges

**2.159** The main challenges now facing FSN in Cambodia include:

- The effective operation of FSN information systems is a major constraint for planning, coordination and decision making.
- Dealing with a rapidly changing landscape for development on many fronts, including socio-economic trends, institutions, infrastructure, climate change and the condition of natural resources.
- There are ongoing challenges for ensuring food safety, water quality, curbing open defecation and improving sanitation around farm homesteads.
- Access remains an issue for FSN, as does dietary diversity for pregnant women and children under five.
- The adoption of good feeding practices for small children under two years is also challenging due to social and cultural influences, including irresponsible marketing of breast milk substitutes.
- Enforcement of the regulations for breast milk substitutes and food fortification is a continuing battle. Fortification efforts face many challenges including the institutional arrangements, food standards, quality assurance and enforcement of legislation.
- Maintaining sectoral commitments for FSN and meeting cross-sectoral challenges requires increased public funding for the future and creative means are required for securing private sector investments to support FSN.

- Overweight and obesity issues are a growing concern, especially for women of reproductive age.
- There is an ongoing need for the promotion of more diversified and sustainable agricultural production system and for the evolution of nutrition-sensitive food systems. The protection of the natural resource base (especially water and soil) is a critical challenge for agriculture, forestry and fisheries.

### 7.3 DEVELOPMENT OF SOCIAL PROTECTION SYSTEM

2.160 The RGC has made good progress in strengthening social protection systems and has made it an integrated, consistent and efficient system that covers the public and private sectors, including the clear roles of policy preparation, laws and execution. Some achievements on social safety are as follows:

2.161 The MEF, with inputs from relevant ministries and agencies, and the CARD, guided the development of the National Policy on Social Protection Framework 2016-2025, which has two main components: social assistance and social insurance. The development partners collaborated with the CARD and the SNAs in the pilot project support, which will provide lessons and experiences for the preparation of the income support components of social assistance in the National Policy on Social Protection Framework.

2.162 The IDPoor achieved the coverage of all rural areas. Since 2015, the MOP has full ownership in the financial sector for rural area coverage. The Urban IDPoor Mechanism has included a score of criteria of vulnerability such as health, disability, education and debt, and this rating is also applied with rural areas.

2.163 There is good progress in developing the institutional framework for child welfare support, including the Juvenile Criminal Justice Reform Plan 2013. Survey on violence against children was published in 2014. The Cambodia National Council for Children has reported progress on the implementation of the International Convention on the Rights of the Child on behalf of Cambodia as a signatory.

2.164 The MEF continues to manage the reserve food system to support emergencies in times of natural disasters or severe weather events. The Ministry of Social Affairs, Veterans and Youth Rehabilitation (MOSVY) achieved the following:

#### Priority 1: Enhancing social welfare and family affairs

- Developed and implemented emergency programs in collaboration with the Cambodian Red Cross and other organizations to help the helpless persons, the victims of natural disasters and the other disasters in the last 5 years, with approximately 373,952 families have been rescued, reduced the difficult conditions for the rehabilitation. Disseminated, educated and mainstreamed the safe migration to local authorities and 526,575 people.
- Developed and implemented programs on family development, encouraged good family planning and prevented domestic violence by organizing national and international day on family on 15 May each year. Promoted gender equality at the national and sub-national level and the roles of women in decision-making through the dissemination of the Gender Perspective and the CEDAW to the focal points at the national and sub-national level and the dissemination of awareness on preventing domestic violence to the communities.
- Developed and implemented the minimum standards for the care of victims of human trafficking and sexual exploitation in the centers and Monitoring and Evaluation Toolkit on the implementation of policies and minimum requirements on the rights protection of the victims by human trafficking at national and sub-national levels, aiming to

combat human trafficking and rescue the victims. At the same time, the construction of Poipet Transit Center is underway to receive victims from the Thai authorities.

**Table 2.42: Achievements on enhancing social welfare and family affairs**

No	Indicator	2014	2015	2016	2017	2018	TOTAL
1	Victims and vulnerable people receiving emergency assistance (families)	32,212	178,538	43,580	62,476	57,146	373,952
2	Homeless people receiving resolution service on prevention and protection (persons)	544	2,437	884	1,727	2,041	7,633
3	Homeless people integrated into the families and the communities (person)	56	2,437	884	1,244	2,524	7,145
4	People living with HIV/AIDS and affected by HIV and other communicable diseases in communities receiving support, care and counseling services (persons)	2,264	6,748	3,724	2,758	4,285	19,779
5	Victims of human trafficking integrated into families and communities (persons)	146	47	58	147	345	743
6	Victims of human trafficking receiving counseling and rehabilitation services (persons)	279	598	455	720	848	2,900

Source: MOSVY

### Challenges

- The coverage of the National Social Assistance Program is not yet comprehensive and fully covered causing some groups not to receive the protection.
- The Management System of the ID and the general civil status, the Poor and Vulnerable ID Management System and the registration system of the operators are not linked, leading to overlapping identities and registrations, and also offers overlapping benefits.
- Understanding on the social protection system such as the benefits and obligations of the participation of people in each scheme or program is limited. Strengthening the capacity of officials should also be improved according to the situation and needs.
- While the quality of health services has been strengthened, nutrition promotion for pregnant women and children is still not strong. Pregnant women and children under five years from poor families are more likely to experience malnutrition due to the lack of financial resources and information needed to access health care and nutrition as well as clean water and sanitation.
- Strengthening the Family Development Program is limited by the lack of mechanisms of the participation of all stakeholders.

### Priority 2: Enhancing child welfare and youth rehabilitation

- Strengthening and expanding the child rights implementation and monitoring Mechanism at ministries, agencies and capital/provinces and issued a Guideline on the Implementation of the UN Recommendation on the Implementation of the Convention on the Child Rights.
- Encouraged and promoted the implementation of the child rights through strengthening the capacity of civil servants and non-governmental organizations and disseminating the child rights widely.
- Prepared a report on the status of the child rights implementation annually and prepared a report to respond to the questionnaire of the UN Committee on the children's participation in armed conflicts and child trafficking; child pornography and

reports responding to the UN General Assembly resolution on protecting children from threat. Developed and disseminated the implementation of the National Action Plan for Child Development 2016-2018 and prepared the 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> National Report on the Implementation of the Convention on the Child Rights.

- Implemented the alternative child care policy and minimum child care standards in collaboration with national organizations. Trained on technical and organization's staffs on children's safety qualifications.
- To strengthen the efficiency and quality of the child care center management and community child management, the RGC has issued three sub-decrees. The MOSVY has issued a Prakas on the Conditions and Form of Request for Permit Creating Child Care Facilities. It inspected the child care centers to prevent child abuse and closed child care centers that do not comply with the policy and minimum standards for alternative child care.
- Implementing the Inter-Country Adoption Law, the MOSVY established a number of legal mechanisms and regulations and signed an agreement on the limitation of the number of agencies with inter-country adoptions with Italy, Spain and Malta.
- Launched and enforced the Law on Juvenile Justice, and disseminated to concerned ministries and agencies at national and sub-national level. The RGC issued a sub-decree on the organization and functioning of the Youth Rehabilitation Center and the establishment of the National Center for Treatment and Rehabilitation of Drug Addicts at Keo Phos, Preah Sihanouk Province, and the Prakas on the Construction of Youth Rehabilitation Centers, Prakas on the Preparation and Operation Offices of Youth Rehabilitation Centers, Inter-Ministerial Prakas on Terms and Conditions on Procedures and Forms for the Establishment of Treatment and Rehabilitation Centers for Drug Addicts, and Guideline on Treatment and Rehabilitation of Drug Addicts.
- Educated children, youths to prevent inactive issues in society, contributing to promote morality, ethics and protecting the rights of children and the violating victims. Cooperated with the MOI, international non-governmental organizations, providing non-formal education and vocational training to the juvenile children violating the laws and and children with mothers in prisons.

**Table 2.43: Achievements on the promotion of child welfare and youth rehabilitation**

No	Indicator	2014	2015	2016	2017	2018	TOTAL
1	Orphans and victim children integrated into families and communities (persons)	721	574	462	738	1,140	3,635
2	Number of children receiving community-based care (persons)	41,194	42,785	9,608	9,608	10,748	
3	Number of orphans and victim children living in child care centers (persons)	11,411	11,171	16,579	16,579	7,639	
4	Juvenile children violating the laws integrated into families and communities (persons)	53	40	98	118	147	456
5	Victims of drug use integrated into families and communities (persons)	1,855	2,009	2,851	6,722	7,677	21,114
6	Victims of drug use receiving rehabilitation services (person)	2,875	3,386	5,203	10,178	8,097	29,739

Source: MOSVY

### Challenges

- In Cambodia there is no specific data on orphans, vulnerable children and children with disabilities, but the National Strategic Plan on Orphans, Vulnerable Children and Children with Disabilities estimates that approximately 14% of the total children are vulnerable.

- Inter-census data for Cambodian Population Census in 2013 has a low number of children with disabilities because they did not collect specific data from the data collection agencies. On the other hand, children with disabilities are vulnerable groups and have limited access to social services, some of them facing discrimination and some cases of violence from their families.

### Priority 3: Enhancing welfare for people with disability

- Implemented the Law on the Protection and Promotion of the Rights of Persons with Disabilities.
- Implemented the UN Convention on the Rights of Persons with Disabilities and the Disabled People Decade in Asia and the Pacific 2013-2022, the Incheon Strategy "Making the Right Become True" in addition to the existing regulations by preparing the first national report on the implementation of the Convention on the Rights of Persons with Disabilities.
- To officially launched the implementation of the National Strategic Plan on Disability 2014-2018 through this plan, the MOSVY has prepared a mid-term evaluation report 2015 and a draft final report 2014-2018.
- Organized Cambodia People with Disabilities Day and International People with Disabilities Day, Deaf Day, Autism and Down Syndrome Day for the disabled people at national and sub-national level.
- Established a Working Group on Disability Action in 19 ministries, agencies and 25 Capital/Provincial Disability Action Councils, and trained on the mainstreaming the awareness on the Convention on the Rights of People with Disabilities, People with Disabilities Decade in Asia and the Pacific 2012-2022, the Incheon Strategy "Make the Right Become True" and the National Disability Strategic Plan to members and officials of the Secretariat General and the working groups in ministries and agencies and the capital/provinces.
- The RGC issued a sub-decree on providing awards to persons with disabilities winners in the skill competitions, the Special Olympic games, and sponsorship for coaches and alternate coaches.
- Encouraged the ministries and agencies to recruit people with disability at the rate of 2%.
- Issued a Prakas and disseminated the introduction of the guideline on Disability Inspection Procedure of the Kingdom of Cambodia.

**Table 2.44: Achievements on promoting welfare for people with disabilities**

No	Indicator	2014	2015	2016	2017	2018	TOTAL
1	Persons with disabilities received vocational training for (persons)	158	478	205	123	117	1,081
2	Community poor people with disabilities receiving policy subsidy (persons)	0	0	3,133	6,658	8,658	
3	Persons with disabilities receiving physical rehabilitation services (persons)	25,485	27,175	30,249	26,325	25,864	135,098
4	Persons with disabilities receiving medical rehabilitation services (persons)	35,291	53,673	27,254	82,596	56,112	254,926

Source: MOSVY

### Challenges

- Persons with disabilities, especially the poor people with disabilities, always face social discrimination and suffer from physical and financial difficulties that prevent them from receiving health services, education as well as vocational training. This leads to the

inability of disabled people to contribute to increasing productivity in the economy or benefiting from these economic factors.

- The mechanism of identification of people with disabilities is still inadequate, leading to some people with disabilities not benefiting from the RGC's policies of and development partners.
- Most labor rehabilitation centers are financed by development partners, so when development partners reduce or stop support, the centers face financial problems. The quality of restoration of labor is still limited, which requires further strengthening of the expertise to accelerate the treatment of persons with disabilities with the standard assistive equipment for the abnormality of the disabled.
- The recruitment of persons with disabilities for work has not been implemented for the private sector. The Disability Rights Administration, an important mechanism in the preparation of regulations, procedures, and guidelines for implementing this task, is facing a severe shortage of means and resources for implementing its programs.
- The support scheme for the people with disabilities in the communities operates in only 5 provinces because of the limited identification of poor people with disabilities all over the country and the limited budget allocations, capacity of sub-national officials, resources, and technology.
- The trainings have not been done comprehensively yet.
- There is limited awareness and access to information about physical rehabilitation services for persons with disabilities, even though there is public dissemination.

#### Priority 4: Enhancing elderly welfare

- Prepared the Action Plan 2018-2020 of the National Ageing Policy.
- Constructed the National Center for Veterans Protection in Phnom Penh launched in 2018. Meanwhile, the Ministry has issued a Prakas on the organization and functions of the National Center for Veterans Protection in Phnom Penh and is drafting the Sub-decree on Social Protection for the poor helpless elderly.
- Organized Cambodia Ageing Day and International Ageing Day on 01 October each year to promote the dignity and integrity of the elderly.
- Encouraged and supported CSOs, the private sector and individuals to set up an elderly nursing center, building homes for the poor helpless elderly, and providing financial support to the poor helpless elderly.
- The ministry has created an association of the elderly and is setting up an elderly fund to sustain protection for the elderly.

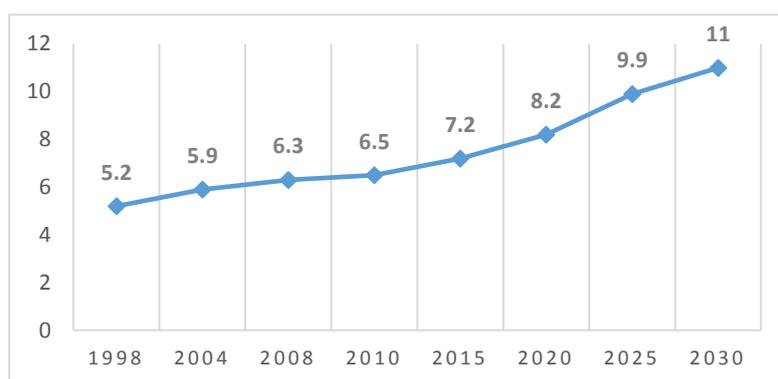
**Table 2.45: Achievements on enhancing the elderly welfare**

No	Indicator	2014	2015	2016	2017	2018	TOTAL
1	Association of the elderly established (associations)	0	0	394	1,242	10	1,646

Source: MOSVY

#### Challenges

- However, we still face some challenges that need to be addressed such as an increase in the number of the elderly aged more than 60. In 2013, the elderly population is 8% (of the total population: 15 million), 7.2% in 2015 (15.7 million), and is projected to rise to 11% (18 million) in 2030. According to the IDPoor Information System in 2016, there are 232,311 poor elderly people in the total population, of whom 98,165 are elderly and 98,165 elderly people are in Poor 1 and 134,146 elderly people are in Poor 2.

**Figure 2.5: Proportion of the elderly vs total population**

Source: MOSVY

Note: Projection of Cambodia population, report of the General Population Census 2008

2.165 While the Cambodian elderly live a longer and healthier life, they face greater difficulties related to social factor, economic factor, low productivity, health, and taking care of the children of the adults migrating to find jobs to make a living. As the elderly people get older, the problems they face get bigger. When they are older, they are more vulnerable. They may face more challenges, including poor health conditions, weak immune systems, and higher risk for communicable diseases such as diabetes and high blood pressure. At the same time, older people are more likely to have life-threatening illnesses such as cancer, disability, and organ failure, which require long-term care.

- To maintain the quality of life for the elderly, ensuring the stability of their income is essential. The elderly people who experience financial insecurity and are unable to work need to be under the social protection and welfare project. Currently, the coverage of the social protection and welfare project is still limited, and it is necessary to further expand the protection of vulnerable elderly people from poverty.

#### **Priority 5: Enhancing former civil servants**

- To support the National Social Security Fund (NSSF) for Civil Servants, the RGC has paid 18% of contributions and the civil servants pay 6% of the monthly salary, but currently, the RGC is responsible for a portion of the contribution instead of the civil servants. Along with the full support of the National Social Security Fund for Civil Servants, the RGC has also focused on adjusting the social security system in order to meet the economic growth and the affordability of the national budget.
- The NSSF for Civil Servants established its office at the capital/provinces to implement and directly resolve the issues with the successors. The RGC has issued a circular on the revision of the procedure for the retirement of the civil servants to ensure effective retirement and pensions.
- As early as 2018, the NSSF for the Civil Servants cooperated with the NSSF to provide health care services to the retirees and invalid civil servants, who are being offered health care services in health facilities that have signed a contract with the NSSF from January 2018.
- In the 5 years between 2014-2018, the RGC has raised the average retirement pension for unemployed and unqualified people every year, with a growth rate of around 42%. To ensure the timely payment, the RGC has issued a circular on the procedures for opening social security fund to the beneficiaries and the veterans and the families of the veterans.

**Table 2.46: Achievements on the enhancing former civil servants**

No	Indicator	2014	2015	2016	2017	2018
1	Retirees and unqualified individuals receiving pensions (persons)	47,375	49,709	52,012	53,785	56,353
	Retirees (persons)	44,469	46,856	49,392	51,345	54,028
	Invalid civil servants (persons)	2,906	2,853	2,620	2,440	2,325
2	People in burden (persons)	42,046	37,728	40,423	42,926	44,033

Source: MOSVY

### Challenges

- The NSSF encounters many challenges that need to be addressed in a relatively short, medium and long-term framework with flexibility and accountability. These issues include (1) pension systems are facing a inconsistency between the retirees and invalid civil servants who retired before 2015 and after 2015 as a result of rising pension levels and modification of the new basic salary; (2) the three benefits: work dangers, maternity leaves and death for civil servants, are provided the ministries and agencies but have not yet been implemented; and (3) there is no funding available to support the NSSF process beside the state support.
- So far, the total coverage of pension payments to retirees and invalid civil servants meets the actual annual cost. The RGC issued Sub-decree No. 73 dated on April 29, 2011 on the determination of the contribution rate for social security support for civil servants, which required civil servants to contribute 6% and the RGC to contribute 18%. However, the collection at this rate has not been implemented yet. Thus, the RGC continues to cover the support of former civil servants and people in burden. Plan for annual salary increase can be considered amid the implementation of this collection of the contribution.

### Priority 6: Enhancing the veterans

- The Ministry has paid attention to the situation of veterans by adjusting the social security system to the veterans since 2014 and increasing the monthly allowance to the parents or guardians of the dead soldiers.
- Adjusted the basic salary and food allowance for persons with disabilities, retirees, and the invalid who were transferred to the MOSVY before and after 2007 to have the balance. At the same time, veterans and families have been able to easily access ATM card, transfer withdrawal of social security system in case of serious diseases or business in 25 capital and provinces.
- Implemented the policy on identifying retired armed forces, losing their work ability, the disabled, and the families of the the dead soldiers.
- Cooperated with the Cambodian Veterans Association to organize the 21<sup>st</sup> Anniversary of Veterans Day each year at the national and sub-national level.
- Since 2016, the RGC provided 4,000 million riels per year to the Cambodian Veterans Association to donate to members, who have passed away.
- Organized and implemented a manual on data collection on living conditions and needs of veterans and families, together with the establishment of a database to keep track of the status and needs of veterans and families.

**Table 2.47: Achievements on enhancing the veterans**

No	Indicator	2014	2015	2016	2017	2018
1	Veterans and families receiving the schemes (persons)	87,484	87,248	86,931	86,517	88,526
	Retirees (persons)	23,888	25,078	25,643	26,479	27,101
	The invalid (persons)	1,674	1,639	1,618	1,583	1,564
	The disabled (persons)	26,962	26,286	25,977	26,501	27,205

	<i>Sacrifice (persons)</i>	29,943	28,537	27,587	25,645	25,732
	<i>Death (persons)</i>	5,017	5,708	6,106	6,309	6,924
2	The member of Cambodia Veteran Association received dead fund from CVA (corpses)	1,200	3,055	1,129	899	2,696

Source: MOSVY

### Challenges

- The veteran sector still faces major challenges i.e. the monthly social security fund gap between the retirees before 2015, between the disabled before 2015 and the pension benefits for civil servants, police and soldiers is not consistent with the benefits defined by separate laws and regulations.
- In addition to the social security system provided by the RGC, veterans and families are supported by the Veterans Association of Cambodia and generous donors, but not 100%. The National Veteran Fund contains information only for the purpose of social security fund, which provide different benefits to veterans and families. The MOSVY does not have information on the status of the living conditions and needs of veterans and families of veterans, which are important inputs in response to the preparation of the development projects to improve the living conditions of veterans and families in a decent live.
- There is a huge need for social land concessions, but there is limited response.

### Priority 7: Establishing social security fund for general people

The Ministry has been studying documents to develop a comprehensive social security system for the general people.

### Priority 8: Enhancing institutional capacity and strengthening partnership

- Strengthened and expanded the activities of National Institute of Social Affairs to build human resource for the public sector, private sector, national and international NGOs related to social affairs.
- Inspected and audited the functions, roles, dispute resolution, national budget expenditure, state property management at the capital and provincial Department of Social Affairs and Youth Rehabilitation in order to promote accountability, transparency, effectiveness of social services delivery to all kinds of the victims and vulnerable groups.
- Implemented a public financial management reform program by executing fair and timely management of all items with responsibility, efficiency, transparency and accountability.
- Encouraged and cooperated with national and international NGOs and development partners in the spirit of solidarity and mobilized resources, including financial and technical resources, to serve the needs of all types of victims and vulnerable groups in society. At the same time, the MOSVY also closely cooperated both within the ASEAN Framework for Social Welfare and Development, including the ASEAN Regional Action Plan on Eliminating Violence Against Women and the ASEAN Regional Action Plan on Eliminating Violence Against Children, Guidance on Gender in Solving Women in Human Trafficking, Kuala Lumpur Declaration on the elderly people to "empower the elderly people in the region" to develop an action plan to implement the ASEAN Declaration on Strengthening Social Protection.

**Table 2.48: Achievements on strengthening institutional capacity and strengthening partnership**

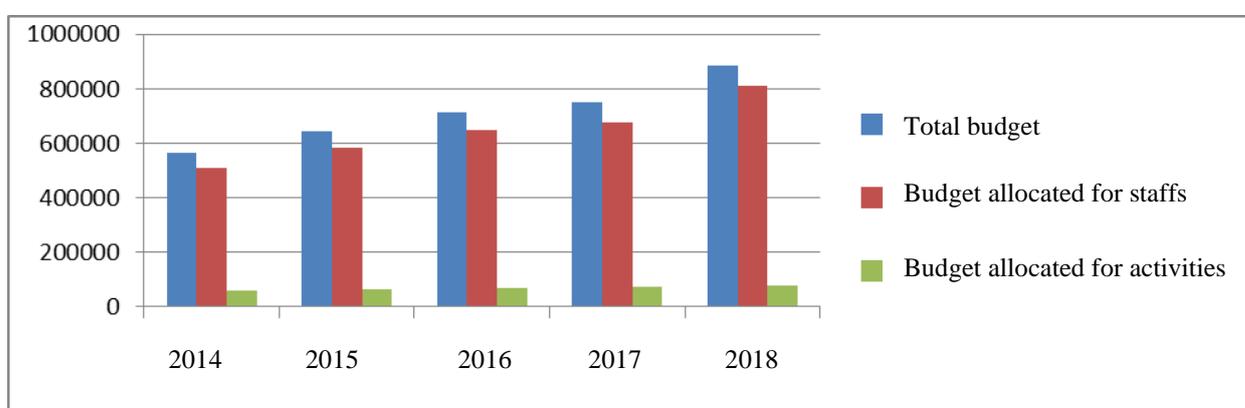
No	Indicator	2014	2015	2016	2017	2018	TOTAL
1	Number of students enrolling in year 1	53	69	73	59	155	409
2	Number of students studying Bachelor's Degree	232	301	374	433	503	
3	Number of students completing Bachelor's Degree	0	0	33	88	20	141
4	Number of trainees completing the certificate	53	49	143	105	91	441

Source: MOSVY

### Challenges

- There is a lack of database of the ministry, which leading a lack of comprehensive and inclusive, and not responsive to the real situations.
- The budget allocated to the ministry increases year-on-year, but most of that budget is spent on officials' salary and pensions.
- Funds that support the inspection and audit work can not respond to the actual size of the work, leading to an ineffective work orientation, the management of officials and staff, the use of budget, and the management of the state property inventory.
- The National Institute of Social Affairs has not achieved its targets due to lack of means of wide dissemination to students. Students do not value the social skills that the institute is currently providing, which makes the National Institute of Social Affairs remain unpopular.

**Figure 2.6: National budget allocated for 5 years (2014-2018)  
(million riels)**



Source: MOSVY

## 7.4 ENHANCING IMPLEMENTATION OF POPULATION POLICY AND GENDER EQUITY

### POPULATION POLICY

2.166 In the mandate of the NSDP 2014-2018, the General Secretariat of Population and Development of the Ministry of Planning has coordinated and collaborated with relevant ministries and agencies and has made the following key achievements:

- Developed National Population Policy (NPP) 2016-2030, approved by the cabinet and promulgated officially for relevant officials at the sub-national levels and for university students.
- Prepared the Action Plan Phase I 2016-2018 of the NPP 2016-2030.
- Prepare the Annual Progress Report and Progress Report of the Action Plan 2016-2018 of the NPP 2016-2030.
- Organized and implemented the Action Plan Phase II 2019-2021.
- Prepared training manual on National Population and Demography Policy Module 1 and trained the officials in the provincial planning departments in 25 capital and provinces.

### 2.167 Challenges

- Limited institutional capacity to integrate population and demographic dynamics issues into sectoral development plans.

- Limited understanding of population issues and development at both national and sub-national levels.
- The research study of the population issues with Cambodia Sustainable Development Goals is limited.
- Limited financial and human resources to continue the implementation of the National Action Plan of the National Population Policy.

## **GENDER EQUITY**

**2.168** Over the past five years, the RGC has paid the much attention to promoting gender equality and empowering women in all sectors and at all levels, especially through in-depth mainstreaming into the NSDP 2014-2018, incorporating specific indicators for monitoring the implementation. Partnership and support from relevant ministries, agencies, and partners have contributed to gender equality in the key policies and reform programs, gender mainstreaming strategic plans of the ministries and agencies were developed and updated. The 28 ministries and agencies have received the national budget and partnership budgets for the implementation of their sector's gender roles. At the same time, the RGC has also focused on empowering women and protecting the following key issues:

### **1. Women's Economic Empowerment**

**2.169** The report of the Cambodia Socio-Economic Survey show that the proportion of women working in major sectors such as agriculture, industry and services has grown although it did not reach the target of 50%.

**2.170** The roles of women in the economy were promoted through social protection programs, vocational trainings, agricultural and rural development, entrepreneurship development, land reform, etc. Efforts to provide economic opportunities for women have been made: the Women Development Center in 14 provinces, Cambodia Women Entrepreneurs Association and Cambodian Business Women Federation are working to help develop careers, seeking for markets to sell the products, promoting entrepreneurship, leadership and strengthening the voice of women entrepreneurs in the economy. 34 Cambodian women entrepreneurs received award winners of ASEAN Women Entrepreneurs Award.

Although a lot of efforts have been made, there are a few challenges as follows:

- Most women are working in the informal economy and in low-income industries.
- Capacity, skills and access to opportunities for resource management (time and information technology of women are limited).
- Women's products have not yet responded to the domestic and international markets.

### **2. Legal protection for women and girls, crippled women and vulnerable groups**

**2.171** The Cambodia Demographic and Health Survey 2014 showed that the proportion of women and girls aged 15 and older who had experienced physical, sexual, or mental abuse of their current or former partners over the last 12 months was 30.8%.

- The proportion of women aged 20-24 who were married or living together before the age 18 years was 1.9%.
- The Cambodia Working Group on Anti-Human Trafficking in GMS signed the Memorandum of Understanding on Combating Human Trafficking (Cambodia, China, Laos, Myanmar and Vietnam) and signed a third Joint Statement on Commitment to combating human trafficking. The International Cooperation Committee of the National Committee for Combating Trafficking is created and led by the MOWA.
- The disabled women officials of the MOWA and the relevant ministries were trained and developed built capacity on the promotion of the protection of persons with disabilities in response to gender and the Law on the Protection and Promotion of the Rights of Persons with Disabilities at the national and international levels.

### 3. Women in in Public Sector and Politics

#### 3.1 Women in legislature

2.172 The women members of the legislative bodies continues to grow after one mandate to another. In 1993, female parliamentarians accounted for 5% and this number increased to 20% in 2018. In 1999, the propotion of female senators was 14% and increased to 19.35% in 2018.

#### 3.2 Women as the government member

2.173 In 1993, there were no women ministers and secretaries, except two under secretary of states. In 2018, there are 1 female Deputy Prime Ministers (10%), 3 female ministers (10.34%), 45the Secretary of States (18%), and 69 Under Secretary of States (15.33%).

#### 3.3 Women in public administration

2.174 In the public service sector, the number of women increased steadily from 35% in 2012 to 41% in 2017. This result is based on the implementation of the MCS's guidance to recruit new civil servants (20% to 50% women) and the Royal Decree on the extension of the retirement age of female civil servants to the age of 60 and based on volunteering.

#### 3.4 Women in management at sub-national level

2.175 At the sub-national levels, female governors accounts for 4%; 26 deputy-provincial/municipal governors, accounting for 17.33%, 7 district/Khan governors, accounting for 3.55%; and 185 deputy-district/Khan governors, accounting for 26%. The numbr of women working as chiefs of commune/Sangkat increased from 42 in 2002 to 130 in 2018. There 235 female commune clerks.

### 4. Gender and Health

2.176 Results of the Cambodia Health and Demographic Survey of 2014 and the Health Achievement Report of 2016 show as follows:

- A decrease in Maternal mortality, infant mortality, and Under 5 mortality rate.
- The percentage of pregnant women receiving ANC at least 2 times has steadily increased.

Despite the above achievements, women and girls' health issues still need to be addressed, especially in remote areas, by expanding information on the importance of health, sanitation and nutrition for women and children.

### 5. Promoting social morality, women's value and khmer family including women and Education

2.177 The National Committee for Promoting Value of Social Morality, Women and Families cooperated with relevant national and sub-national units, local authorities at all levels, authorities, CSOs, and national and international development partners, to jointly implement the multi-sector strategy and high-level recommendations of Samdech Ketti Pretpanditta Bun Ray Hun Sen, President of the Cambodian Red Cross and the honorable chairman of the National Committee for Promoting Value of Social Morality, Women and Families. The National Committee also organized youth forums with debates broadcasted on national television network on social morality- and the value of Cambodian women and families in order to preserve national culture, ensuring the social morality respect. The inter-ministerial working group officially approved and implemented a Positive Child Raising Strategy in 2017-2021, responding to the National Action Plan on the Prevention of Violence against Women and Children. The gender gap in the education sector has decreased at all levels by increasing the number of scholarships to students, especially women, increasing the number of local institutions, increasing the number of dormitories that provide affordable and safe services for students and girls. Gender equity and inclusiveness, including the incorporation of gender topics and key indicators are included in the curriculum.

At the same time, the MOWA has contributed to the development of literacy classes for 1,926 home-stay workers (1,559 workers) and mobilize communities to organize the functions of community kindergartens for 12 target provinces.

### **Challenges**

- Parent awareness of the importance of girls' education is limited, especially in remote areas.
- The participation of the women and girls in the education sector such as science, technology, engineering, creative arts, and mathematics is limited.

### **6. Gender and climate change, disaster management and green development**

The Strategic Plan for Gender and Climate Change, Disaster Management and Green Development was prepared and incorporated into the Neary Rattanak IV Strategic Plan and the NSDP, and developed a Master Plan on Gender and Climate Change 2013-2022 was also developed.

The facilitation mechanism for gender and climate change was prepared and coordinated by the MOWA in collaboration with relevant ministries.

**CHAPTER III**  
**MACROECONOMIC**  
**FRAMEWORK**  
**FOR**  
**NSDP 2019-2023**

## CHAPTER III

### MACROECONOMIC FRAMEWORK FOR NDSP 2019-2023

#### 3.1 INTRODUCTION

3.1 This chapter presents the analysis of macroeconomic performance and monitoring on fiscal, monetary and financial policy which will be approved during the term of NSD 2019-2023. This analysis will start by reviewing the implementation of the plan during the past 5 years to highlight the achievements and the challenges during the implementation. This analysis includes in-depth discussions on the dynamic economy and the enabling socio-economic environment. The second point of this chapter shows the targets that have been set by the Rectangular Strategy Phase IV and will set the strategy that will direct awareness to the other policies and actions in Chapter 4. In addition, this section will be underlined by the Ministry of Economy and Finance and the Ministry of Planning in respect to the Macroeconomic policy (include public financial management reform and financial sector development). The third point provides the future macroeconomic outlook that states the impacts that might occur and the major policy stance that has been planned and implemented for investments and limit public expenditure.

3.2 Generally, analysis in this chapter shows the strengths and economic power even if there are many obstacles, the recorded annual growth rate in the region is approximately 7% while maintaining macroeconomic stability. But the additional analysis confirms the importance of productivity issues and competition issues to accelerate progress towards high average income status in the medium term.

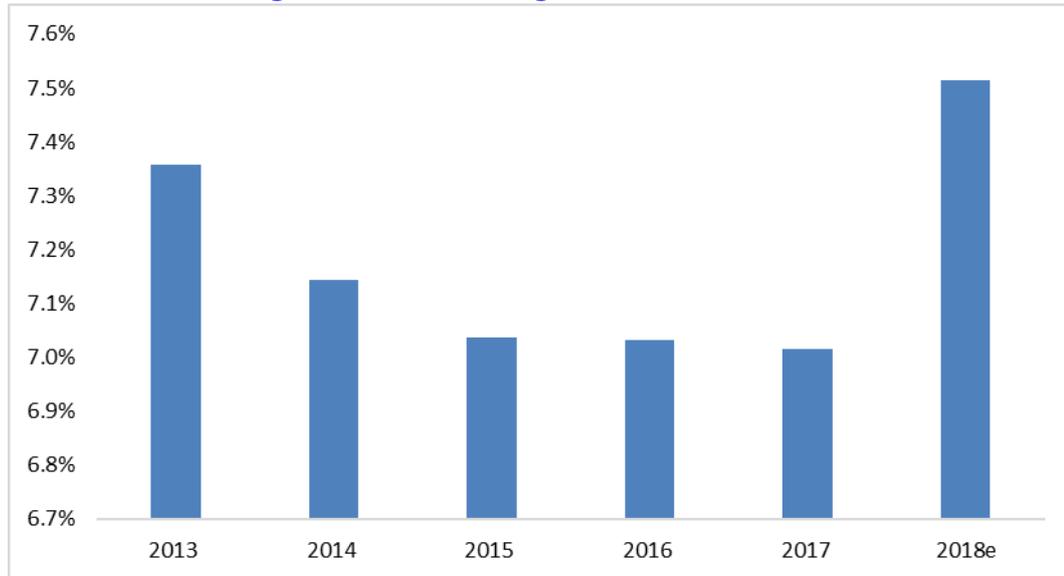
#### 3.2. ACHIEVEMENTS OF NSDP 2014-2018

3.3 This chapter divides into 2 sections. Section 1 provides 3 standard methods that rechecks the macroeconomic implementations. This method discusses from section 1: output and economic growth, internal balance (inflation and budget deficit) and external sector (balance of payment). Section 2 rechecks the impacts on the socioeconomic and progress on key structural considerations that will set the real economic results in a long-term.

### MACROECONOMIC SCENARIOS

#### OUTPUT AND INVESTMENTS

3.4 Over the last 5 years the government has achieved annual growth target of 7% with inclusiveness and equity. Cambodia also achieved the historical blueprint of transforming from a low-income country to official lower middle-income status in 2015 as well as being considered as a “**new tiger in Asia**” in 2016. As shown in the figure 3.1, the average annual economic growth is 7.1% within the five years of the plan (Data in 2018 is an estimation). This impressive growth created many jobs for the people in the country which is reflected by the figures from World Bank that shows the unemployment rate is 0.3% and the severe poverty is eliminated in 2017. Meanwhile, people’s income is also rising by GDP. Per person increased 1038 US dollars in 2018 to approximately 1,429 US dollars in 2017 and 1,548 US dollars in 2018 (estimated).

**Figure 3.1 Real GDP growth 2014-2018**

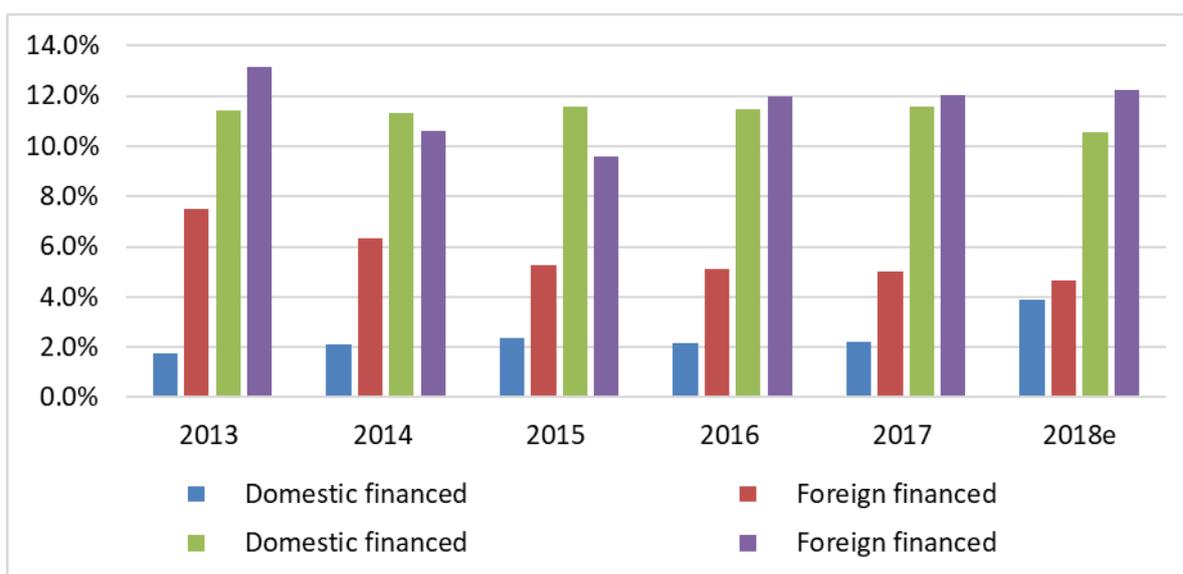
Source: Ministry of Economy and Finance

**3.5** Sectoral growth has shown significant changes (figure 3.2). Industrial and service sectors still maintain growth, although agriculture sector has slow growth. The subsectors of the industrial sector include construction, real estate, and other industries have had remarkable increases. Additionally, the garment sector maintains robust growth, resulting in an average growth of around 7.8% between 2014 and 2018. In 2019, the garment sector is forecasted to be slightly slowdown to 7.1% due to the uncertainty of the world economy especially the expected slow growth of Cambodian economic partnerships. Meanwhile, agriculture sector (subsectors: crops and other subsectors) continues to achieve slow growth at around 1.7% per year.

**3.6** These changes have made an impact on in the sector's contribution to the overall economy. Note: The construction sector has become the head of the engine that pushes the highest growth that contributes approximately 1.6% in the overall economic growth in 2018 while the garment sector contributes 1.8% and other industries approximately 0.7% of the annual growth of 7.5%.

**3.7** Investment trends have also seen positive changes (figure 3.3) of which the total investment accounted for 30% of GDP of total investment plan. Overall, the average growth of investment is approximately 11.8% per annum higher than the nominal GDP growth. Although the compositions have changed. Generally, private investments financed by foreign financing have increased from 10.6% of GDP in 2014 to 12.2% of GDP in 2018 (estimated). Private investments financed by domestic financing still maintains at 11%. Meanwhile, public investment using foreign financing has decreased slightly from 6.3% in 2014 to 5.7% in 2018 and public investments financed by domestic financing increased from 2.1% in 2014 to 2.9% in 2018 (estimated).

Figure 3.2 Investment to GDP

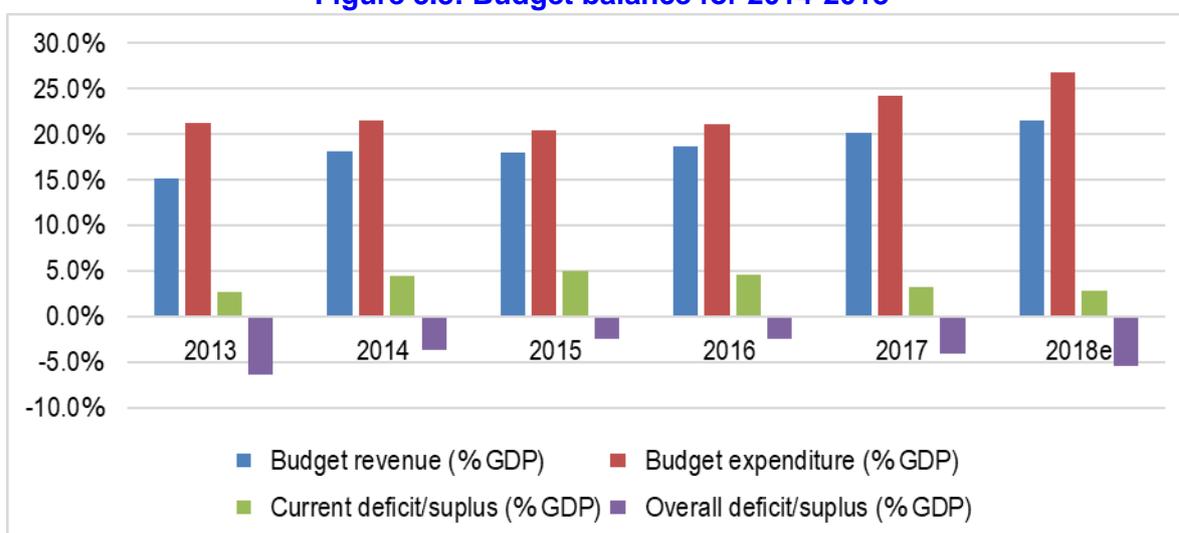


Source: Ministry of Economy and Finance

### PUBLIC FINANCE ASPECTS 2014-2018

3.8 In the fifth Royal Government Legislature of the National Assembly, Cambodia has maintained macroeconomic stability by achieving high economic growth of 7.1% on average and the stable inflation rate within 3% per year and this has transformed the country to a lower middle-income country in 2015. In the context of robust growth of the national economy, careful public financial management also receives good results by keeping the budget deficit below 5% of GDP. In the implementation of medium-term revenue mobilization strategy 2014-2018, the progress of total domestic revenue collection has exceeded expectations by collecting current revenue which achieved an average of 1.3% of GDP in 2014-2018 while the royal government complies with the budget cautiously. Meanwhile, based on the public debt management strategy 2015-2018, public debt management still remains stable within 30% of GDP.

Figure 3.3: Budget balance for 2014-2018

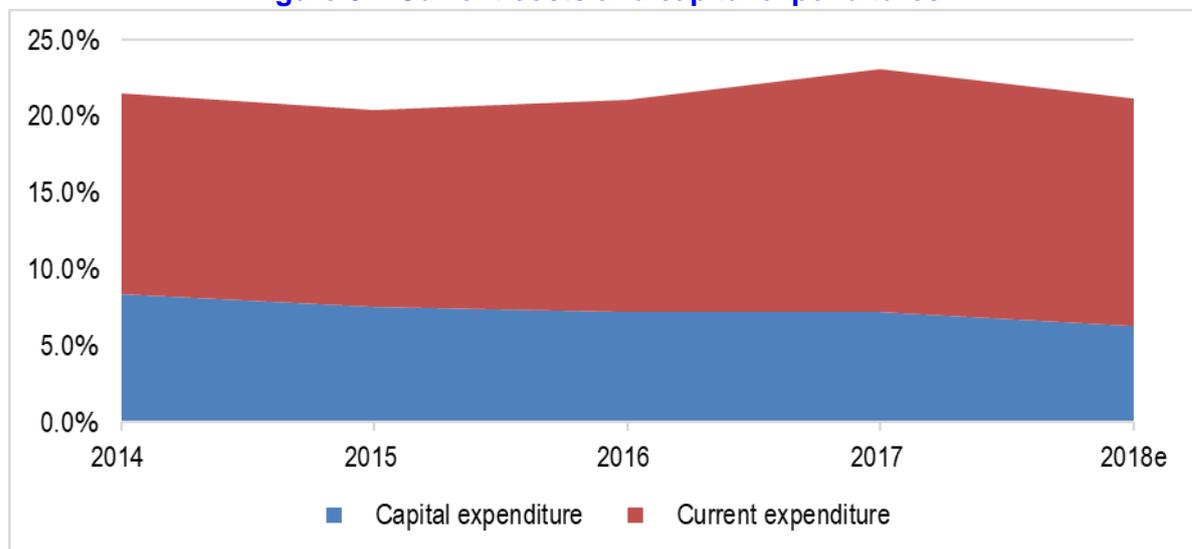


Source: Ministry of Economy and Finance

**3.9** The royal government of Cambodia achieved high success in implementing the medium-term Revenue Mobilization Strategy 2014-2018 of which the average current revenue increased to 1.3% of nominal GDO per annum (average growth is 18% in a year). This is twice as higher as the goal of 0.5% of GDP. During the five years, current revenue has increased from 15% of GDP in 2013 to 22.2% of GDP in 2018 (estimated). Current revenue growth exceeded the goal because of strong growth of domestic tax (collection of General Department of Taxation and the General Department of Customs and Excise), supported by the strong economic growth, tax compliance and the concerted effort as well as strengthening the management of revenue administration. This achievement of high revenue collection has shifted the national budget revenue of Cambodia from being the lowest in the region to the middle group level and has inspired International Centers appreciates reform with effectiveness by the Royal government.

**3.10** The current context of revenue collection has shown possibility for the Royal government to raise public expenses to continue big reforms, increase intervention dealing with market failure, raising quality and expanding the scope of public services to reach people, and increasing investments on prioritized sectors as well as educations, health and other physical infrastructures. This was done to enhance productivity and improve national economic competitions. During 2013-2018, the Royal government increased the public expenditure by two folds with focus on prioritized sectors and ministries. The expenditure for Ministry of Education, Youth and Sport increased by three folds, that for Ministry of Agriculture Forestry and Fisheries increased by almost three folds while that for Ministry of Health also increased by 2.5 times. In addition, the Royal government still continues to carry out the reform program in public finance management in order to increase effectiveness in the preparation and implementation of the budget, especially the linkage of budget to prioritized policies that has been set out.

**Figure 3.4 Current costs and capital expenditures**



Source: Ministry of Economy and Finance

**3.11** In the current context, foreign debt is still an important role during this developing planning process. In 2014, the national debt ratio compared the GDP is 1.5%, 64.4% of total export and national service debt ratio compared to total export was 1.5%. Meanwhile in 2018, service debt compared to GDP and nation debt compared to exports is 29% and 54.2% respectively. National service debt comparing to exports slightly increased was 1.5% in 2014 (table 3.1). Loans have been proposed carefully in accordance with four economic principles of the royal government: 1. borrow only at the level the government supports, 2. borrow as

much as possible at the rate of high concessional conditions in which most loans from Development banks and Bilateral from other governments, 3. borrow only for priority sectors and increase the economic efficiency and 4. loans are to be with efficiency and transparency.

**Table 3.1 Debt stabilization ratio (in percent)**

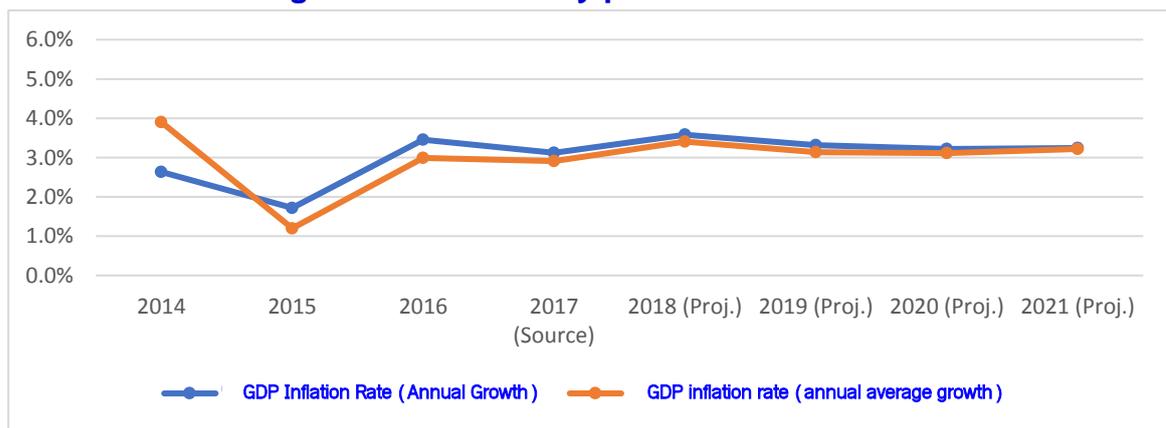
	2014	2015	2016	2017	2018
Debt to GDP ratio	31.5	31.1	29.1	30.3	29.0
Debt to Exports *	64.4	60.8	57.1	59.9	54.2
Debt-to-Export Debt Ratio *	1.5	1.5	1.8	2.4	2.0

\* Exports of goods

Source: National Bank of Cambodia

**3.12** The royal government of Cambodia has also succeeded in maintaining the inflation rate at a manageable level which on average of 3% annually. (figure 3.5 describes the inflation and series consumer price index). Although there are some changes in the inflation caused by the open economy and the influence from global inflation and inflation pressure. The price of products is increasing, mainly due to the rising exchange rate of US dollars that provides effective reduction on the momentum of price increase.

**Figure 3.5 Inflationary pressures 2014-2018**



Source: Ministry of Economy and Finance

**3.13** Data from the National Bank of Cambodia shows currency growth remains stable approximately 20% during the planning process of which broad money (M2) increased 42.6% trillion Riel (63% of GDP) in 2014 to 88.4 trillion riel (89% of GDP) in 2018. This growth is supported by net foreign asset and net local asset.

**3.14** Although Khmer Riel has increased in the past years, the Cambodia economy still relies on US dollars which conforms the Deposit ratio in currency compared to broad currency (FCD/M2) and deposit in currency compared to total deposit is 83% and 95% in 2014 and 85% and 95% in 2018 (figure 3.7). Money deposit growth increased from 35.2 trillion riels in 2014 to 75.0 trillion riels in 2018 due to the continuous increase of the public revenue and savings and continuing to receive capital flows in to the economy through banking system and trustfulness in the banking system.

**3.15** The National Bank of Cambodia is maintaining the price of Khmer riel in 4,000 riel/ per US dollar by only allowing small changes. Moreover, the government and the National Bank of Cambodia is the first to build trust of the Khmer Riel and encourages the use Khmer riel in all financing process by implementing in other activities like: (1) requiring all operations by the

government to be issued in Khmer Riel, (2) maintaining exchange rate stability, (3) improving Khmer riel papers, (4) distributing Khmer Riel to fulfill the needs in every region and sector. As a result, share of deposit in Riel compared to broad money (M2) has increased from 4.2% in 2014 to 10,0 trillion Riel and with aspect ratio of 11.3% compared to M2 and 10,1% compared to GDP in 2018.

## TRADE BALANCES AND BALANCE OF PAYMENTS

**3.16** During 2014-2018 the balance of payment of Cambodia shows a surplus of 5.4% on average of GDP although the deficit of current account had increased in 2018. In 2018, the balance payment of Cambodia has a surplus of 1,570 million US dollars or equal to 6.5% of GDP and will continue to increase the gross international reserve of the country.

**3.17** During 2014-2018, current account in Cambodia has a deficit of 8.9% on average of GDP and will continue to 11.5% of GDP in 2018, mainly due to trade deficit. The increasing import of raw material for export production is a main factor that creates the trade deficit. In other words, the local demands on some products such as construction equipment and tools, vehicles and food as well as the increase of crude oil on the international market may also be the main factor that encourages the import growth to increase. The Garment sector in Cambodia still plays a big role in promoting the economic growth because the total export of clothing and footwear accounted for 73% in 2014 and the same in 2018.

**3.18** With strong government policy, Cambodia has integrated the economy into the regional and global markets, as well as global value chains. Trade activities have increased rapidly especially with neighboring countries and new market diversification. In recent years, the size of trade has increased rapidly to 31,769 million US dollars (131% of GDP) in 2018. The Balance of trade in Cambodia has a deficit on average of 2,936 million dollars (21% of GDP) during 2014-2018. Trade deficit decreased approximately 1% of GDP in 2018 compared to 2014 because exports increased faster than imports and also other product import diversifications such as motorcycle, vehicle spare parts and electric equipment which is approximately 5% in the total exports for 2018 and will continue to increase in the years ahead. Diversification into the high value supply chains has made manufacturing sector role even more important in the Cambodian economic growth. Besides product diversification, Cambodia also did export target diversification to Japan, Canada, Australia and also important partner countries like The United States of America, Europe, and Germany as well as the main import partner countries in Asia, the Republic of China, Thailand, Vietnam and Hong Kong in which the important imported products are fuel, vehicles, linen and yarn, electric equipment and medicines.

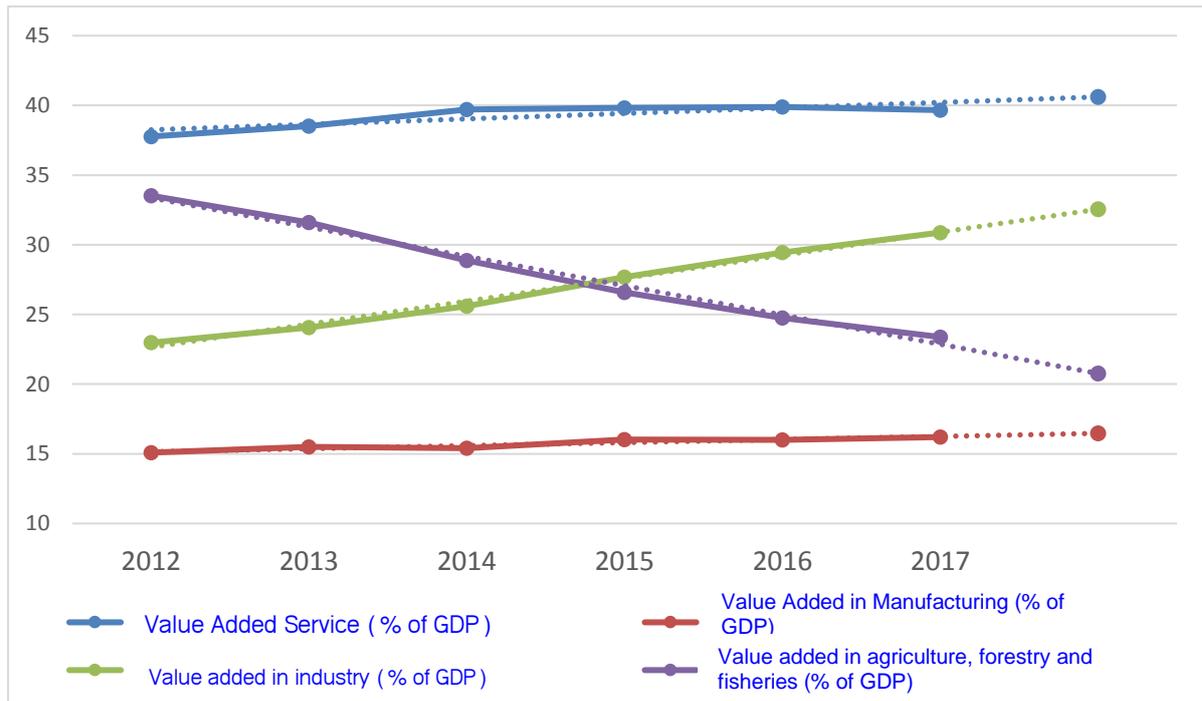
**3.19** Favorable macroeconomic stability continues to boost balance payment of Cambodia to keep steady surplus and contributes to increasing the gross international reserve in Cambodia. International reserve increased 4.4 billion US dollars (3-4 months of the next year imported goods and services) in 2018. This level of maintenance has put Cambodia in a safe spot in the world rankings on the adequacy of international reserves and is higher than other neighboring countries.

## FINANCIAL SECTOR DEVELOPMENT

**3.20** Economic growth and macroeconomic sustainability has encouraged economic transformation, productivity improvement, and consumption increase. High value-added sectors, especially manufactures and industries which are broadly opened, are supported by the growth and changes of workforce, and capital in those sectors. Even so the general level of employments and workforce still remains high, but the results are positive on income distribution and reducing poverty across the country.

3.21 The value added by various sectors continues to change. As can be seen in the figure below, the contribution of Industrial sector in GDP increased while that of Agriculture sector in GDP decreased. It is estimated that in 2018 in the value added for Agriculture sector in GDP decreases from 34% in 2012 to 21% and Industrial sector increases from 24% in 2012 to 33%. Service sector value addition reached approximately 40% of GDP, while value added of Manufacturing sector (Direct Manufacturing sector and components of industrial sector) increased to 16% of GDP.

**Figure 3.6 Sectoral value added as% of GDP  
And forecast to 2018**



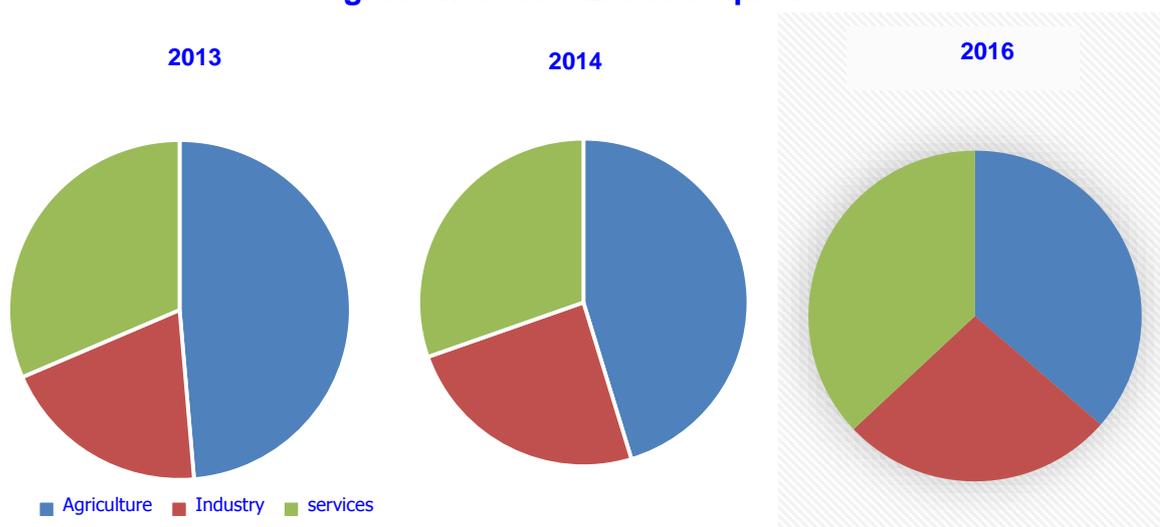
Source: World Bank and Calculation

3.22 These changes in sectors show the trends of the labor market. Table 3.2 shows the trends of the contributions of men and women in the workforce decreased in the agriculture sector and increased in the industrial sector. This trend encourages an increase productivity of the workers and increases family income. And another important factor is participation in the labor market in Cambodia remains high and keep increasing, indicating that demand for labor is still strong, though there is a shift of labor to higher value-added sectors. Once again, based on table 3.2 shows approximately 90% of Cambodian people are men and 89% are women that is joining the labor market.

**Table 3.2 Labor Market Data from the CSES**

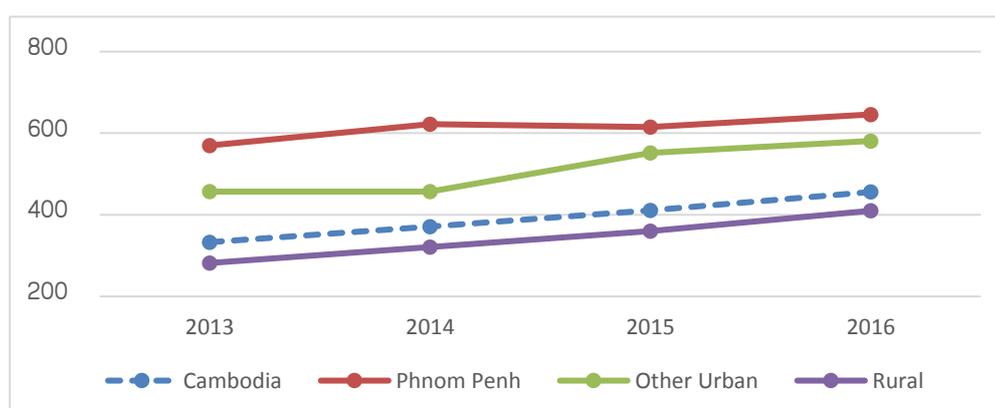
	Cambodia Social Economic Survey 2013			Cambodia Social Economic Survey 2014			Cambodia Social Economic Survey 2015		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Participation rate	88.7	77.8	83	87.9	77.5	82.6	89.4	78.9	84
Agriculture	47.4	50	48.7	43.9	46.7	45.3	33.7	39.3	36.4
Industry	20.5	19.2	19.8	24.5	24.1	24.3	27.9	25.2	26.6
Service	32.1	30.8	31.5	31.6	29.2	30.4	38.4	35.5	37
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Cambodia Economic Survey 2013, 2014 and 2016

**Figure 3.7 Sector Labor Sequence**

Source: Cambodia Socio-Economic Survey and Calculation

**3.23** The changes reflect good outcome and potential for poverty reduction in Cambodia, setting important scope for the continued support and inclusiveness of the poorer population. Poverty data and livelihoods are improving as shown in the figure 3.8. The data for short-term period in every regions including Phnom Penh and urban and rural areas and especially in the high density areas, shows the biggest improvement in living standards.

**Figure 3.8 Per capita household consumption at current prices 2013-2016**

Source: Cambodia Socio-Economic Survey and Calculation

**3.24** Because the poverty is available only for one time (13.5% in 2014), it is difficult to conduct and a full impact assessment. Despite the consumption data which was used to calculate the rate of poverty, is not fully consistent across years, the existing trend indicates that poverty will continue to reduce in next coming years. Poverty rate at the sub-national level shows that most of the poor mainly live in rural areas and are employed in agricultural sector. However, this signifies that inequality between regions and the need of new economic model will make growth more inclusive in terms of regions and population groups.

**3.25** As a result, the dynamic economic model and its positive distribution will greatly influence the society such as living condition, nutrition level, disease and deaths etc. Insufficient data can cause difficulty in monitoring the impacts on the economic model, but in light of perspectives from last year of the Cambodian millennium development goals and it's worth noting that some positive results have been made. Cambodia achieves most of its goals, especially those directly related to the lives of its people - poverty, hunger, nutrition, death and health. A key component has been accelerating efforts to achieve unrealized goals

by the end of the year, particularly in relation to health care and education, as the Royal Government of Cambodia has provided additional resources to implement. However, as shown in Table 3.3, there are some areas that have not yet been achieved and these should be addressed in the first year of the Cambodian Sustainable Development Goals Framework.

**Table 3.3 Summarizes the outcomes  
Cambodia Millennium Development Goals**

Goals	Pointers	Practical results
1. Eliminate extreme poverty and hunger	(1a) Reduce the proportion of people living below national poverty line	Achieved
	(1b) Reduce the proportion of people who suffer from hunger	Achieved
	(1c) increase share of the world's poorest population by 20%	Not yet
	(1d) Improve nutrition and eliminate stunting	Not yet
2. Achieve universal literacy and primary education	(2a) Achieve 100% True Education in Primary Education	It's about to get done
	(2b) Achieve 100% graduation rate in lower secondary school	Not yet
	(2c) Achieve literacy globalization among people aged 15-25	It's about to get done
	(2d) Achieve gender equality at the primary level	Achieved
3. Promote gender equality and women's empowerment	(3a) Achieve gender equality in education and literacy	Achieved
	(3b) Empower women in paid employment	Not yet
	(3c) empower women to make decisions	Not yet
	(3d) Ending Gender Based Violence	No destination
4. Reduce child mortality	(4a) Reduce infant mortality	Achieved
	(4b) Reduce child mortality under the age of 5 years	Achieved
5. Promote Maternal Health	(5a) reduce maternal mortality;	Achieved
	(5b) Increasing childbirth rates by skilled health workers	Achieved
6. Combating HIV, AIDS, malaria and other diseases	(6a) Reduce HIV prevalence among the general population	Achieved
	(6b) Reduce TB mortality and prevalence	Achieved
	(6c) Reduce malaria mortality	Achieved
7. Ensure environmental sustainability	(7a) incorporate sustainable development principles and depletion of natural resources	No targeted
	(7b) Achieve access to safe drinking water and sanitation in rural and urban areas	Achieved
	(7c) Reduce the dependence of Cambodian households on firewood for energy use	Not yet
	(7d) Increasing the proportion of people holding land in a sustainable way	Achieved
8. Creating global partnerships for development	No destination	No targeted
9. Mine clearance, war mine clearance and mine rescue	(9a) Reduce the number of people affected by landmines and ERW	Achieved
	(9b) Mine cleared land and unexploded ordnance	Achieved

Source: Cambodia Sustainable Development Goal Framework (2018)

### 3.3. TARGETS AND POLICIES FOR 2019-2023

3.26 This second section is divided into two sections, the first part, the Rectangular Strategy, Phase IV, the Strategy and Objectives of the Strategy, and the formulation of the Outcome Framework with the objectives, policies and actions set out in Chapter 4 and Monitoring and evaluation in Chapter 6. The second part sets out fiscal and financial policies that are particularly relevant to macroeconomics in the IPR cycle. 2019-2023. This section is highly dependent on the mandate of the Ministry of Economy and Finance and the National Bank of Cambodia.

## **RECTANGULAR STRATEGY PHASE IV AND INTEGRATION INTO THE NSDP 2019-2023**

### **KEY CHALLENGES AND OPPORTUNITIES**

**3.27** Rectangular Strategy Phase IV and NSDP 2019-2023 aim to stimulate development in Cambodia, especially with the aim of transforming the country into high middle-income nation by 2030. Both of these plans will serve as the main guide for implementing policies with both internal and external factors, given the level of in the region and across the world. In the most advanced charts, the Fourth Rectangular Strategy defines the highest intangibles, the four major trends that impact on 1. the creation of a new global polynomial due to changes in power 2. balance Asia 's Economy Grows More Led by Asia 3. Development of the fourth industrial revolution, a key determinant of production trends, business models; and 4. onset of climate change impacts, especially for Cambodia, droughts, heat waves and floods.

**3.28** The main challenge is maintaining the high growth rates achieved with changes in the structure and protection of the environment. The ten operational challenges are identified in the RS IV. These 10 issues are: (1) the economic uncertainty caused by the trade dispute could affect the Cambodian economy, which is heavily dependent on international trade for promoting the country's development. (2) Securing peace, stability, political and social order caused by internal and external factors remains a major challenge. (3) Human resource weaknesses that require the development of competent and productive resources to meet social development needs. (4) Lack of economic diversification and value-added in industry and service sectors. (5) Diversification and promotion of the agricultural sector due to slow economic growth and constraints in the agricultural sector, which is a major support sector. (6) Lack of public confidence and confidence in public services and judicial institutions. (7) The quality of the health sector is limited. (8) The financial sector is still underdeveloped (with high interest rates, inadequate domestic savings and rising household debt). (9) Environmental risks, inadequate natural resources management and climate change impacts on Cambodia's ecosystem and socio-economic development. (10) The continued decline in official development assistance has positive (and negative) effect on transitioning from the status of least developed countries, particularly on investment and trade.

**3.29** To prevent these problems, the Rectangular Strategy sets out a series of opportunistic strategies. A list of these opportunities includes: (1) Cambodia's growth momentum is based on its booming business environment, high inflows of foreign direct investment (2) Domestic demand and trade. Moving the center of growth to Asia, especially East Asia (3) Significant increase in competition between Asia-Pacific trading bloc (4) Cambodia has great potential for financial sector development, including deepening financial intermediaries, promoting insurance and securities market development. (5) The demographic dividend and the low rates of dependency combined with the rise of the middle class and middle class will increase opportunities for Cambodia to achieve high economic growth for the next three decades; (6) Technological advancements during the fourth industrial revolution have created unprecedented new occupations and businesses.

### **GENERAL POLICY DIRECTION IN RECTANGULAR STRATEGY PHASE IV**

**3.30** The RS IV sets out an ambitious roadmap to achieve the outlook for high-middle-income countries by 2030 and high-income countries by 2050 with appropriate levels of employment. Socio-economic development. High productivity and enhanced competitiveness are central to the RS IV, along with the social, economic, and environmental sustainability identified four core objectives:

- Annual economic growth is at 7%, with macroeconomic stability (inflation, external equilibrium) rooted in increased productivity and competitiveness, which highlights global integration and the adoption of industrial revolutionary technologies.
- High quality jobs, job creation for new entrants to the job market, including young people, with the value of high opportunities, new skills and better working conditions.
- Continue to reduce poverty with rates below 10% by the end of the plan period, with reductions exceeding 1% per year and reducing vulnerabilities and ensuring income security.
- Governance and accountability through the capacity of public institutions, system strengthening, high integrity and public sector cleanliness, efficiency and efficiency in service delivery.

**3.31** The Rectangular Strategy Phase IV was developed based on the operational context of peace and public order, favorable business and investment environment, strengthening ownership and partnership in development cooperation, regional and local integration. The world. The strategy adheres to a rectangular core plus four other rectangular structures, but with a focus on the new policy. For the completeness of the rectangle and its precise economic composition are:

- Rectangular core focuses on accelerating governance reform, identifying further progress on public financial management reform.
- Rectangular 1: human resource development with an emphasis in the field of human resource development.
- Rectangular 2, diversifying the economy with all four angles involves economics, logistics, connecting new sources for growth, improving the financial sector.
- Rectangular 3, Private Sector and Market Development, with the four angles involved in the labor market, SME, starting of public-private partnership and competition.
- Rectangular 4, sustainable and eco-development with all four angles focused on agricultural/rural development and natural resource management.

## **A RESULT FRAMEWORK FOR DIVERSE POLICIES AND ACTIVITIES**

**3.32** The initial purpose of NSDP is to transform RGC's policies which are set out in the RS IV into actual implementation which will be implemented by line ministries, agencies, and sub-national authorities to inform back to national authorities to monitor the result of policy implementation on the macro-level. Chapter 4 outlines the roles and responsibilities of line ministries and agencies which are divided according to the four rectangles and the core rectangular is the commitment to good governance stipulated in the RS Phase IV. Still, there is a need to guarantee the connectivity between policy making and service provision and to avoid the separation between the two. The following Table 3.4 depicts inter-sectoral result framework which provides direction and assure the relation and cooperation among the coordinating agencies. This framework connects the results of RS on two different levels to the inputs and outputs of sectors/inter-sectors. This framework also indicates the relation between results and outputs in the result framework. This framework will be reexamined in Chapter 6 since it forms the basis of monitoring and evaluating **NSDP 2019-2023**.

Table 3.4. A Proposed Result Framework

Impacts: a situation of upper middle-income country in 2030 and high-income country in 2050 with suitable social development				
Outcomes (concise) of RS's objectives	(Growth), Resilience of the economy at $\geq 7\%$ growth in GDP.	(Employment), full employment with an increasing number from year to year/ ratio of good quality employment	(Equity) Income below 10% poverty rate, reduce vulnerability, and low inequality	(Effectivity), higher capacity of public institutions and good governance
Outcomes (monitoring) – core of RS and rectangle	<p>The core rectangle: institutional reform and capacity building: the guarantee of public management with integrity, public administration reform to provide effective administration and governance through implementation and compliance to international standard of governance of private sector.</p> <ol style="list-style-type: none"> <li>Human resource development: education, capacity enhancement of science and technology, the creation of technical training and an extensive possibility of access to technical training, access to public healthcare is enhanced, access to nutrition is improved with no hunger and an improvement to height to weight index, gender equity in the society, economy and public life, and an annual improvement of the provided social protection.</li> <li>Economic diversification: improvement on transportation, energy, and digital connectivity, scouting a new source of development provided by the growth in new sectors, digital economy forum implements in the 4<sup>th</sup> industrial revolution, the complexity of financial sector, an extensive collection of banking products, an ongoing reduction of non-bank users.</li> <li>Development of private sector and employment: the job market is awakening with a nearly full and official employments, a plethora of SMEs and entrepreneurship, an increasing allocation of credits by private sector, an inundating number of PPPs with high value, competition is provided by exporters and the value added of export is growing.</li> <li>An inclusive and sustainable development: Value added and agricultural productivity increased and connectivity to the rural areas was enhanced, natural resource (forest/water) conservation and cultural heritages, a better management and coordination of city and urban area, environment/atmosphere pressure (carbon emission) decreased.</li> </ol>			
Output of key policies and activities	<ul style="list-style-type: none"> <li>- Administration and governance reform procedure is being implemented including civil services which bases on strong qualification and a firm budget accountability and process, public financial management reform phase III and IV)</li> <li>- Decentralization of budgetary functioning and personnel in main sectors, and resource allocation for monitoring and measuring of personnel which qualify to work effectively.</li> <li>- Increase public revenue to sustain more than 20% of GDP and was supported by new sources</li> <li>- Maintain a vigilant fiscal and monetary stance, deficit below 5% of GDP, a stable price level and balance of payment</li> <li>- Prioritize capital investment especially infrastructure which supports growth</li> <li>- Increase budget allocation to human resource development sector (education more than 3% of GDP, health) and an initiative to prioritize resources (social protection, SMEs/Entrepreneurship)</li> <li>- Foods with rich nutrition/a reduction of serious poverty (a minimum 3% of general population)</li> <li>- Increase level of saving and investment on current level (a yearly increase) strengthen financial and banking sector, a better financial inclusion and internationalization</li> <li>- A higher productivity (a yearly increase in all sectors) a structural transformation through a transfer investment and acquire technology and build skill/vocational and technical training</li> <li>- Business enlargement through a complete integration into ASEAN, a preparation to leave the LDC status</li> <li>- Industrial Development Policy was implemented, maintain a strong flow of FDI, a push to implement the 4<sup>th</sup> industrial revolution.</li> <li>- Rice policy and rural development was implemented, rice production was increased, and a high value added was guaranteed, an additional investment on infrastructure (irrigation system, transportation, electricity and water)</li> <li>- A basis for vocational and technical training, courses were improved including secondary school study</li> <li>- Social protection reform was implementing covering on main life cycles, a continuing effort to formalize job market</li> <li>- SMEs are supported by the state and commercial banks, entrepreneurship with skills, and an effort to push further</li> <li>- Increase the utilization of PPP in main sectors</li> <li>- 23 protected forest area was ensured and natural resource/mine is sustainable and provide water management</li> <li>- Cambodian contribution to CO2 emission reduction was implemented</li> <li>- Urban management policy was implemented and included in the decentralization and de-concentration</li> </ul>			
Activities, process and inputs	<p>Include in Chapter 4 and under the oblige to fiscal and monetary policy, public financial management reform and financial sector development</p> <p>(Note: added and explained from the policy and direction of inter-ministries which also agreed in Chapter 4, but main referred policies contain below).</p>			

**3.33** Chapter 4 outlines complete programs of central institution and inter-line ministries and sub-national authorities and policy and operating objectives of these institutions in the new mandate. While the above table links to the purpose of RS, this table also carries significant implication in this chapter to acknowledge that some main strategies under the management of line ministries also affects the national level and play a crucial role in

providing economic outcomes. A general coordination and monitoring are important to the RS and NSDP and this point will outline further in the preparation of monitoring and evaluating in Chapter 6. The monitoring and evaluating includes IDP which was reviewed by CDC, rice policy implemented by the MAFF, entrepreneurship and SME development implemented by MEF and topics relevant to the 4<sup>th</sup> industrial revolution which was reviewed by Ministry of Post and Telecommunication, Decentralization and De-concentration which was reviewed by the Ministry of Interior.

## OBJECTIVE, POLICY, AND MACROECONOMIC ACTIVITY

### Fiscal policy and public financial management reform

**3.34** In the 6<sup>th</sup> mandate of the National Assembly, RGC ruled out the RS Phase IV to strengthen necessary pre-conditions and supportive environments, a deep reform of Cambodia to continue a mission with a direction to achieve completely CSDG especially achieving the vision to become a upper middle income country in 2030 and a high income country in 2050.

**3.35** Public financial management reform program 2004-2025 is a huge reform program of RGC to build a financial system complying to the international standard of management of the mobilized resources and transform budget system to be performance information budget system. The public financial management reform program was divided into 4 specific phase : Phase I (2004-2008) an increasing truth on budgeting with a priority on strengthening the collection and management of revenue, cash management and a procedure facilitation of budget execution, Phase II (2009-2015) Increasing the financial accountability with a focus on strengthening the accounting reports, Phase III (2016-2020) Linking budget with policy with a focus on the creation and improvement of the linkage between budget and policy, Phase IV (2021-2025) Increasing performance accountability and continue to strengthen on the previous three phases. Currently, PFMR has reached Phase 3 successfully and are planned to complete by 2020 and a continue to implement the Phase IV in 2021.

**3.36** In the public financial framework, RGC prepared to lay out and implement:

**(A)- Revenue: Revenue Mobilization Strategy 2019-2023** will transform public revenue system to be modern to push for national revenue collection in response to the need for development with the fair principles in revenue collection, equity between taxpayers, and revenue management through modernizing the revenue collection administration. The strategic measure will reiterate on policy and administration measure:

#### Policy Measure

- Continue to guarantee effectiveness of revenue collection and specify total current revenue collection objectives to increase at least 0.3 percentage point of GDP.
- Modernize tax revenue system through formulating policy by reviewing on current fiscal policy on principle of simplicity, transparency, accuracy, equity, and effectiveness.
- Strengthen main fiscal policy procedures including: (1) Revising the special tax and levies base on vehicles, tabaco, beers, wine and high sugar content beverage, (2) Examining tariff and special tax on luxurious products, (3) Strengthening revenue collection on real estate through updating real estate prices and enlarging the extension of tax collection on real estate, (4) Adjusting the public lighting tax to facilitate taxpaying and increase revenue effectiveness, ( 5) Thorough preparation to implement personal income tax, (6) Strengthening tax collection on casino businesses.

## Administration Measure

- Modernizing the tax administration through building and enhancing capacity of tax administration to adjust accordingly to the changing atmosphere of business and taxpayer attitudes to ensure the achievement of policy objectives of RGC with effectiveness and efficiency.
- Modernizing tax administration which contributes to enhancing voluntary taxpaying compliance including (1) Formulating a plan to strengthen ownership of core operating function of department and provincial/khan branches, (2) Formulating and utilizing electronic data and information sharing system in every departments of General Department of Taxation, (3) Formulating plan to enhance a thorough compliance which includes national level strategy on strengthening quality service providing to the taxpayers and on strengthening credibility of auditing, (4) Implementing audits based on risks and make a decision on taxpayer risk level, (5) Enhancing characteristics, professionalism and capacity of tax officials through training and performance management system, (6) Completing the formulation of the master plan to invest on technological infrastructure.
- Modernizing customs administration including (1) Enhancing ASYCUDA (2) Strengthening Pos-Clearance Audit, prevention and suppression on customs offenses (3) Strengthening compliance on all special tax goods, especially high revenue generating items, (4) Strengthening cooperation with relevant institutions to strengthen data sharing mechanisms and cooperation in the fight against tax evasion and smuggling.
- Enhancing the non-tax revenue administration: (1) Modernization of information technology system for non-tax revenue management to promote non-tax revenue collection with transparency, accuracy, timeliness and facilitation on taxpaying (2) Strengthening of potential new sources of revenue.

**(B)- Expenditure: The Budget System Reform Strategy 2018-2025** aims to strengthen the budget discipline from planning and budgeting and implementation by linking the budget to the priority policy and the main rationalization (based on achievement information) to achieve key national policies. The Budget System Reform Strategy 2018-2025 is based on three key elements: the medium-term public finance framework, the medium-term budget framework, and the medium-term performance framework.

- Continuing to prioritize and rationalize expenditure policy in education, vocational training, health, agriculture, entrepreneurship and digital economy.
- Continuing to sustain medium and long-term economic growth through increasing public investment spending on expanding and strengthening the quality of physical infrastructure such as roads, railways, ports, irrigation, electricity and telecommunications.
- Increasing additional investment in public investment spending to improve competitiveness and economic productivity by investing in "hard", "social" and "soft" infrastructure.
- Strengthening public expenditure management and promote continuous budget implementation through (1) Enhancing cash management (2) Strengthening the formulation of quarterly revenue and expenditure programs (3) Monitoring of quarterly and semester budget execution (4) Strengthening internal controls to further enhance the reliability of the budget achieved (5) Optimization of financial accountability.

- Continuing to support the implementation of the National Social Protection Policy Framework 2016-2025 through implementing pension increasing policy for former civil servants and veterans including bridging the gap between old and new retirees.
- Continuing to formulate policy and short-term and long-term financial decentralization frameworks to further contribute to the implementation of the Law on Capital/ Provincial, Municipal and District, especially the national program for Sub-National Democratic Development.

**(C)- Debt: Debt Management Strategy 2019-2023** will continue to focus on borrowing principles that can support economic productivity, ensure macroeconomic stability, and sustain public financial sustainability. At the same time, the RGC is building strong reserves to provide effective protection against crises.

- Strengthening public investment spending both in form of state and development partner financing framework and through public-private partnership mechanisms by (1) Update of joint procedures to implement a development partner cooperation financing project (2) Formulate legal standards to managing public investment projects through Public-Private Partnership mechanism.
- Diversifying funding sources by continuing to mobilize financing from development partners and the private sector under the framework of public-private partnerships and securities markets.
- Strengthening the implementation of the Debt Risk Management Framework and monitoring the risk of potential debt obligations resulting from: (1) A state guarantee on PPP projects (2) Banking and financial sector (3) Ministries, institutions, public entities equivalent, public institutions, public enterprises and sub-national administration.

## MONETARY POLICY AND FINANCIAL SECTOR DEVELOPMENT

**3.37** Due to the high level of dollarization in the Cambodian economy, the National Bank of Cambodia who is the monetary authority was unable to fully implement monetary policy. Presently, the government has benefited from dollarization rather than losses, but the government continues to encourage the use of the riel to replace dollar in the long run. In addition, the current situation has many advantages through providing an anti-inflation anchor that can set the price of goods with transparency for producers to avoid currency risk both importers and exporters and attract foreign investment.

**3.38** Likewise, many financial policy instruments have been put in place and the RGC will use these tools to contribute to growth to ensure price stability and provide sufficient liquidity to support business needs. The monetary supply will continue to be predominantly in dollars and currencies in circulation, and the government will continue to supply further through the riel printing. The NBC is committed to keeping the exchange rate at around 4,000 riel per dollar.

**3.39** The RGC will facilitate the supply of credit to the economy to achieve its ambitious growth goals. The loan will be carried out through three mechanisms: improving domestic savings rates, optimizing financial intermediaries and issuing government bonds in riel.

**3.40** The current annual savings rate is around 25% of GDP. During the planning cycle, the RGC will try to maintain an annual savings rate of 30%. The key is the effort to bring people who have kept their assets in the form of gold, cash or other assets into the banking system as they are not yet using the banking system. In addition, NBC will make efforts to

promote easier access to financial services for Cambodians working abroad to remit income to family members who reside in Cambodia.

**3.41** The RGC will make financial inter-mediation between depositors and lenders easier and more convenient through the efforts to build a secure and diversified financial system which is accessible to citizens and businesses for either saving and loan needs and access to financial products. Efforts will be made to develop a diversified and inclusive financial system and to note the importance of MFIs and its products. Likewise, the RGC has strengthened the payment and clearing system by promoting a more integrated system and the growing number of ATMs and mobile/internet banking. Meanwhile, on the demand side, building a customer base through enhancing trust and more financial inclusions through initiatives to assist people who has yet to use the banking system to access banking services.

**3.42** Moreover, in line with the existing **Financial Sector Development Strategy 2016-2025**, the RGC will continue to improve the security of the banking system (building firmness through enhancing monitoring and regulations) through adequate guarantees of international reserves to cope with stress and crisis. This will be organized and monitored by the NBC along with the facilitation of competition, transparency and innovation in financial markets.

**3.43** The RGC will also continue to explore the development of the domestic insurance market so that businesses and people can protect against risks. This work will coincide with the development of the modern social security system, facilitating savings through independent social insurance funds provided for formal sector workers and by providing social assistance for the poor and victims.

**3.44** RGC will implement the following specific measures:

#### Cash Management

- Maintaining price stability and financial stability while promoting economic growth, maintaining an exchange rate of US \$ 4,000 and maintaining a stable currency in the economy.
- Protecting and establishing USD reserves in line with economic activities, ensuring that financing and capital requirements are always provided.
- Promote the use of the riel through the development of national policies set up by various working groups based on market options, new services and tools. The NBC will focus specifically on riel investments such as treasury bills and bonds.

#### Banking Sector

- Strengthen the capacity of the NBC's financial monitoring unit and advance notification system and require financial institutions to provide the necessary information in a timely manner.
- Establish a National Committee on Financial Stability to provide a comprehensive institutional framework for monitoring financial stability.
- Improve preparedness for crises including the establishment of a national institutional framework, a national disaster prevention plan along with agency preparedness plans.
- The NBC is supported by the Ministry of Economy and Finance to prepare proposals for deposit protection schemes, especially for small depositors.
- Establishing a special settlement scheme by offering NBC a low-cost alternative to dealing with weaknesses of banks.
- Compliance with Basel II standards by moving in full compliance with 29 core principles on effective bank supervision with a focus on overall risk management and management processes.

- Review the regulation on savings index and immediate corrective action.
- Improve its monitoring approach to risk and look forward and improve staff capability (through care and information technology).
- Improve the scrutiny of money laundering and terrorism financing and NBC and CAFIU, raising awareness among banks and MFI.
- Improve the issuance of real estate licenses and reduce costs and open ownership of the promised union portion.
- The NBC shall carry out the real estate registration process when borrowing from banks and financial institutions.
- Review the desire to expand the bank's consumer protection by identifying requirements for loan products, promotions and promotional materials, claims procedures, fee calculations, interest rate calculations, and collection practices.

### Microfinance

- Update the microfinance strategy and develop a new strategy for financial inclusion.
- Compliance with the promotion of microfinance institutions with Basel Committee policy with a focus on monitoring and regulation and changing levels of practice with banks.
- Strengthen enforcement by taking strict actions against unregistered microfinance operators and those who operate illegally.
- Promote financial literacy through public awareness campaigns, especially in the countryside, including financial literacy programs in the national curriculum and promoting through the media.
- Find sources of low-cost funds and learn about the factors that contribute to microfinance institutions' borrowing costs and find ways to reduce interest rates through market mechanisms.
- Reduce shadow banking activities by strengthening data and information collection and taking legal action.
- Like the banking sector, review the purpose of expanding consumer protection (in the same banking sector) and encourage MFIs to implement their own consumer protection through SMART campaigns.

### Insurance and Social Security

- Take measure to increase knowledge/confidence in insurance products by disseminating information and awareness and taking steps to manage the market.
- Strengthening the management of electronic/telecommunications insurance (brokers) through the establishment of regulatory and other regulatory frameworks.
- Promote the establishment of insurance brokers, inspections and licensing potential of brokers/certificates, and launch training and accreditation programs.
- Operating within the framework of National Social Protection Policy through two branches:
  - Social insurance: Create a new Social Security scheme and expand coverage of existing schemes for pensions and health care and later for the unemployed. Establish a national body to oversee the National Social Security Fund, including the National Social Security Fund for civil servants, the National Fund for Veterans.
  - Social Assistance: Initial social assistance projects for the poor and vulnerable starting with childbirth beginning mid-2019 and later on scholarships and school feeding programs, vocational training, pensions for the elderly, healthcare for the disabled. Determine budget arrangements to ensure financial inclusion.

- For both social insurance and social assistance: Link to the national registration and identification system, identify poor families, and provide operator registration to improve efficiency.

### Stock Market and Others

- Continue to develop the stock market through promotion of national listing and issuance of public stock.
- Assess the progress of the future of the commodity market, evaluate business conditions and cases, and find partners to establish a Financial Development Center.
- Establish a national committee for financial and institutional statistics for credit assessment in establishing key risk management mechanisms/tools.
- Develop a new law on corporate affairs, governance and responsibility.
- Develop regulations on the use of technology in securities trading and other financial statements.
- Establish a working group to establish the SME Bank/ Supervise the draft articles of Association of Business Planning, Selection technical assistance.

## 3.4 ECONOMIC OUTLOOK 2019-2023

3.45 This last section looks at the cycle of **NSDP 2019-2023**, which presents forecasts, economic situation, general investment needs, and fiscal and budget conditions (2021).

### A FORWARD-LOOKING MACROECONOMIC SCENARIO

3.46 The cycle of the new plan begins with the phase of consolidation towards acceleration. The new measure begins with the phase of convergence to acceleration, a measure implemented by the government to promote economic growth, to achieve the long-term goal of achieving higher middle-income country status in 2030. Recall that the RS Phase IV focuses heavily on increasing productivity and competitiveness, provides structural transformation, and economic diversification through high value-added activities.

3.47 The forecast data for the future macroeconomic scenario until 2023, was provided by the Ministry of Economy and Finance and is provided in the table below. Overall, the data shows that the economy will grow at 7.5% in 2018 and 7.0% in 2021 (Table 3.5) and that trend is expected to continue after 2021. For the forecast years, investment remains stable at around 28% of GDP. (Table 3.5). However, Table 3.6 shows that the contribution to economic growth arises from the rise of high value-added activities (especially industry). At the same time, the economy also has an internal balance, according to the forecast data, with inflation expected to stabilize at around 3%. Besides, the current 3.5% budget deficit will decrease to 3.0% of GDP. On the external balance, the current account deficit will improve from 8.0% to 11.3% of GDP which reflects the improvement of doing business. Assuming the current level of capital flows increases, reserves will be guaranteed within 5.5 months of imports.

3.48 A review of current internal and external potentials confirms that these forecasts are in line with practices seen in recent years. But as global economic events tend to be more open-ended, there can be a significant impact on Cambodia. The most important issue could be the result of a global trade dispute focusing on trade relations between the US and China, the European Union and others. Likewise, Cambodia also faces business disruptions and loss of trade favors, which has significantly affected on exports to the EU and US markets, and all the favors which Cambodia has received so far in the name of a least developed country - defined by the UN. The loss of trade favor treatment is also one of the deterrents for Cambodia to become a higher middle-income nation by 2030.

**Table 3.5: Summary of Macroeconomic Scenario Until 2023**

	2018	2019	2020	2021	2022	2023
<b>Output</b>						
GDP at current prices (Million USD)	24,374	26,786	29,362	32,293	35,562	39,192
GDP per capita (USD)	1,548	1,679	1,816	1,972	2,144	2,335
Real GDP growth rate (%)	7.5%	7.1%	6.5%	7.0%	7.0%	7.0%
<b>Investment and saving</b>						
Total Investment (%GDP)	31.4%	32.9%	34.0%	35.1%	36.3%	35.2%
Public investment (% GDP)	8.2%	8.5%	11.7%	10.6%	10.0%	10.1%
Private investment (% GDP)	22.9%	24.3%	25.4%	26.4%	27.5%	26.8%
National savings (% GDP)	20.2%	23.4%	24.7%	26.3%	28.0%	27.5%
Foreign savings (% GDP)	11.3%	9.6%	9.3%	8.8%	8.3%	7.7%
<b>Inflation and monetary</b>						
Inflation (% change, Year over Year)	2.5%	2.8%	2.9%	3.0%	3.0%	3.1%
Riel/USD parity (year average)	4,053	4,054	4,054	4,055	4,054	4,054
<b>Tax Revenue</b>						
Budget revenue (% GDP)	22.2%	22.6%	22.5%	22.5%	22.6%	22.4%
Budget expenditure (% GDP)	24.4%	25.0%	28.4%	27.6%	27.4%	27.9%
Current deficit/surplus (% GDP)	5.8%	6.0%	5.6%	5.3%	5.0%	4.7%
Overall deficit/surplus (% GDP)	-2.2%	-2.4%	-5.9%	-5.1%	-4.8%	-5.3%
<b>Balance of Payment</b>						
Exports of goods (% GDP)	53.2%	54.8%	53.2%	53.0%	52.8%	52.5%
Imports of goods (% GDP)	77.2%	76.7%	75.0%	74.5%	73.9%	73.5%
Trade balance (% GDP)	-24.0%	-21.9%	-21.8%	-21.5%	-21.0%	-21.0%
Current account balance (% GDP)	-11.3%	-9.6%	-9.3%	-8.8%	-8.3%	-8.3%
<b>Reserves</b>						
Gross foreign reserves (Millions of USD)	10,052	11,505	13,007	14,484	15,973	17,456
Gross foreign reserves (Months of imports G&S)	5.5	5.8	6.1	6.2	6.2	6.2

Source: Ministry of Economy and Finance

**3.49** In the short and medium term, trade situation is negative such as Britain's exit from the European Union "Brexit" and the Vietnam-EU Free Trade Agreement. At the same time, the trade situation in the region has positive effects such as the deepening of the ASEAN Economic Community and China's Belt and Road Initiative. Lastly, it is also worth noting that the uncertainty arising from natural and atmospheric events with these risks are heightened by ongoing climate change.

**3.50** The challenge for Cambodia and the difficulty of forecasting is the deep and lasting change in the economy. This shift is caused by more complex causes such as deep socioeconomic processes (industrialization, demography, including immigration and urbanization) and their relation to global trends. In addition, there is a difficulty in proving the clear long-term effects during the period of the plan, especially the projected data.

**Table 3.6: Sectoral Growth Rate Forecast 2019-2023**

	2019	2019	2020	2021	2022	2023
<b>Agriculture, Fishery &amp; Forestry</b>	<b>1.6%</b>	<b>1.6%</b>	<b>1.7%</b>	<b>1.8%</b>	<b>1.8%</b>	<b>1.8%</b>
Crops	1.9%	1.7%	1.7%	1.8%	1.8%	1.8%
Other agricultural products	1.2%	1.6%	1.7%	1.8%	1.8%	1.8%
<b>Industry</b>	<b>12.3%</b>	<b>10.7%</b>	<b>8.9%</b>	<b>10.2%</b>	<b>10.1%</b>	<b>10.0%</b>
Textile, Wearing Apparel & Footwear	10.1%	7.1%	3.5%	6.2%	6.0%	6.0%
Construction	18.1%	17.3%	16.1%	15.5%	14.9%	14.1%
Other Industries	10.3%	10.5%	11.5%	11.2%	11.3%	11.3%
<b>Service</b>	<b>6.5%</b>	<b>6.7%</b>	<b>6.4%</b>	<b>6.3%</b>	<b>6.2%</b>	<b>6.2%</b>
Hotel & Restaurants	5.7%	5.6%	5.6%	5.6%	5.6%	5.6%
Trade	6.6%	6.8%	6.8%	6.8%	6.9%	7.0%
Transport & Communications	8.1%	7.9%	7.7%	7.6%	7.7%	7.7%
Real Estate	8.9%	8.8%	8.5%	7.9%	7.5%	7.3%
Other Services	3.5%	4.2%	3.4%	3.3%	3.2%	3.2%
Tax Less Subsidies	6.3%	5.6%	5.4%	5.4%	5.4%	5.4%
<b>GDP</b>	<b>7.5%</b>	<b>7.1%</b>	<b>6.5%</b>	<b>7.0%</b>	<b>7.0%</b>	<b>7.0%</b>

Source: Ministry of Economy and Finance

**3.51** However, through combining the past year data for the composition of annual growth (discussed in paragraphs 3.5 and 3.6 above) with the forecast till 2023, the Cambodian economy can be viewed as moving towards higher value-added activities. The forecast underscores the shift to well-established and ongoing high value-added industrial activities and services. The point of interest is promotion in the manufacturing and construction sectors. The projections will be timely reflecting changes in employment and overall economic development.

### INVESTMENT NEED ESTIMATION FOR NSDP 2019-2023

**3.52** The general and sectoral growth outlined above illustrates the key performance requirements of the RS Phase IV and NSDP to achieve a long-term necessary acceleration targets of being a country with upper middle-income by 2030 and high income by 2050. In addition, the Ministry of Economy and Finance also estimates the level of investment as a key determinant of the necessary production capacity (till 2023) to achieve this growth rate.

**3.53** **Total investment for this NSDP 2019-2023 mandate is estimated at USD 59.9 billion, equivalent to KHR 245,575 billion, of which annual investment is projected to reach USD 15.1 billion in 2023.**

### ROLE OF TAX IN THE FUTURE

**3.54** Public financial policy is a policy tool for ensuring macroeconomic stability and for promoting inclusive growth through supporting and promoting equity policies and sustainability in the functioning of the RGC. This policy is essential to ensure the success of the RGC's policy agenda.

- Support the implementation of the National Social Protection Policy Framework 2016-2025.
- Support the implementation of the National Technical and Vocational Education 2017-2025 and Skills Development Fund.
- Continue to invest in education and health promotion policies.
- Support the implementation of the Industrial Development Policy 2015–2025.
- Support SME development policy by providing SME tax incentives, SME establishment and entrepreneurship fund, and entrepreneurship promotion center.
- Support policy reform through public administration and public financial management reform to address structural issues, for example, facilitating trade and automation, logistics, electricity, informal fees, productivity improvements.
- Develop tax policy, promote growth through improvements in tax services and tax administration modernization- Support the linking of agriculture to manufacturing (agro-industry) to increase value added.
- Support connectivity among the three sectors: physical infrastructure, energy, and digital.
- Support environmental sustainability and climate change adaptation to minimize the negative impact on economic growth and economic diversity.

**3.55** Based on the budget system reform strategy 2018-2025, Cambodia will introduce the medium-term public financial framework and medium-term budget framework by 2021. The medium-term public financial framework defines public finance strategies by highlighting public financial policy objectives and setting a sectoral expenditure ceiling to maintain budget discipline and optimize budgeting. The medium-term budget framework sets the ceiling on departmental budgets keeping it in line with the sectoral cost ceiling to ensure operational efficiency.

**3.56** Over the next five years, with a peace, political stability and territorial integrity, the RGC in the sixth mandate of the National Assembly continues to focus on: 1) Human resource development, people's welfare, and social protection and other social benefits programs; 2) Institutional coordination and good governance. In this sense, national spending on social services and general administration will grow at a fast and parallel phase, higher than GDP growth which makes its ratio to GDP incrementally increase.

**3.57** Meanwhile, current expenditure allocation at the national level for national defence and social security may be slightly weakened through peace and social stability as well as expectations of military and armed forces reforms. At the same time, the current expenditure growth in the economic sectors will continue to accelerate even if the pace of this growth is lower than that of the overall economic growth. This is due to the unique nature of spending in this sector, which is largely a capital expenditure. In addition, the expenditure is expected to maintain growth at a reasonable rate for policy implementation as well as immediate government intervention in addressing socio-economic issues when necessary.

**3.58** In the next five years, the RGC will focus on connecting three sectors: physical infrastructure, energy and digital through increasing public investment to boost economic productivity and economic competitiveness. Public investment growth will be higher than GDP's growth so that public investment to GDP ratio will keep increasing.

**CHAPTER IV  
KEY POLICY  
PRIORITIES  
AND ACTIONS  
2019-2023**

## CHAPTER IV

### KEY POLICY PRIORITIES AND ACTIONS 2019-2023

4.1 The RGC of Cambodia's overriding goal is to build a peaceful, politically stable and secure society, riding on a path of sustainable and equitable development. The RGC would strive to make its people educated and healthy, living in harmony both within the family and the society. For achieving all this in the Sixth Legislature of the National Assembly, RGC puts forth the principal aim of maintaining peace, political stability, security and social order to promote rule of law and protect human rights and dignity, and multi-party democracy; sustainable long-term equitable economic growth; and increased outreach, effectiveness, quality and credibility of public services.

4.2 Based on the experiences and outcomes of the Fifth Legislature and the **"Political Platform"** of the Sixth Legislature, the RGC is of the view that the **Rectangular Strategy**, especially its central theme of **Growth, Employment, Equity and Efficiency**, continues to be crucial and appropriate for Cambodia to pursue further in the Sixth Legislature of the National Assembly (2018-2023) by maintaining its original structure, changing the sequence of its priority areas and sides of the strategy while adding some new priorities and refining and sharpening measures in order to (1) respond to Cambodia's specific needs and emerging context as described earlier and as stated in the **"Political Platform of the RGC of the Sixth Legislature"**, and (2) promote the development through strengthening links and interactions between the four themes of the strategy, namely **Growth, Employment, Equity and Efficiency**, which is an equation system for reflecting the RGC's determination to enhance people's welfare. In this regard, the **Political Platform of the Sixth Legislature** and the **Rectangular Strategy Phase IV (RS IV)** form a Comprehensive Policy Framework for the formulation of the **National Strategic Development Plan**, with clearly defined indicators and timeframe for implementation, which are consistent with other RGC's sectoral policies. Accordingly, the **RS IV** is a clear blueprint to guide the activities of all stakeholders to further pursue and strengthen long-term sustainable development aimed at **promoting economic growth, creating jobs, equitably distributing the fruits of growth, and ensuring effectiveness of public institutions and management of resources**.

4.3 In this context, the **RS IV** is the **Socio-Economic Policy Agenda** of the **Political Platform of the RGC of Cambodia of the Sixth Legislature of the National Assembly**.

4.4 As stated in Chapter 1, the Rectangular Strategy Phase IV has the same shape as the Rectangular Strategy Phase III, identifying "Four Strategic Goals" and "Four Priorities" as a commitment to continue implementing the Rectangular Strategy Phase IV.

4.5 The key cross-cutting issues in the National Strategic Development (NSDP) 2019-2023 are gender, environment, natural resources and green growth, disaster management, and public financial management reform. NSDP 2019-2023 clarifies the need for all ministries and institutions to further strengthen their close relationships and collaboration for the implementation at the national and sub-national level.

4.6 The Rectangular Strategy Phase IV (RS-IV) is the agenda of the RGC of Cambodia's development for the Sixth Legislature of the National Assembly, highlighting and sharpening prioritized policies to overcome current conditions. In order to achieve the RGC of Cambodia's social and economic goals, the Rectangular Strategy outlines the four strategic goals outlined by the following trends in growth, employment, equity and efficiency:

1. Ensuring a sustainable economic growth of around 7% per annum which is resilient to crises through diversifying into new growth sources to widen the growth base and enhance competitiveness while maintaining the macro-economic stability through containing inflation, ensuring a stable exchange rate for Riel, increasing the international reserve on regular basis and managing public debt vigilantly.
2. Creating more jobs, in terms of both quality and quantity aspects, for the citizens of Cambodia, especially for the youth through skill training, provision of job market information, improvement in working condition and promotion of business and investment inside and outside the country.
3. Achieving the poverty reduction target of below 10%, preventing the return of poverty by focusing on enhancing market participation<sup>2</sup>, implementing social protection policy, lowering burden of daily life along with the provision of quality public services, and reducing social gap.
4. Further strengthening the capacity and governance of public institutions, at both national and sub-national levels, to ensure effectiveness and efficiency of public services delivery aimed at serving the people better as well as improving business and investment environment.

**4.7** In addition, the actual factors identifying the necessity in the implementation of the **Rectangular Strategy** are:

1. The need to further strengthen and expand RGC's achievements in the Fifth Legislature.
2. As highlighted above, the implementation of the Rectangular Strategy Phase III of the Fifth Legislature of the National Assembly has highlighted some of the key challenges and opportunities that the government continues to sharpen further and strengthen the priorities its policies and promote the implementation of the policy agenda in the next stage.
3. Continued the implementation of the RS-IV is a step forward for Cambodia to advance to a new phase of development, passing through the status of low-middle-income countries, continuing to lay the foundations for achieving its long-term vision, especially the ambition to become a higher middle-income country by 2030 and high-income country by 2050.
4. The willingness and aspiration of Cambodian people, as well as the changes in the world and in the country, are new major determinants that require the RGC to continue to sharpen further the Rectangular Strategy III and carry out the Phase IV implementation more vigorously.

**4.8** NSDP 2019-2023 briefly outlines strategic priorities, including the list of activities, programs and projects that all relevant ministries and institutions must implement in the Sixth Legislature of the National Assembly. In Chapter 4, strategic policy, the key priorities of relevant ministries and institutions, are organized in the form of the RS-IV. For each of the components and sub-components of the Rectangular Strategy, it is prepared by introducing **first the prioritized policies for each specific sector**, and **secondly the activities, programs and projects that all relevant ministries and institutions must accept to implement these prioritized policies**.

## **I. ACCELERATION OF GOVERNANCE REFORM: CORE OF THE RECTANGULAR STRATEGY**

**4.9** For the Sixth Legislature of the National Assembly, the RGC of Cambodia (RGC) will focus on (1) Institutional reform and capacity building, (2) Strengthening accountability

and integrity in the public administration, (3) Strengthening of work effectiveness, and (4) Strengthening of private sector governance.

## 1.1 INSTITUTIONAL REFORM AND CAPACITY BUILDING

### A. Policy Priorities for the Sixth Legislature

4.10 The institutional reform and capacity building is the high priority of the RGC's agenda in the Sixth Legislature of the National Assembly. To implement this effectively, the RGC will focus on:

- Rationalizing the roles and duties, management structure, and inter-institutional coordination by focusing on strengthening ownership, responsibility and clear division of accountability of each ministry-institution, especially through the firm enforcement of the Law on the Organization and Function of the Council of Ministers.
- Strengthening leadership, sense of ownership and responsibility and internal unity of the institutions, formulating and strictly implementing the code of conduct, and selecting people with high qualification for the management position in the public sector.
- Promoting meritocracy in the recruitment, appointment and promotion process along with the provision of incentives and other benefits to civil servants and public institutions, especially the implementation of performance-based system in the public sector.
- Strengthening management capacity of the public sector through establishing a sound legal and regulatory framework, a human capital development framework focusing on skills and talent retention, and an adequate work infrastructure utilizing appropriate information technology to improve the management of information and data pertaining to the civil service.
- Continuing to reform the armed forces with the following measures: 1) strengthening of oversight, management and networking; 2) improving human resource development and enhancing armed forces' capabilities through better skills training, more utilization of technology and building up of a next generation of fighting forces; 3) reinforcing the capacity to maintain security, encouraging armed forces personnel and their families to resettle in areas along the borders, combatting and removing terrorism threat so as to ensure peace, national safety and development; 4) strengthening international cooperation, especially within the UN peacekeeping framework; and 5) creating a supportive environment for infrastructure development, environmental and natural resource protection, and building better capacity for interventions during national disasters, humanitarian operations and support during crop harvesting seasons.

### B. Planned Actions to Implement the Prioritized Policies

4.11 To implement the RGC's priorities above, **Ministry of Interior, Ministry of Civil Services, and Ministry of National Defense** will:

4.12 **The Ministry of Interior** will implement the following strategies:

- Improving the quality of public services and the development of the sub-national administration (SNA) and
- Strengthening the national security, political stability, public order and social security through
  - Strengthening the implementation of the Decentralization and Deconcentration (D&D) Reform Program
  - Promoting the efficiency and capacity in performing and utilizing the SNA's resources
  - Promoting the efficiency, management and responses to the needs of public users.

**4.13 The Ministry of Civil Services** will focus on public administration and public service reform as follows:

- The Public Administration Reform will focus on the following strategic directions for the implementation during 2019-2023:
  - Establishing a public service system for the purpose of managing beneficial human resources.
  - Developing a system of government staffing plans to be consistent with the budget plan.
  - Rationalizing the size of public official and institutional structures according to actual job requirements.
  - Developing and implementing comprehensive and systematic capacity building programs to enhance the capacity, leadership, management and skills.
  - Preparing and implementing the Quality Management System with an incentive mechanism.
  - Preparing a salary system supporting the promotion of productivity, professionalism, leadership, and management.
  - Strengthening the capacity and organizing the information systems for human resource management to be fully functioned at all ministries and agencies and the sub-national administration.
  - Improving the quality of public services through the use of information technology, service integration mechanism in the One Window Service mechanism.
- Developing human resources in the field of public service by conducting trainings and capacity development of civil servants through the training of civil servants at the Royal School of Administration by focusing on initial training, refreshing training courses and professional trainings for students and civil servants serving in the field of public services.
- Strengthening the effectiveness of civil servants management: Strengthening the civil servants administrative supervision and the framework to (1) increase the efficiency in the information verification and verification, the examination of changes in the administrative status of households of civil servants and (2) increasing the effectiveness in the management of the civil servants at national and sub-national levels and promoting the modernization of information technology in the management of civil servants.

**4.14** To implement the above priority policies, the **Ministry of Civil Services** will focus on the following activities:

- Promoting the quality of public service delivery.
  - Developing and implementing legal documents and guidelines for strengthening the efficiency and accountability of public service delivery units at national and sub-national levels.
  - Promoting the development and implementation of public service standards in public service units to improve the standards of public service delivery and the use of ICT in the delivery of public services.
  - Coordinating, monitoring, implementing and recommending the public quality improvement services of public institutions.
  - Continuing to expand the implementation of public service delivery mechanisms.
  - Continuing and expanding the implementation of movement to promote competition of improving the innovation in public service delivery.
  - Establishing and introducing an innovation fund for improving public service delivery through promoting the innovation in public service delivery.

- Preparing case studies on model public service units and public service innovation and dissemination to promote the movement of public services delivery.
- Improving to strengthen the capacity and professional ethics of civil servants in the front and back office.
- Training focal points and conducting dissemination workshops on improving the quality of public services at national and sub-national levels.
- Improving the efficiency of the implementation of the feedback and complaints handling mechanism at all public service delivery units.
- Strengthening the efficiency of the implementation of receiving and solving feedback mechanisms and complaints of service users at all public service delivery units.
- Strengthening the institutional and human resources management and development
  - Establishing a comprehensive database on civil servants' skills to support the capacity development.
  - Strengthening the management and recruitment of civil servants through the arrangement of civil servants, positions descriptions in civil service.
  - Developing and implementing the legal framework of trainings and conducting mandatory and systematic training courses to build the capacity of civil servants.
  - Implementing the performance management system in ministries and institutions at the national and sub-national levels.
  - Analyzing structural functions and reviewing operations at ministries, institutions, national and sub-national levels.
- Salary and other benefits system reform
  - Continuing to organize and implement the opening of salaries of civil servants and banking contractors using the electronic system.
  - Preparing and increasing the salary by focusing on salary basis adjustment, position allowance and other allowances.
  - Preparing and increasing a social security system and veterans and families of veterans.
- Strengthening the mechanisms for facilitating cross-sector reforms and relevant stakeholders.
- Promoting, monitoring, and evaluating the implementation of the National Program on Public Administration Reform.
- Training and developing the capacity of the civil servants.
- Reviewing the administration of civil servants and frameworks.
- Modernizing the information technology (IT) for the administration of civil servants
  - Managing fact sheets and civil servant documents through IT system.
  - Managing civil servant's data and data for retirement through IT system.
  - Developing an IT system to support the modernization of civil services.
  - Training the use of IT systems organized by the Ministry of Civil Services.

**4.15** For the Sixth Legislature of the National Assembly, **the Ministry of National Defense** will continue implementing all kinds of armed forces to ensure the effective protection of sovereignty, territorial integrity, security, security and public order. Priority activities include:

- Promoting the Royal Cambodian Armed Forces' professional ability through the continued implementation of **Strategy 3, and 10 Operation Activities and Development** as well as the updating and promoting of the implementation of the Security Police Strategic Plan in order to promote the effectiveness of the armed forces especially strengthening the enforcement of laws and regulations.

- Developing human resources and increase the capacity of the armed forces through modernization of equipments to improve the quality of training, especially the training of professional soldiers.
- Strengthening the assignment in the armed forces, especially the army, at all levels to ensure effective management.
- Providing technical equipment and promoting welfare of the army, especially the efficiency of financial logistics management for units stationed at the front line and island defense forces.
- Continuing to pay attention to veterans and crippled soldiers, families of the dead soldiers and families of the army and development projects for the community of families along the border and the rural areas.
- Promoting the cooperation between all levels of the armed forces with the Ministry of Environment and the people through disaster response, humanitarian assistance, farming by contributing to the physical infrastructure, and the protection of the environment and natural resources.
- Strengthening and expanding the international cooperation relations for the development of armed forces in all areas, including the continued participation in the UN peacekeeping mission.
- Developing human resources in the Royal Cambodian Armed Forces (RCAF) on the professional skills of the agricultural sector, processing production and other skills that can create a personal career that allows for the unit and the military community to earn a living and to promote welfare in the military community.
- Promoting gender equality in the Royal Cambodian Armed Forces by encouraging the growth of women's military units within the leadership of the unit.
- Establishing investment partnership development strategies on agriculture, industry and resource processing, especially the land of the military community to maximize the use and potential of RCAF resources to improve the livelihoods of the army through job creation and employment for the military community.
- Implementing the green energy projects, especially the community-based energy sector, to facilitate development work, which is the RGC's policy.
- Based on the National Defense Manual, it is clear that no time or place where development can be carried out without security, so peace and national development can not be denied for Cambodia for the current time and the future.

## 1.2 STRENGTHENING ACCOUNTABILITY AND INTEGRITY IN THE PUBLIC ADMINISTRATION

### A. Policy Priorities for the Sixth Legislature

4.16 The RGC will focus on (1) Strengthening educational awareness on the prevention, obstruction, and crackdown on corruption activities in line with the **National Anti-Corruption Strategy** and its **Action Plan** under the slogan of “**Not Daring, Unable and Unwilling**” to commit corruption, (2) Strengthening and expanding public dissemination of updated information related to public services, legal instruments and national policy documents, (3) Encouraging people's participation in the formulation and implementation process of various policies, (4) Enhancing the implementation mechanism for receiving feedback and handling complaints from public service users together with the assessment on the possible usage of automation system to support it, (5) Strengthening the effectiveness of public sector inspection and audit mechanism, and (6) Improving the effectiveness of the preparation and implementation of work ethics, including the respect of the principles of functional incompatibility and conflict of interest for public officials.

### B. Planned Actions to Implement the Prioritized Policies

4.17 To implement the RGC's policies above, the directions of the **Anti-Corruption Unit (ACU), the Ministry of National Assembly-Senate Relation and Inspection (MONASRI) and the Ministry of Civil Services (MCS)** include:

4.18 To continue effective anti-corruption in the Sixth Legislature of the National Assembly, the **ACU** will strengthen and enhance the effectiveness of the following three core measures:

- **Strengthening education to stop corrupt practices:** To continue strengthening and expanding the scope of disseminating laws, and education to fight corruption in and out of school in all aspects of all sectors and at all levels and to continue expanding to higher education institutions to promote awareness of fighting corruption and a sense of integrity in work and livelihood. Promoting anti-corruption engagement will continue to be promoted through the establishment of a Competitive Knowledge Forum on Anti-Corruption.
- **Preventing corruption:** Strengthening the integrity, good governance in public and private institutions is a key strategy in preventing corruption. Continue to promote, develop and implement anti-corruption plans in public institutions and anti-corruption programs in the private sector and create new joint initiatives on anti-corruption cooperation. To strengthen the efficiency of public service delivery to increase the confidence on the RGC to continue to implement through the participation, review, issue and revision of the Joint Declaration on the Public Service Delivery. Continue to prevent negative phenomena as well as regulatory violations through the participation of observers in the examinations of the recruitment of the civil servants, students, and the key roles of the ministries. Asset and debt declaration is a preventive measure to curb corruption and support an effective investigation that will continue to increase efficiency in delivering services in the form of assets and liabilities, especially to newly-appointed individuals who are finishing their mandate or retire and expand the scope of the declaration of assets and liabilities to the target to be announced in accordance with the Law on Anti-Corruption.
- **Suppression of crimes by referring all cases to court:** To continue strengthening the mechanism of monitoring and analyzing complaints and continuing to take strict actions against corrupt perpetrators without exception, as well as continuing to strengthen their staff capacity through training both internally and externally on investigating allegations of money laundering, spy investigation, search for the seizure of corruption offenses.
- For 2016-2020, Cambodia is ready to review the implementation of the second convention, focusing on 2 chapters i.e. Chapter 2 on Protective and Preventive Measures and Chapter 4 on International Cooperation. Continue to work closely with relevant institutions, both locally and internationally, through the creation of the Interstate Office and Anti-Money Laundering Office in the Anti-Corruption Unit.

**Table 4.1: Key indicators and targets for 2019-2023**

Key Activities	Indicators
<b>Strengthening education to stop corrupt practices</b>	
1. Expanding the scope of education on anti-corruption in higher education institutions and vocational training institutions.	1.1. There is a lesson on anti-corruption for higher education institutions and vocational training 1.2. Level of understanding and law compliance, value of integrity, morality and discipline among youths (survey)
2. Strengthening the dissemination on anti-corruption	2.1. Number of dissemination of information on anti-corruption in the media, public sector, private sector, higher education institutions, people and places vulnerable to corruption 2.2 The number of people receiving the anti-corruption message
<b>Preventing corruption</b>	

1. Expanding the scope of the assets and liabilities declaration	1.1 Scope and the type of target to declare assets and liabilities
2. Promoting the continued implementation of the UNCAC implementation process in Cambodia	2.1. There is a second round review of implementation of UNCAC in Cambodia
3. Strengthening regulatory frameworks and policies based on actual needs and circumstances	3.1 Regulations and policies approved and revised
4. Establishing an anti-corruption office in the capital and provinces	4.1. Number of offices of anti-corruption by province and region
5. Promoting the ethics, integrity and good governance in public institutions	5.1. The number of ministries and agencies that have organized and implemented a program to strengthen morality and good governance
6. Strengthening the efficiency and transparency of public expenditure	6.1 The number of ministries, institutions, public entities, observers in public procurement and other matters related to state expenditure
7. Strengthening the efficiency and transparency in the delivery of public services	7.1 The number of public broadcasting announcements, penalties and bonuses that have been set and revised 7.2 Efficiency and transparency of public service delivery (survey of service users)
8. Expanding the engagement in clean business practices from the private sector	8.1 The number of private sectors committed to make businesses clean in various forms
<b>Suppression of crimes by referring all cases to court</b>	
1. Increasing the effectiveness of monitoring and investigations	1.1. Number of skill development programs
2. Strengthening the mechanisms to monitor complaints	2.1 Improved complaint monitoring mechanisms
3. Strengthening the collaboration with relevant ministries, national and international institutions on the pursuit and confiscation of results of offense.	3.1 Collaborate with relevant national ministries, national and international institutions on the pursuit and confiscation of the results offenses.

**4.19 The MONASRI** will focus on contributing to the strengthening of the cleanliness in public administration through its vision of "**Building Cambodia as a society with the rule of law, transparency, accountability and responsibility**". In order to achieve the vision, the MONASRI has launched a policy of "Promoting Good Governance through Education, Prevention of Inactive Phenomena, Increasing Accountability, Efficiency and Strengthening the rule of law" in order to respond to the good governance policy, covering all four deep reforms, namely the legal and judicial system reform, public administration reform, armed forces reform and combating corruption.

**4.20 The MONASRI** will continue to implement the 4 strategies with the following core activities:

### **1. Strengthening National Assembly-Senate Relations**

**Strengthening legislative work:** strengthening social security, rule of law, poverty alleviation, development and prosperity as well as harmony and happiness for the people of Cambodia through (1) continuing to participate in completing the draft Law on Inspection, Sub-decree on Inspection Procedures, draft Sub-decree on Professional Ethics of Inspection Officials and the drafting of relevant regulations as required by the Ministry and (2) continuing to conduct population surveys on the understanding of local laws in the target provinces.

**Strengthening education and dissemination of laws:** strengthening social security, rule of law, poverty alleviation, development and prosperity as well as harmony and happiness for the Cambodian people through (1) continuing to promote the 11 priority laws to the people to raise their awareness about laws, rights, and obligations set in the laws, Land Law, Forestry Law, Fishery Law, Law on Domestic

Violence and Protection of Victims, Law on Management of Private Medical, Paramedical, and Medical Aide Practice, Law on Medicine Control, Traffic Law, Law on Drug Control, Law on Preventing the Spread of HIV/AIDS, Law on Environment Protection and Natural Resources Management, Law on Management of Weapons, Explosives and Ammunition, and Law on Cultural and Heritage Protection (2) continuing to analyse situation and primary study on the 11 priority laws to measure the understanding level and legal requirements of the people by geography before starting the official law dissemination and (3) preparing roundtable discussions on TV and talk shows on radio.

**2. Strengthening the relations between the RGC and the National Assembly and the Senate:** Strengthening social stability, rule of law, poverty alleviation, development and prosperity as well as harmony and happiness for the Cambodian people.

### 3. Inspection

Preparing strategic planning and implementation of preventive measures, inactive phenomena, abuse of power to increase accountability, effectiveness, and anti-corruption. For this important task, the ministry continues to set (1) inspection on administration, finance and property management at ministries and agencies at national and sub-national levels; (2) monitoring the enforcement of laws on agriculture, forestry and fishery; public works and transport; land management, urban planning and construction; social affairs, veterans and youth rehabilitation; and tourism and telecommunications; (3) the work of receiving complaints and investigations continues to receive complaints from citizens from all backgrounds and to investigate, resolve the complaints under the Ministry's mandate; (4) inspection with the ministries and agencies, increasing the communication with inspection units within the ministries and agencies at national and international level; and (5) conflict work, continuing to investigate the extent of misconduct of individuals, ministries, public institutions, public enterprises and stakeholders.

### 4. The National Assembly-the Senate Relation and Inspection at the Capital-Provincial level

Capital and provincial Department of the National Assembly-the Senate and Inspection of 25 provinces and cities will continue to disseminate laws, organize public forums, conduct surveys on people's understanding on laws, receive complaints and investigate, monitor law enforcement and inspection within departments within the 25 capital and provinces.

## 1.3 STRENGTHENING OF WORK EFFECTIVENESS

### A. Policy Priorities for the Sixth Legislature

4.21 In the Sixth Legislature of the National Assembly, the RGC of Cambodia will focus on (1) Increasing the salaries of civil servants and members of armed forces every year together with pensions of retirees and veterans by disbursing through the banking system on a biweekly basis, (2) Delegating power, transferring functions, resources and techniques to all levels of administrative entities under line ministries-institutions, public establishments, sub-national administration to achieve a reasonable level of autonomy in terms of decision-making, supervision and management of human and financial resources; while clearly defining accountability and responsibility of public entities and public officials, (3) Encouraging unified administration at khan-district, provincial and capital levels to consider and implement innovation solutions to ensure effective functioning and resource utilization, (4) Putting in place the performance-based management system by using Key Performance Indicators (KPIs), particularly for officials at supervision and management levels, (5) Putting in place monitoring and evaluation mechanism to help improve performance, implementation

measures, strategic directions and inter-ministerial coordination for the preparation and implementation of government policies, (6) Strengthening information sharing mechanism at all levels of public administration to enhance management effectiveness and respond to the demand of public service users in this rapidly changing national and international context, and (7) Enhancing judicial service by improving work effectiveness of enforcement officials, strengthening public confidence in the judicial system, and fighting all kinds of abuse and violation in the society through (a) strengthening law enforcement, (b) strengthening cleanliness and professional ethics of enforcement officials, (c) strengthening work discipline mechanism and modernization of justice administration, (d) stepping up the provision of legal service, and (e) strengthening and improving conflict resolution mechanism which effectively respond to actual circumstances in the society.

## B. Planned Actions to Implement the Prioritized Policies

4.22 To achieve the key priorities above, the **Ministry of Civil Services (MCS)** will continue to implement the key activities:

- Promoting the quality of public services delivery.
- Strengthening the management, and institutional and human resource development.
- Reforming the payroll and other benefits.
- Strengthening coordination mechanisms for cross-sectoral reforms and with relevant stakeholders.
- Promoting the monitoring and evaluation of the National Program for Public Administration Reform.
- Training and developing the capacity of the civil servants.
- Review the administration of civil servants and framework management.
- Modernizing IT for the administration of civil servants.

### DECENTRALIZATION AND DE-CONCENTRATION REFORMS

4.23 The RGC will further promote the implementation of decentralization and de-concentration reform by focusing on:

1. Delegate the power, function transfer, transfer of resources and technology sharing through decentralization and deconcentration mechanisms to administrative units at all levels under the guidance of the Ministry, institutions, public institutions and sub-national administrations to obtain appropriate autonomy, including decision-making, management and resource allocation. People and finance along with a clear definition of Accountability and responsibility of public bodies and public officials.
2. Promote innovation and unified administration at DM level to ensure efficiency in function and resource utilization.
3. Strengthen sharing mechanisms and information sharing in the public administration at all levels across the country to improve management efficiency and respond to the needs of users of public services in the rapidly evolving national and international context.

4.24 To achieve the RGC's priority policies for D&D Reform, **National Committee for Democratic Development (NCDD)** has developed a National Program on Sub-National Democratic Development with the following commitments.

- **Continuing to strengthen the management of reforms:** Ensuring the promotion of ownership of the RGC, ministries, agencies at national and sub-national levels in the leadership, management, coordination and implementation of the reform process, continuing to strengthen harmonization with the Public Administration Reform and

Public Financial Management Reform to be more linked, reducing operating costs and improving the efficiency of the implementation of these reforms.

- **Continuing to strengthen and modify SNA structures and management systems:** Defining the roles and responsibilities of each sub-national administration more clearly and making local development more efficient, transparent, accountable, inclusive and social equity with the focus on the examination and organization of a new administrative system and structure of the municipality and district administration to ensure the promotion of roles and responsibilities of the municipality and district administration to become a major local administration in providing basic services and development. At the same time, monitoring and evaluating mechanisms on duty implementation will also be strengthened to encourage and enhance the capacity of SNAs in the implementation of legal, regulatory and set labor standards to improve.
- **Promoting effective and effective management and human resource development at SNAs through the development and implementation of a decentralized human resource management system** by empowering the sub-national administration in selecting, appointing, firing and other matters.
- **Continuing to promote the transfer of priority functions to SNAs** to ensure that SNAs are fully capable and fully functioning in the management of public service delivery and direct economic development of the people. At the same time, administrative services through the "One Window" mechanism will continue to be expanded, upgraded and modernized to all capital, provinces, municipalities, districts/Khans, communes/Sangkats throughout the country to make it easier for citizens to quickly access the service, transparency, efficiency and accountability.
- **Continuing to promote decentralization of finance** to ensure the strengthening of the SNA's financial resources, including streamlined financial resources and associated financial resources, and further improving the SNA's financial management system and capacity to ensure SNAs have adequate financial resources and capabilities in managing, allocating and utilizing efficiently the financial resources.

**4.25** To ensure the achievement of the goals of strengthening the Decentralization and Deconcentration Reform Program, improve the efficiency and capability of meeting the functions and resource utilization of SNAs, enhancing efficiency, managing and responding to the needs of the people using public services, the Ministry of Interior (MOI) has focused on the prioritized tasks and targets as follows:

**1. Enhancing efficiency and capacity in performing SNA's functions and utilization**

- **Continuing to adjust the roles and responsibilities of the national and sub-national levels** by promoting the monitoring of SNA's work by reviewing and revising regulatory frameworks, structure, roles and responsibilities of the national and sub-national levels and strengthening the law enforcement and promoting autonomy and accountability.
- **Strengthening and supporting the transfer of functions and resources transferred to SNAs** by promoting ownership and responsibility for providing public services and local development in both infrastructure and social services under the authority profession, innovation, effectiveness, transparency, accountability, inclusiveness and social equity.
- **Continuing to enhance the professional capacity of civil servants of the MOI, the Councils and civil servants in the SNAs**, by developing quality capacities through the development and implementation of the system of quality development, improving the local governance system in accordance with the principles within Decentralization and Deconcentration Policy; develop ing and implementing IT system and media to the public and other stakeholders.

- **Continuing to strengthen collaboration with CSOs, the private sector and other stakeholders** by mobilizing the necessary resources to support capacity development and enhance the efficiency of effective public service delivery and close to people.
- **Continuing to monitor and support the SNAs** by continuing to lead the coordination of supporting sub-national administrations to strictly comply with the Law on Administrative Management of Capital, Provinces, Municipalities, Districts/Khans, Law on Administrative Management of Communes/Sangkats and relevant legal documents; and continuing to support administrative affairs, laws, legal documents, local development and cooperation in the national and international levels.

## 2. Promoting effective management and responding to the needs of public service users

- **Continuing to reform the prison system** by managing the security-minded and humanitarian detainees under a sanitary environment, rehabilitation and vocational training and livelihoods when reintegrating into the community.
- **Continuing to manage the identities of individuals more clearly identified** by increasing the registration status of civil servants and promoting identification, developing civil registration systems, organizing unified systems, dividing people's data and launching electronic systems for providing services to the people with efficiency and transparency.
- **Continuing to strengthen internal audits and promote the integrity of national and sub-national levels**, expanding scope and strengthening the quality of internal audit and further promoting integrity and strengthening good governance systems, procurement procedures, public forum preparation, strategic dissemination on social accountability and promotion and monitoring the integrity of SNA's governance.
- **Continuing to implement the functions transferred to the SNAs for a better implementation**, enabling SNAs to carry out the functions that have been transferred and provide administrative services at the same OWSOs at SNAs; and continuing to encourage the SNAs to provide quality, transparent, efficient and timely administration services to the needs of the people.
- **Continuing to urge SNAs to plan and budget for public services delivery** to advise and support clear budgeting and planning for public services delivery, public forums, consultations with citizens to collect inputs for planning and budgeting at sub-national levels and continuing to respond to needs of the local people.
- **Continuing to enforce the Law on Associations and Non-Governmental Organizations and Law on Political Parties**, updating the Association of Non-Governmental Organizations, Indigenous Communities, and Political Parties; continuing to disseminate the Law on Associations and Non-Governmental Organizations and Law on the Parties Politics; continuing to support and grant full rights to legitimate activities of the associations and non-governmental organizations.

4.26 **The Ministry of Justice (MOJ)** has planned the following actions to implement the prioritized policies for the Fifth Legislature:

- Continuing to implement the Law and Judicial Reform to achieve seven Strategic Objectives
  - Strengthening *the protection of fundamental rights and freedoms*.
  - Modernizing the legislative framework.
  - Providing better access to legal and judicial information.
  - Enhancing the quality of legal processes and related services.
  - Strengthening the judicial services, including judicial and prosecutorial services.
  - Introducing alternative dispute resolution mechanisms.
  - Strengthening legal and judicial sector institutions to fulfill their mandates.
- Law development

- Developing and promoting legal and judicial frameworks.
- Strengthening and enhancing the dissemination law and legislations related to women and children.
- Strengthening and enhancing international cooperation on legal and judicial sector.
- Enhancing efficiency of litigation solution.
  - training on fundamental laws, legislation related to woman and children and other skills to law enforcement officials, officials and Legal professionals.
  - Developing alternative dispute resolution mechanisms.
  - Establishing new system for case register management.
  - Promoting of gender in the justice sector.
  - Conducting the monitoring and evaluation of law enforcement.
- Enhancing Capacity of Institution Management.
  - Building capacity and strengthening the overall management and implementation.
  - Expanding and improving the ministry's infrastructure and municipal and provincial courts.
  - Strengthening and expanding M&E.

## 1.4 STRENGTHENING OF PRIVATE SECTOR GOVERNANCE

### A. Policy Priorities for the Sixth Legislature

4.27 In the sixth Legislature of the National Assembly, the RGC will focus on (1) Initiating studies to assist in the formulation of a policy framework aimed at enhancing corporate governance and good practices in the private sector, (2) Undertaking studies aimed at supporting the preparation of a policy framework to promote the Corporate Social and Environmental Responsibility of the private sector in terms of addressing social and environmental protection issues, inculcating social morality in national culture, enhancing consumer rights protection and consumer safety with the enactment of a Law on Consumer Protection, (3) Continuing the practices of promoting policy dialogues through the public-private dialogue mechanism, at the policy, technical, national and sub-national levels, through a joint engagement with the Chamber of Commerce, and (4) Encouraging the private sector to reinvest in human capital development and innovation.

### B. Planned Actions to Implement the Prioritized Policies

4.28 To achieve the priority policies above, the RGC have continued to implement key activities as follows:

- Continuing to implement **the Government-Private Sector Forum** mechanism to continue addressing the various concerns of the private sector and to further strengthen the private sector to become more productive.
- Promoting entrepreneurship, including one for small and medium enterprises, especially among Cambodians, to do business and investment by providing incentives, capital and technical consulting. Continuing to strengthen **the Government-Private Sector Forum Mechanism** in the direction of promoting these mechanisms into the **Cambodian Development Forum**, a mechanism for stakeholders to discuss issues of development.

## 2. OVERARCHING ENVIRONMENT FOR IMPLEMENTING THE STRATEGY

### 2.1 PEACE, POLITICAL STABILITY, AND PUBLIC ORDER

#### A. Policy Priorities for the Sixth Legislature

4.29 During the Fifth Legislature of the National Assembly, the RGC successfully defended the national sovereignty and territorial integrity through easing tension at border areas and peacefully resolving border issues with neighboring countries; successful prevention of color revolution movement; strengthening political stability, rule of law, and liberal multiparty democracy; promoting the respect for human rights and dignity; holding free, fair and just elections at national and sub-national levels; and strengthening laws enforcement as well as security and public order through the effective implementation of “**Safe Village-Commune**” policy, along with fruitful prevention and suppression of all kinds of criminal activities, including the fight against terrorism and its financing, illegal drugs, human trafficking, as well as transnational crimes.

4.30 The RGC of the Sixth Legislature of the National Assembly will focus on (1) Securing national sovereignty and territorial integrity by not allowing foreign interference in Cambodia’s internal affairs; firmly preventing and cracking down on activities related to color revolution or incitements that could lead to political instability and social unrest, (2) Reinforcing the rule of law, democracy, peace culture, social morality, respect for human rights and dignity and ensuring a conducive environment for the normal functioning of public institutions, (3) Continuing efforts to tackle the following: resolving both land and maritime boundary disputes with neighboring countries based on the foundation of international law; formulating and deploying a border development strategy to achieve peace and develop friendship and cooperation with neighboring countries; and preventing the use of the Cambodian territories for activities against neighboring countries, (4) Undertaking preventive measures and other actions to suppress all kinds of criminal activities, including terrorism and its financing, money laundering, illegal drug trafficking and drug use, human trafficking and sexual exploitation, and other transnational crimes, as well as continuing carrying out the “**Safe Village/Commune**” policy, (5) Taking additional measures to improve traffic safety and public order; eliminating illegal checkpoints; and enforcing transport safety regulations so as to penalize non-roadworthiness trucks that damage road infrastructure and cause traffic accidents, (6) Strengthening the enforcement of the Law on Nationality and the Law on Immigration by preventing the entry of illegal migrants through airports, land and maritime borders, and pursuing the search, arrest, and deportation for illegal immigrants back to their home countries, and (7) Building the capacity of law enforcement to deal with cybercrimes.

## B. Planned Actions to Implement the Prioritized Policies

4.31 To implement the priority policies of the RGC of Cambodia, **the MOI** will continue to focus on (1) the protection of national sovereignty and territorial sovereignty, as well as the prevention and opposition to illegal acts, political instability or social unrest; (2) continuing to settle land and water issues with neighboring countries on the basis of the common international law along with the continuing to organize and promote regional development strategy the border is a border of peace, friendship and cooperation, while continuing to adhere to the principles do not allow territory against neighboring countries; (3) preventing and cracking down on all types of crimes, including combating terrorism and terrorist financing, anti-money laundering, combatting illegal activities related to drug trafficking and drug use, combating illegal activities related to human trafficking and sex business as well as fighting transboundary crimes along with the continued implementation of the "Village and Commune Safety Policy"; (4) Strengthening of traffic safety and public order; (5) continuing the enforcement of nationality and immigration law by preventing the influx of immigrants from land boundaries, airports and water borders with the search for illegal immigrants living in the Kingdom of Cambodia for relocation; and (6) strengthening law enforcement and capacity building to prevent systematic cyber crimes.

4.32 To achieve the above priority policies, **the MOI** will:

1. **Strengthening the defense of national sovereignty and the implementation of Nationality Law and Immigration Law** by continuing to protect national sovereignty and territorial integrity, to solve land and water issues, and to continue to strengthen the implementation of nationality and immigration law.
2. **Strengthening the measures to prevent and suppress crimes** by continuing to prevent and crack down on all kinds of crimes and to continue to enforce laws, to raise awareness and provide professional training to officials at the Police Academy and continue to build capacity to prevent crimes by technology system.
3. **Strengthening traffic safety and public order** by strengthening the implementation of laws, dissemination of all forms of education, and maintaining public security and public order.

4.33 **The MOI** will continue to implement the following key agenda:

1. **Strengthening the defense of national sovereignty and implementation of Nationality Law and Immigration Law**
  - **Continuing to protect the national sovereignty and territorial integrity**, and preventing and opposing all illegal activities, causing political instability or social unrest, especially preventing and eliminating the effectiveness of the color revolutionary movements, while continuing to adhere to the principles, not allowing the use of Cambodian territory against neighboring countries.
  - **Continuing to settle land and water border issues** with neighboring countries on the basis of international law, along with continuing to develop and implement strategies to develop border areas as a border, peace, friendship and good cooperation.
  - **Continuing to strengthen the enforcement of Nationality Law and Immigration Law** by enhancing the efficiency of immigration services and controlling the prevention of terrorism, transnational crimes of all types, protecting national interests and citizens in accordance with relevant laws and regulations and participating in implementing the RGC's Open Sky Policy; continuing to strengthen its effectiveness of the presence of accommodation and occupations of the foreigners in the country.
2. **Strengthening the measures to prevent and suppress crimes**
  - **Continuing to prevent and crack down on all types of criminal offenses**, including combating terrorism and terrorist financing, anti-money laundering, fighting illegal activities related to drug trafficking and drug use, fighting illegal activities related to human trafficking and sexual businesses.
  - **Continuing to strengthen the law enforcement and capacity building** to prevent cyber crimes and collaboration in preventing and suppressing this crime, pursuing the implementation of strategies, reducing crime, recording and incorporating accurate crime data; urging the approval and implementation of the National Police Law for better police development by training and preparing officials to take turn for the medium and long term.
3. **Strengthening traffic safety and public order**
  - **Continuing to strengthen law enforcement and dissemination activities in all aspects** by continuing to promote education, advising people to participate in preserving public order, respecting Road Traffic Law, respecting law enforcement, and enhancing professional skills for police officers and the traffic police; continuing to raise awareness on Water and Road Traffic Laws and explain to citizens of conscience to law enforcement.
  - **Continuing to maintain public security and public order** by continuing to safeguard security at all national and international events and to maintain the order of strike demonstrations by preventing violence. Continuing to promote community participation in the movement of security, safety and social order to increase every year.

## COMBATING DRUGS

4.34 The **National Authority for Combating Drugs (NACD)**, will continue to efficiently implement the **five strategy plans of the 3-Year National Plan on Drug Control**. Those five strategies and seven strategic plans include: (1) Drugs demand reduction; (2) Drugs supply; (3) Strengthening the effectiveness of treatment, rehabilitation and social Reintegration of drug addicts; (4) Strengthening the effectiveness of the Law enforcement; (5) Strengthening and Expansion the international cooperation. To full fill of implementation the above five strategies, the **NACD** has set up other 7 strategic plans as the following:

- Education, awareness raising, prevention and saying no to drugs: increasing public awareness of the harmful effects and the impact of illicit drugs upon society. Encourage the involvement of the private sectors in fighting against drugs. Facilitate with relevant ministries and institutions to promote and integrate the program of education on illicit drug and HIV/AIDS from the abuse of drugs into the school curricula of both in formal and non-formal education systems. Promote and prepare mechanism for monitoring and evaluation of drug abuse prevention activities to ensure the future effectiveness.
- Treatment, rehabilitation, vocational training, life skills, reintegration and being free from drugs: Community based treatment for drug users through drugs and health services of the Ministry of Health. Methadone maintenance treatment program in Cambodia. Development of a drug abuse treatment, rehabilitation and reintegration draft policy. The establishment of the structure of the center for drug treatment, rehabilitation and reintegration of drugs addicts. The creation of a counseling team at the community level. Increasing the capacities of drug treatment, rehabilitation centers.
- Strengthening the effectiveness of law enforcement agencies: intensify the effectiveness implementation of legislation affairs. Intensify the effectiveness implementation of 1961, 1971, and 1988 International Drug Control Conventions, 1972 protocol and convention on transnational organized crime. Intensify the effectiveness of the implementation of the Law on the control of drugs and other related laws. Strengthening the cooperation to prevent the production, trafficking, and distribution of illicit drugs and strengthening the effectiveness of investigation of law enforcement agencies. Strengthening and expanding the Border Liaison Offices (BLO's). Strengthening the capacity of the NACD laboratory officials. Continue using the mechanism of Computer-Based Training (CBT) to strengthen law enforcement officers. Strengthening the law enforcement affairs to support Harm Reduction programme.
- Precursor chemicals control: strictly control of precursors chemical and psychotropic substances. Formulation on Drafting legislations and establish the planning on the control of precursor chemicals for preventing of the diversion of legal trade of precursors chemicals into drugs producing and provided law enforcement agencies with a particular skill. Set up controlling plan and the measure of the control of production trafficking of natural oils which consist of Saffrole-rich oil extracted from Saffron trees and others.
- International cooperation with neighboring countries: Intensify the mechanism of green villages and communes' drug-free along the borders. Strengthening the mechanism of Border Liaison Office (BLOs).
- International cooperation within the region and development partners: Strengthening and expansion of the implementation of all binding obligation stipulated in the agreements and international drugs control conventions and Promote international cooperation with other countries in order to seek the support and assistances in all drugs control activities.

- Strengthening mechanism of drug control at national and sub-national level: strengthening the structure of the NACD within national and sub-national level.

**4.35** To reinforce the role of the family and religious values that are the foundation of the social fabric of the Cambodian society, **the Ministry of Cults and Religions (MCR)** will continue to actively promote the role of family and adherence to the traditional religious values of the Kingdom. The MCR will continue to strengthen and expand Buddhism education at all levels, publish and disseminate the Buddhism bibles and strengthen the execution of Buddhism rules by cooperating with the two Samdech Preah Sangkareach. In addition, the MCR supports the activities and promotes the rights and freedom in other religions to contribute to the social development.

**4.36** In the Sixth Legislature of the National Assembly, **the MCR** will introduce one priority policy “Promotion of the state religion, value of the social ethics, and religion harmonization” with the following key activities:

- **Buddhism education**
  - Continuing to coordinate the Buddhism education to train human resource among the monks from Buddhism rules level to tertiary education and higher.
  - Continuing the international cooperation in cults and religion sector.
  - Continuing to train the human resources from primary to tertiary education in compliance with the national and international standard.
  - Continuing to expand the Buddhism Education Schools at the local level.
- **Strengthening and expanding the management of Buddhism promotion and maintaining religious harmonization**
  - Organizing the country-wide monk congress and disseminating at all capital and provinces.
  - Continuing to pay attention to cooperate with line ministries and agencies to expand the dissemination of the Buddhism rules through the Buddhism roles linked with society.
  - Continuing to disseminate the Buddhism theory educating at school through Buddhism context program in cooperation with line ministries and agencies.
  - Paying attention to cooperate with line ministries and agencies to promote the research and compilation of all Buddhism bibles, rules, wedding rules, and rules for other rituals and Buddhism rituals.
  - Continuing to have close relation and cooperation with religious leaders in religious affairs.
  - Continuing to formulate laws and policies for the management and organization of all religious structures in the Kingdom of Cambodia.
  - Continuing the relations with other countries and associations to study about the various religions around the world.
  - Continuing to guide and supervise religious organizations under the supervision of the Ministry, monasteries, religion research centers, and all religious organizations that carry out religious activities in accordance with State law.
  - Continuing to inspect the religious sector and facilitate the resolution of the issues.
  - Continuing to promote the establishment of libraries in monasteries for the benefits of the public, including clergy in the Kingdom of Cambodia.
  - Continuing to encourage all religions to participate in economic and social development; urging the monasteries and religious temples to become the education centers on mentality, ethics, culture and social affairs, maintaining the harmonization and freedom in all religious beliefs.

## 2.2 FAVORABLE ENVIRONMENT FOR BUSINESS, INVESTMENT AND DEVELOPMENT

### A. Policy Priorities for the Sixth Legislature

4.37 In the previous Legislatures, the RGC successfully maintained macro-economic stability by achieving average economic growth of 7% per annum which helps transform Cambodia into a lower middle-income country in 2016 and upper middle-income country in 2030 and developed country in 2050. The RGC also committed to reduce poverty more than 1% annually to achieve CSDGs 2016-2030. Inflation has been contained within manageable range, while Riel's exchange has remained stable around 4,050 USD. At the same time, total approved investment capital between 2013-2017 reached 23.3 billion USD, reflecting high investors' confidence in Cambodian investment environment.

4.38 To achieve the macroeconomic strategic targets in this Sixth Legislature of the National Assembly, the RGC will focus on:

1. Further implementing macroeconomic policy by combining public finance policy, monetary policy and structural reform in a proactive but vigilant manner to ensure growth stability, low inflation, exchange rate stability and investment promotion.
2. Preparing mechanism to deal with economic crises and risks which could occur in the financial sector, banking and non-banking sector as well as real estate and other sectors.
3. Pushing for the amendment of the law on investment, and the effective enforcement of this law as well as the law on special economic zones.
4. Promoting comprehensive and in-depth reform of the taxation system, including the formulation of the new tax law based on the principle of enhancing the effectiveness of revenue collection, ensuring transparent, accountable, equal and fair competition environment, encouraging economic, business and investment activities as well as ensuring social equity.
5. Preparing and implementing mechanisms to facilitate new business start-up by cutting time for registration, license application and other relevant procedure as well as reforming the public service for business.
6. Further trade facilitation by completing the preparation of the National Single Window, minimizing cross-border control mechanism and cutting unnecessary procedures that hinder trade.

### B. Planned Actions to Implement the Prioritized Policies

#### Sustainable Growth

4.39 To achieve the priority policies in the Sixth Legislature of the National Assembly, **the MEF and Cambodia Investment Board** will implement the following activities:

- Continuing to ensure macroeconomic stability through (1) strengthening risk management mechanisms and financial crisis; (2) managing credit growth in the real estate sector to an appropriate level and increasing the quality of credit by focusing on production and trade. (3) continuing to seek new sources of capital for the private sector such as the development of market and currency market and the establishment of SMEs (4) continuing to focus on managing the real estate sector and strive to promote affordable housing in line with the RGC's policies, and (5) raising awareness of the general population, especially those in the rural areas, with loans from microfinance institutions.
- Boosting strong and sustained economic growth through (1) increasing competitiveness of Cambodia, (2) promoting economic diversification.
- Accelerating reform and strengthening of institutional capacities through (1) reducing business expenditure, taking into account the issues, procedures, procedures, and public service costs, in order to effectively promote the transport and logistics systems in Cambodia; and (2) improving the quality of human resources and medium and high-level skills to increase the effectiveness of public services delivery.

- Preparing four regulatory documents: (1) drafting the Law on Management of Valuation Services and Real Estate Services; (2) developing the Law on Mortgage Business Management; (3) developing the Law on Real Estate Development Business Management; (4) drafting a Prakas on the Management of Consumer Goods Business and developing the real estate valuation standard.
- Continuing to strengthen the knowledge and confidence of the Cambodian people in the field of insurance through dissemination workshops and insurance brokerage.
- Strengthening sales management of insurance products through telecommunication by establishing necessary regulations.
- Continuing to develop the securities market by urging and encouraging enterprises and companies to issue public securities, promoting trade, and examining the requirements for issuance of state securities.
- Establishing the National Committee for Cambodia's Financial Stability.
- Creating a deposit insurance mechanism in Cambodia.
- Managing the issuance of state securities, cash management, and open market operations.
- Managing the issuance of sovereign securities.
- Developing Yeal Khov trademark.
- Establishing credit rating agencies.
- Studying the feasibility to establish a future commodity market.
- Studying the geography and seeking partnerships to develop a Financial Development Center.
- Strengthening revenue mobilization from casinos to the maximum extent permitted by the RGC, and enforcing the existing regulations and promoting the enactment of Casinos Management Law.
- Preparing public investment framework and public-private partnership.
- Preparing a new Investment Law and Special Economic Zone Law.
- Continuing to strengthen and expand the private sector through more effective management and coordination of private investment, as well as the promoting, the attracting and supporting the private investment.
- Strengthening and enhancing the effectiveness of the investment monitoring and control mechanism to ensure compliance with the principles and conditions of investment contracts and compliance with existing Cambodian laws.
- Strengthening investment mechanism based on global initiative to promote the effectiveness of investment facilitation and addressing investors' challenges at all stages of the implementation of the investment projects.
- Developing and implementing concrete strategies and measures to enhance the promotion and attracting investment by focusing on a number of targeted countries and identifying specific types of priority industries.
- Creating a favorable environment for both domestic and international investments, including facilitating registration, licensing and permits, especially through the one window service mechanism to accelerate all business and investment transactions as well as the reduction of the informal expenses.

**4.40** To achieve the priority policies in the sixth legislature of the National Assembly, **Ministry of Commerce** is implementing the actions as below:

1. **Business Registration:** (1) Expand and strengthen services through competitive Automated Registration System in ASEAN countries, (2) enhance the efficiency of the Automated Registration System to enable Cambodia to have a better ranking in the World Bank's Assessment (Ease of Doing Business and Starting Business) every year.

2. **Trademark:** (1) Improve the ability and capacity of management to provide and use intellectual property services in supporting to Cambodia's economic development; (2) improve the Cambodian government's ability and capacity to provide intellectual property policy and services in supporting to agriculture, trade, industry, culture, and tourism industry sector; (3) increase knowledge and understanding among public about the role of intellectual property in the economy to support the increase of using intellectual property system by Cambodian business people; and (4) develop and maintain the Cambodian intellectual property laws in line with international standards in order to complete Cambodia's economic and social needs.
3. **Export-Import:** (1) Strengthening of decentralization of the issuance of Certificate of Origin Form D to Departments of Commerce in the provinces along the border, (2) strengthening and expanding the implementation of using invoice for the self-certification of origin in ASEAN, (3) strengthen the maintaining, upgrading certification of origin automation system, and linking C/O Form D in the national single system of Cambodia and organizing additional C/O forms according to the rules of origin of importing countries and (4) organize the training and publishing the information of registration for exporters to the European Union.
4. **Inspection of Goods, Consumer Protection and Competitiveness:** Strengthen the implementation of laws on the management of quality and safety of goods and services, prevent unethical competition, obstruct and suppress the production and distribution of counterfeit products and expired products, no sanitation, consisting of virus, banned chemicals or defective quality in conformity based on specific action plan that are lively and responsive and high responsibility.

### Environment Sustainability

4.41 Environmental management and climate change have become another challenge for sustainable economic growth and social development in Cambodia due to current population growth, urbanization, prosperity and aquaculture, as well as the development of transport sector, energy sector and other sectors. Most of the environmental challenges are cross-cutting, requiring coordination between national and sub-national institutions and cooperation with all stakeholders.

4.42 In the Sixth Legislature of the National Assembly, **the Ministry of Environment and National Council for Sustainable Development** will maintain the comprehensive approach for the environment management in Cambodia through:

#### **Green and Science and Technology Development**

- Ensuring consistency with national priorities, policies, plans and programs and alignment with the national, regional, and international policies, plans and programs in which Cambodia is a member.
- Promoting the development of science, technology, innovation, human resource development, raising awareness, using green technologies and nuclear technologies for peace purposes to support sustainable development.
- Improving policies and regulations to increase the contribution of renewable energy in Cambodia's diverse energy sector.
- Developing and supporting the implementation of the research agenda in order to ensure sustainable development.
- Promoting the inclusion of strategic environmental assessments into decision-making process, policies, plans and regulations to ensure the sustainability of the environment and natural resources.
- Promoting sustainability in development that ensures economic prosperity while preserving the quality of the environment, sustainable livelihoods and the availability of natural resources.

- Implementing the Green City Strategic Plan in urban areas.

#### **Responses to Climate Change**

- Decentralization of functions and resources to sub-national levels to strengthen ownership in order to ensure the sustainability of environmental and natural resources
- Promoting climate change resilience and facilitate the progress of building a society that releases low carbon.
- Developing a roadmap for implementing the National Determined Contributions (NDC) for the implementation of the United Nations Framework Convention on Climate Change.

#### **Biodiversity and Biosafety**

- Ensuring the sustainability of functions and the full functioning of biodiversity, biosafety and ecosystems.
- Establishing a policy framework for ecosystem service charges.

#### **Monitoring and inspection of pollution sources, observing, monitoring the environmental quality, environmental impact assessment**

##### ***Regulation Development***

- Establishing key policies and regulation, including 7 sub-decrees, amendment of 4 sub-decrees, 4 inter-ministerial Prakas, 4 Prakas, a Joint Prakas on the Delivery of Public Services and Transitional Fines, drafting of an inter-ministerial circular on the implementation of Sub-decree on Plastic Bag Management, and two technical guidelines.

##### ***Monitoring Environmental Quality***

- Continuing to monitor the environmental quality at the targets in the capital and provinces.
- Expanding the targets for monitoring and sampling public water in areas that are threatened by environmental pollution.
- Compiling the data on pollution sources (water, land, air, solid waste, liquid waste, hazardous substances, mercury, radiative substance, etc.).

##### ***Monitoring and Inspection of Pollution Sources***

- Continuing to enforce legal regulations related to environmental protection at factories, enterprises, companies and investment projects throughout the country.
- Promoting the implementation of automatically regulating and reporting system for critical pollution sources and equip the automatic tool for monitoring the waste release.
- Promoting the implementation of the database of toxic substances released in the environment.

##### ***Natural Protected Area Management***

- Strengthening the efficiency of the management of the natural protected area system
- Identifying the boundaries, the management area and registration of the natural protected areas as the state public properties.
- Increasing efficiency of enforcement and mitigating threats by equipping modern tools and training on enforcement of relevant laws and skills in each area.
- Promoting the delegation of management of the natural protected areas to SNAs, identifying the new protected areas.
- Determining the habitat rights of the protected areas and addressing land disputes in protected areas, including in the economic land concession project areas.
- Developing a strategy to regenerate forest cover through reforestation and enhancing the conservation and rehabilitation of genetic resources of the plants, forests and wildlife in protected areas.

- Promoting the efficiency of REDD+ implementation, reducing greenhouse gas emissions from deforestation, conserving forest carbon stocks, sustainable forest management, and increasing forest carbon inventory.
- Developing innovations in conservation and development, including creating opportunities for sustainable ecotourism and financing mechanisms.

#### ***Education and Dissemination of Environmental Information***

- Strengthening and expanding environmental education activities, enhancing the dissemination of the environmental information, updating the environmental statistics, promoting the participation of environment-friendly activities in order to achieve better public participation in environmental protection, biodiversity conservation and the sustainable use of natural resources.

#### ***Local community development, natural tourism development and heritage area management***

- Continuing community forestry studies in newly-created protected areas to develop more protected communities.
- Cooperating with SNAs and relevant ministries and agencies in the establishment of protected areas community networks, including national, regional and the protected area committee.
- Improving the community livelihoods by expanding/increasing employment for local communities located in the East of the Mekong, North and South Tonle Sap Lake are established and managed
- Integrating all activities in the community management plan into each commune investment plan
- Cooperating and partnering with relevant ministries and agencies, especially tourism and eco-tourism companies and agencies to promote eco-tourism in an effective and easy way to access ecotourism sites and the eco-tourism community.
- Strengthening the cultural heritage management in collaboration with institutions responsible for culture, relevant institutions, and development partners and strengthening the management of natural heritage.
- Strengthening the capacity of the organization and disseminating information and education on the value of natural and cultural heritage to the public.

## **2.3 STRENGTHENING OWNERSHIP AND PARTNERSHIP IN DEVELOPMENT AND INTERNATIONAL COOPERATION**

### **A. Policy Priorities for the Sixth Legislature**

**4.43** The RGC has made significant achievements by implementing the “**Development Cooperation and Partnership Strategy 2014-2018**” by identifying a number of principles and instruments as the basis for the expansion of effective development partnership while enhancing cooperation with various international institutions and 158 friend countries, in which Cambodia has a total of 38 embassies and permanent diplomatic missions. At ASEAN and ASEAN dialogue partner levels, Cambodia has worked actively with all ASEAN member states to achieve the ASEAN’s goal of a rule-based, people-oriented and people-centred ASEAN. Since 2008, Cambodia has mobilized around USD 1 billion of development cooperation financing per annum. In addition, the RGC has put in place the “**Law on Association and Non-governmental Organizations**” to create harmonized partnership atmosphere.

**4.44** The review of the achievements, challenges and opportunities clearly showed that the development context of Cambodia and the world requires the RGC to pay more attention in the Sixth Legislature of the National Assembly on:

1. Continuing to strengthen the inclusive partnership with all development stakeholders in order to mobilize the financing resource from all sources to underpin the attainment

of sustainable development goals by 2030 based on the RGC's ownership and leadership.

2. Formulating and implementing “**Development Cooperation and Partnership Strategy 2019-2023**” in order to strengthen the ownership of the RGC, enhance effectiveness, efficiency and sustainability of the public financial management, develop social accountability mechanism while strengthening the institutional capacity and human resource in the context that Cambodia has achieved its ambitious goal to become a lower middle-income country and is preparing itself to graduate from the least developed country status.
3. Continue to participate actively in regional and global affairs in order to increase development opportunities, particularly to boost confidence in security, safety, and investment environment of Cambodia, as well as to ensure the prestige of Cambodia.
4. Continuing to implement all commitments agreed by Cambodia in the International Forum on Development Effectiveness along with strengthened implementation of existing consultation mechanism to discuss various topics related to national development.
5. Further strengthening partnership with non-governmental organizations through enforcing the law on associations and non-governmental organizations in order to promote efficiency, transparency, and accountability of the cooperation.
6. Continuing to strengthen international cooperation and creating new mechanisms to further attract investment, from both private sector and official development institutions, as well as developing commerce sector and promoting industrial and agriculture diversification into high value-added activities.

## **B. Planned Actions to Implement the Prioritized Policies**

4.45 In the Sixth Legislature of the National Assembly, the RGC will focus on:

1. Preparing and implementing **Development Cooperation and Partnership Strategy 2019-2023** to continue to strengthen and align with the development cooperation with the priorities in the RS-IV and align with the global principles on the effectiveness in the development based on the ownership, inclusive partnership, and results for the basis in mobilizing national development resources.
2. Continuing to strengthen the ownership and leadership of the government by including the global principles on the effectiveness in the development in the national principle and mechanism in mobilizing and coordinating the utilization of the development resources.
3. Continuing to strengthen inclusive partnership in mobilizing development financing from all development actors to ensure consistency, promote public services delivery and strengthen the use of the national system.
4. Continuing to actively participate in the global forum on the effectiveness in development and continuing to implement the consultation mechanisms set in **Development Cooperation and Partnership Strategy 2019-2023**.
5. Strengthening the result-based development by preparing the monitoring system and principle on two-way accountability to be a basis for strengthening the evidence-based partnership.
6. Continuing to strengthen partnership with NGOs through strengthening **Law on Association and Non-Governmental Organizations** as well as promoting the efficiency, transparency, and accountability of the cooperation.

## **2.4 STRENGTHENING CAMBODIA'S CAPACITY TO FURTHER PROMOTE ITS INTEGRATION INTO REGIONAL AND GLOBAL ECONOMY**

### **A. Policy Priorities for the Sixth Legislature**

4.46 In the Fifth Legislature of the National Assembly, major achievements of the RGC include its participation as a member of “**ASEAN Economic Community**”, which is a free trade area with a total population of 622 million and a signatory of Free Trade Agreements between ASEAN and partner countries or regions; enhanced physical and non-physical infrastructure connectivity with countries in the region; steady improvement in regulatory and institutional frameworks as well as market diversification, etc. Cambodia has participated in the “**One Belt-One Road**” initiative which has great potential for the development of the industrial sector, SMEs, tourism sector, financial and banking sector and other service sectors. Meanwhile, in both bilateral and ASEAN frameworks, Cambodia has strengthened its trade and business relations through participation in business forums, exhibitions and networking. These efforts have contributed to the growth of economic, trade and investment activities which generated jobs for thousands of people.

4.47 Recent geo-politic developments attest to the weak and uncertain role of the World Trade Organization and result in less attention to ASEAN’s centrality in establishing free trade areas with major markets outside the region. Moreover, Cambodia’s eventual graduation from Least Developed Country status will result in the loss of favorable trade treatment as well as other benefits in the implementation of agreements and other obligations agreed by Cambodia.

4.48 Nevertheless, moving forward, Cambodia not only strives to maintain its existing export markets, but open new markets to expand the export base by relying on permanent FTAs (rather than bilateral favorable treatment which can be lost easily) to expand the economic dimension and provide impetus for sustainable growth.

4.49 In the Sixth Legislature of the National Assembly, **the RGC** will focus on:

1. Continuing to fulfil remaining obligations under WTO, ASEAN Economic Community and bilateral frameworks especially physical and soft infrastructure connectivity, and improvement in regulatory framework as well as institutional and human capacity to fully capitalize on integration and enhance trade and investment flows in the region and the world.
2. Promoting the establishment of bilateral free trade areas with major partner countries and the establishment of multilateral free trade areas with major regions such as Eurasia, European Union, as well as Regional Comprehensive Economic Partnership (RCEP) and other free trade agreements.
3. Further strengthening business networking by organizing forums, business visits or trade fairs aimed at promoting business partnership and clear understanding of market demand as well as export market diversification.
4. Further participating actively in international, regional and bilateral economic cooperation and integration initiatives.
5. Promoting cooperation and coordination between the RGC’s ministries-institutions and related development stakeholders to strengthen the national capacity and system to improve service delivery and competitiveness of Cambodia.
6. Continuing to build capacity for monitoring business trends in all sectors.

## **B. Planned Actions to Implement the Prioritized Policies**

4.50 To implement the priority policies in the Sixth Legislature of the National Assembly, **the RGC** will continue to strengthen the inter-ministerial coordination, the enactment of laws and necessary regulations to implement the obligations as the member state of the international and regional organizations and building the capacity of the relevant line ministries and agencies to manage and urge the effective enforcement of laws and regulations.

**4.51** To achieve the priority policies in the sixth legislature of the National Assembly, the **Ministry of Commerce** is implementing the actions as below:

1. **Strengthen and expand trade relations:** (1) Promote the trade sector development through market diversification and facilitation in trade negotiations in order to accelerate integration into the key free trade frameworks in the region and the world, (2) do research on trade barriers that affect the export of products of the country in mission, and (3) strengthen and expand trade agreements in Asia Pacific, Europe, Middle-East and Africa, the United States and other countries.
2. **Strengthen Trade Fair:** (1) Continue to conduct trade fair for Cambodian products at the campaigns to buy Cambodian products in the cities and provinces, (2) continue to participate in world and international trade fair, (3) promote trade partnership between private sector and private sector in the country and international countries on commodity exchanges, business perspectives and other development projects that can lead to supply in domestic market instead of import overload, (4) encourage the company to organize its exhibitions properly.
3. **Market Development:** (1) Provide business and market consulting to business people, (2) exhibition, Promotion, Consulting and Promote of Cambodian products Branding, (3) strengthen and create more Cambodia business centers and representative office of chamber of commerce in abroad, and (4) take measures to strengthen and expand Cambodia's export markets, in particular through open market negotiations with countries in the region and outside the region, promoting transportation infrastructure and logistic system including information technology and communication system to facilitate flow of goods and services, including financial services, as well as reducing non-tariff barriers such as improving the sanitary and phytosanitary.
4. **Trade Integration:** Develop a roadmap for clear process of trade sector integration. Identify and monitor the evolution of indicators in trade integration operations.
5. **Develop Trade Information Center:** 1) Continue to update trade information need assessment, 2) strengthen and expand the production of trade information in accordance with the social context, 3) strengthen and expand the dissemination of trade information, 4) Monitor and evaluate the process of Trade Information Center.
6. **Legal Framework:** Continue to develop legal frameworks to improve the business and investment environment. Develop information and trade laws verify within the framework of the implementation of the WTO Work Program.

Table 4.2: Key Indicators in Trade Sector 2019-2023  
(Linear Calculation)

No.	Indicator	Unit	2019	2020	2021	2022	2023
1	Import	Riels-bil	52,283	52,696	52,902	53,109	53,315
		Usd-mil	12,904	12,984	13,024	13,064	13,104
2	Export	Riels-bil	39,158	39,336	39,426	39,515	39,604
		Usd-mil	9,662	9,687	9,699	9,712	9,724
3	Export of Clothes	Riels-bil	24,559	26,288	27,152	28,016	28,881
		Usd-mil	6,058	6,474	6,682	6,890	7,098
4	Business Registration	Number					
4.1	- Company		14,544	18,907	24,579	31,952	41,537
4.2	- Sole Proprietorship		4,188	5,444	7,077	9,200	11,960
4.3	- Domestic Branch		752	977	1,270	1,651	2,146
4.4	- Foreign Company (Representative Office and Branch of Foreign Company)		184	239	310	403	523
5	Trademark Registration	Number	4,002	4,082	4,164	4,247	4,332
6	Number of factory registered for Generalized System of Preferential (GSP)	Number	1,632	1,746	1,860	1,974	2,089
7	Number of workers (male-female) working in factory registered for GSP	Person	1,100,498	1,162,565	1,224,632	1,286,699	1,348,766
8	Total Salary	USD-Mil	2,302	2,516	2,729	2,942	3,156

Source: MOC

**4.52** To continue the participation in implementing the policies related to “Encouraging to create bilateral free trade zones with key trade partners and create multilateral free trade zones with key regions such as ERASIA, EU as well as the RCEP and other free trade agreements”, **the Council of the Development of Cambodia (CDC)** will implement the following activities:

- Continuing to more actively participate in agreement negotiation or investment chapters in the free trade agreement framework such as RCEP and other free trade agreements to enhance the Cambodia’s integration into the regional and the world economy.
- Participating in all mechanism and levels, i.e. technical working groups, investment coordination committees, trade negotiation committee and minister level.
- Continuing to strengthen and develop the investment negotiation capacity to the CDC’s officials to have more skills and experience.

**4.53** To implement the RGC’s priority policies for the Sixth Legislature of the National Assembly, **the Ministry of Foreign Affairs and International Cooperation (MOFA-IC)** will continue to pursue its further efforts focusing on the continuation of its five major activities as follows:

**Protection of national interests, especially the protection of independence and sovereignty**

- Continuing to protect independence, sovereignty, and struggle to secure justice for the cause of peace, stability and development.
- Continuing to completely settle land border issues with neighboring countries in accordance with international law and the principles of restructuring the post-colonial borders (Uti Possidetis) and transforming the border areas into a peaceful, friendly and cooperative area with development.

**Implementation of foreign policy which is flexible, smart and responsive to geopolitical pressure and tough competition of the world powers**

- Cambodia continues to be actively involved with all countries in the region and the world in addressing the challenges facing the world, especially in the Middle East, Iran's nuclear program, the Korean Peninsula issue, the South China Sea crisis, the crisis in the state Rakhine, terrorism, disaster, crackdown on drug trafficking, human trafficking and transboundary crimes, communicable diseases, and illegal immigration.

**Implementation of economy and culture diplomacy to strengthen the national economy**

- Continuing to strengthen diplomatic relations with countries around the globe and further promoting the role and prestige of Cambodia on the regional and international levels within the ASEAN community, as well as in international cooperation frameworks, including preparations for the chairmanship and the host of the 2020 Asia-Europe Meeting, serving as Vice-President of the 73th United Nations General Assembly and a member of Economic and Social Council (ECOSOC).
- Continuing to implement the economic, cultural, and tourism diplomatic activities in order to promote export policies, strengthen and promote national culture, and attract foreign tourists.
- Continuing to actively collaborate with all ASEAN member states to reduce the development gap among ASEAN member countries, integrate regional economies, and ASEAN Connectivity to further enhance people's living conditions and economic development to achieve ASEAN's goals as a single community following the "one vision, one identity, one community."

**More active participation in the cause of peace, stability and the fight against the challenges of the world**

- Cambodia continues to send Cambodian peacekeeping forces to participate in the UN peacekeeping operation and to strengthen the capacity of Cambodian peacekeeping forces through trainings.

**Reinforcement of institutional reform in the ministry to organize professional, patriotic, active and capable diplomats**

- The ministry will continue to pursue internal and institutional reforms including enhancing the work environment, enhancing accountability and solidarity within the institution, and training officials both domestic and abroad to be the qualified diplomats.

### **3. HUMAN RESOURCE DEVELOPMENT**

**4.54** Human resource development with quality, capacity and ethics is the key to sustaining the country's economic growth and competitiveness in the future, especially as Cambodia moves to **upper middle-income country status by 2030** and a **developed country by 2050**, according to a long-term vision of the RGC.

**4.55** Human resource development in the Sixth Legislature of the National Assembly will continue to focus on (1) strengthening of the quality of education, science, and technology

sectors; (2) vocational training; (3) enhancement of public health service and nutrition; and (4) strengthening of gender equity and social protection.

### 3.1 STRENGTHENING OF THE QUALITY OF EDUCATION, SCIENCE AND TECHNOLOGY

#### A. Policy Priorities for the Sixth Legislature

4.56 The strategic goals of the RGC is to develop a “**quality, equitable and inclusive education system**” by focusing on science and technology, labour market orientation, and physical education to support the national socio-economic development.

4.57 For the Fifth legislature, the RGC has completed many achievements such as the high enrollment rate in primary schools, enhancement of the quality and values of education, modernization of the education system including the integration of the STEM3 into the curriculum and main textbooks, creation of a good study environment and new generation schools, strengthening of the education sector inspection and higher education reforms, as well as the preparation and implementation of the master plan for technical education in the general and technical education high schools, especially in electricity, electronics, mechanics, animal raising and agronomy.

4.58 Along with these achievements, Cambodia still faces some challenges such as the learning outcomes at all levels are below expected level, the dropout rate at secondary schools remains high, inadequate school governance, coverage of the vocational education and private sector’s participation in this sector are still limited, education cannot fully responds to the labour markets demand and livelihoods, quality of higher education does not meet the market demand and regional standards, as well as limited efficiency in the management and governance of the higher education institutions. In addition, the sport sector needs further strengthening, including the physical education and preparedness to host the SEA Games in 2023.

4.59 In this Sixth Legislature of the National Assembly, the RGC will focus on:

1. Further increasing the salaries and other bonuses of teachers and education staff based on their performance, enhancing the management capacity of school principals by linking the performance with school budget, enhancing teachers’ qualifications, teaching ability and career path by increasing teacher training and pedagogy to at least at the bachelor degrees, deploying high quality teachers to the areas short of teachers and creating mechanisms to help weak students with concrete incentives, research and development of new teaching and learning methods; further reforming examination and regular assessment of learning outcome; increasing investment in learning materials, experimental equipment and teaching facilities, especially expanding the coverage of new generation schools and enhancing the involvements from the communities and parents.
2. Continuing to invest in the construction of primary schools at village level and the secondary schools at commune level based on actual socio-economic situation; continuing to provide scholarships and essential support to the poor students, students in difficult areas and students with disabilities; organizing nationwide campaign to raise awareness on the importance of basic education; increasing investment in early childhood development and establishment of kindergarten classes, as well as promoting the development of information technology system to monitor student performance aimed at timely intervention and prevention of school dropout.
3. Strengthening comprehensive inspection of school management to ensure the complete teaching in accordance with the curriculum and to improve the school governance by organizing mechanisms for regular involvement from stakeholders and creating feedback boxes; preparing schools’ monitoring system as well as

- effective and timely response system from the national level. At the same time, reviewing and strengthening the role of the quality control mechanisms in general education institutions will also receive the RGC's attention.
4. Updating and pushing for the implementation of the master plan for technical education at upper secondary schools aiming to enhance career orientation and expand technical education coverage nationwide in accordance with the concept of **“One province has at least one general education and technical high school in the medium term and one district has at least one general education and technical high school in the long term”**, as well as promoting participation from the private sectors especially through the public-private partnership (PPP) mechanism.
  5. Increasing education's response to labor market demand and livelihoods in accordance with the concept of **“One youth has at least one skill in life”** by designing programs to incite entrepreneurship and foreign language learning, strengthening the STEM by establishing education and science center, continuing to promote the life skills program, especially leadership program for youth, ethics and morality, participation in social, environmental and developmental works along with establishment of children and youth councils at all schools.
  6. Preparing a comprehensive curriculum framework including the STEM and key social science subjects for higher education in accordance with the national qualification framework, regional and international standards; strengthening higher education quality accreditation mechanism; increasing the number of professors holding doctorates at the higher education level; increase investment in higher education and establishing the national policy framework to develop scholarship and loan funds for higher education students; enhancing capacity building and resources to support learning, teaching and research; establishing research funds and incentivizing achievement contest along with the establishment of the national policy framework for the governance and management of higher education.
  7. Preparing for the 2023 SEA Games by continuing to develop key sport infrastructures, prioritizing sport types, training coaches and high sport technics, enhancing training of succeeding players and encouraging the movement of **“one youth can play at least one sport in life”** and enhancing sport health science to support the **SEA Games competition** process.

## B. Planned Actions to Implement the Prioritized Policies

**4.60** To implement the priority policies in the Sixth Legislature of the National Assembly, **the Ministry of Education, Youths and Sports (MOEYS)** has issued two medium-term education policies and reform priorities through **Education Strategic Plan 2019-2023** in the way to contribute to implementing the RGC's priorities as follows:

**First Policy:** Ensuring quality education with equity and inclusiveness and promoting the opportunities for a life-time study for all.

**Second Policy:** Ensuring the effectiveness of the leadership and management of the education officials at all levels.

**4.61** **The MOEYS** continues to implement the education, youth and sport reform by focusing on 5 pillars (1) implementation of activities in Teacher Policy; (2) review the curriculum, base study books and environment improvement; (3) putting into place the inspection; (4) strengthening study evaluations; and (5) tertiary education reform as follows:

- **Reform Strategy for Education Management:** (1) reforming the study management based on regular study evaluation of the students, improving teaching methodology and including the quality citizenship in the curriculum and base study books; (2) reforming the administration management focusing on ensuring the participation of the students' parents and local communities, implementing the school management, and implementing education policies and

the Education Strategic Plan; (3) reforming financial management focusing on increasing financial autonomy and accountability at school, auditing education budget regularly and increasing the allocation of budget linked with the education policies; and (4) reforming human resource management focusing on teaching methodology based trainings and on-job training program, increasing teacher trainings and implementing the evaluation of the work of the education staff.

- **Tertiary Education Reform Strategy:** (1) checking the ability to transform the public tertiary education institutions to the administrative public tertiary education institutions; (2) providing autonomy to the public tertiary education institutions in managing finance and human resource; (3) preparing the curriculum framework to respond to industry revolution; (4) encouraging the research and the creating an excellence research center at the public tertiary education institutions; and (5) evaluating the internal education quality and evaluating the education quality at the tertiary education institution.
- **Youth Reform Strategy:** (1) providing opportunities to the youths to obtain education and vocational training with quality and equity; (2) encouraging the youths to have initiative, creativity, innovation or entrepreneurship mind; (3) developing youths to have knowledge, skill, ethics, living with each other with peace and harmony; (4) creating opportunities for youths to participate in giving opinions, comments and decision making in the development of community and society; and (5) strengthening mechanism for managing and monitoring the youth development program.
- **Physical Education and Sport Development Reform Strategy:** (1) developing regulations, (2) developing high-level sports, (3) developing sports for all, (4) developing physical education and sports at all education institutions and communities, and (5) conserving and developing all kinds of sports.

4.62 To achieve the above policies and reform strategies, **the MOEYS** will focus on the following priority strategies:

#### Early Childhood Education

- Increasing the access to early childhood education with quality, equity and inclusiveness.
- Promoting the quality of kindergarten following the standard.
- Building capacity of the managers in early childhood education.

#### Primary Education

- Taking measures to increase the regular schooling and complete the primary education, especially the children with difficulty.
- Developing physical infrastructure and clean learning environment following the standard of the primary school, especially the schools which do not have all levels or have difficulty.
- Improving the qualifications of existing teachers and improving teacher deployment.
- Strengthening the capacity of teachers and stakeholders in first grade reading and math programs.
- Strengthening the quality of training for primary teachers.
- Improving the supply and use of textbooks and teaching and learning materials.
- Strengthening inspection and monitoring and evaluation at all levels.
- Strengthening the implementation of school-based management.

#### Secondary education and technical education

- Taking measures to improve attendance and retention in high school, particularly in disadvantaged groups.

- Expanding the infrastructure and facilities for secondary schools.
- Strengthening and expanding STEM and foreign languages to meet the 21st Century Skills Framework.
- Promoting the implementation of effective curriculum framework.
- Enhancing the school-based management approaches.
- Expanding the implementation of a new generation school standard.
- Developing a quality assurance framework of secondary schools.
- Enhancing monitoring and evaluation system of school inspections.
- Expanding partnerships with the private sector and enterprises to enhance technical education.
- Strengthening academic-oriented education and expanding technical education.

### **Tertiary education**

- Increasing investments in priority higher education programs based on outcomes.
- Improving teaching and learning capabilities and research through the establishment of higher education partnerships.
- Increasing full-time study staff with PhD qualifications.
- Strengthening the financial and human resources management system of higher education institutions toward full autonomy.
- Improving the quality of education system in higher education.

### **Non-formal education**

- Developing and improving non-formal education programs.
- Promoting adult literacy programs.
- Turning a Community Learning Center into a Lifelong Learning Center.
- Promoting private sector, development partners, NGOs and the stakeholders' participation in support to non-formal education programs in the lifelong study framework.
- Improving the effectiveness and quality of non-formal education management information system.
- Developing the ability of all levels of non-formal education officers.

### **Youth development**

- Strengthening digital skills and enhance the practical knowledge of science, technology, engineering and mathematics for youths in response to the Industrial Revolution 4.
- Increasing the habit of creative and innovative thinking through entrepreneurial spirit, promoting self-employment and access to business and employment guidance services and market information.
- Developing the youths fully and educating them to live together in peace and harmony with a spirit of patriotism, love the people, believe in and value themselves, have leadership and social awareness.
- Encouraging young people to share their views, perspectives and participate in community and social development decision-making processes.
- Turning youth centers into community-based training centers.

### **Physical education and sports development**

- Developing regulations and legal framework.
- Developing the advanced sports.
- Developing sports for all.
- Developing physical education and sports in all schools and communities.
- Conserving and developing all kinds of sports.

- Encouraging education staff, students and the public to participate in sports.
- Promoting physical education and sports activities in schools.
- Strengthening and encouraging sports federations.
- Continuing to renovate sports infrastructure, especially national stadiums, provincial stadiums, National Institute of Physical Education and Sports, and educational institutions.
- Continuing to train sports to prepare for the 2023 SEA Game.

**Table: 4.3: Key selected indicators and targets in education, youths and sports**

No	Key indicators in education	Unit	2018	2019	2020	2021	2022	2023
			Actual	Estimated	Projected	Projected	Projected	Projected
Program 1: Developing formal and non-formal education								
1	% of children under 5 in early childhood education at all forms	%	58	59.3	60.6	61.9	63.2	64.5
2	Net enrolment rate at primary education							
	Total	%	97.8	97.9	98.1	98.2	98.4	98.5
	Boy	%	97.6	97.8	98.0	98.1	98.3	98.5
	Girl	%	98.1	98.3	98.5	98.6	98.8	99.0
	Urban	%	102.8	102.1	101.6	101.2	100.9	100
	Rural	%	96.7	97.0	97.3	97.5	97.6	98.0
3	Gross enrolment rate at primary education							
	Total	%	113.7	112.3	111.2	110.4	109.8	108
	Boy	%	114.6	113.2	112.3	111.4	110.4	109
	Girl	%	112.9	111.4	110.3	109.5	108.9	107
4	Completion rate at primary education							
	Total	%	82.7	83.4	84.1	84.8	85.5	86.2
	Boy	%	79.1	80.3	81.5	82.6	83.8	85.0
	Girl	%	86.4	87.3	88.2	89.2	90.1	91.0
5	Gross enrolment rate at lower secondary education							
	Total	%	59.2	60.7	62.2	63.7	65.2	66.7
	Boy	%	55.2	57.2	59.1	61.1	63.0	65.0
	Girl	%	63.4	65.1	66.8	68.6	70.3	72.0
	Urban	%	67.0	68.8	70.1	71.0	71.8	74
	Rural	%	61.0	63.0	64.5	65.6	66.5	69.0
6	Completion rate at lower secondary education							
	Total	%	46.5	47.7	48.9.7	50.2	51.4	52.6
	Boy	%	42.3	43.8	45.4	46.9	48.5	50.0

		Girl	%	51.1	52.1	53.2	54.2	55.3	56.3
7	Gross enrolment rate at upper secondary education								
		Total	%	28.5	30.4	32.3	34.2	36.1	38.0
		Boy	%	26.3	28.3	30.2	32.2	34.1	36.1
		Girl	%	30.9	32.7	34.5	36.4	38.2	40.0
8	Youth literacy rate (>15 years)		%	82.5	83.6	84.7	85.8	86.9	88.0
9	Completion rate at upper secondary education								
		Total	%	23.6	25.2	26.4	27.3	28.0	30.0
		Boy	%	21.9	23.4	24.6	25.4	26.1	28.0
		Girl	%	25.3	27.2	28.7	29.8	30.6	33.0
10	Gender parity of net enrolment rate at upper secondary education		GPI	1.18	1.14	1.11	1.09	1.08	1.03
Program 2: Developing tertiary education and research									
11	Gross enrolment rate at tertiary education (18-22 years) Total		%	11.6	12.4	13.3	14.2	15.1	16.0
		Girl	%	11.3	11.6	11.9	12.3	12.7	13.0
12	% of students studying STEM at bachelor's degree		%	27.1	28.0	29.0	30.0	31.0	32.0
		Girl	%	17.4	18.4	19.4	20.5	21.5	22.5

Source: MOEYS

## 3.2 TECHNICAL TRAINING

### A. Policy Priorities for the Sixth Legislature

4.63 In the Sixth Legislature of the National Assembly, the RGC's strategic goal is to ensure **"each youth specializes in at least one skill in life"** to elevate the socio-economic development to a higher level. Technical skills training has been conducted in two dimensions, i.e. human resources within the educational system, and human resources outside the education system or within the labour market.

4.64 With the above goal, the RGC has made some major achievements such as the implementation of **the National Policy Framework on Technical and Vocational Training 2017-2025**, the Cambodia Qualification Framework, National Competency Standards and Competency-based Curriculum, framework for accrediting students from technical and vocational training moving to higher education institutions; establishment of the model centers for technical training in many places and the national technical and vocational training day (TVET day). Along with the above achievements, Cambodia also faces some major challenges, such as the insufficient technical training at both intermediate and advanced levels; limited capacity improvement for productivity enhancement; skills, curriculum, professional conscience and technical training quality cannot fully respond to the market demand; and the private sector's involvement in the technical and vocation trainings remains limited.

4.65 In the Sixth Legislature of the National Assembly, the RGC of Cambodia will focus on:

1. Continuing to implement the “**National Technical Vocational Education and Training Policy 2017-2025**” aiming to enhance technical skills training, especially at intermediate and advanced levels by covering multi-skill courses in response to the demand of the labour market, industry sector and new business start-ups.
2. Enhancing training cooperation between schools and enterprises to improve the technical competency and productivity of the employed labor force, curriculum arrangement for skill transformation management aligned with new technological and pushing for the establishment of “**National Skills Development Fund**”.
3. Further enhancing technical training centers’ responsiveness to the actual demand of each sector, especially in support of industrial development, through cooperation between the state, private sector and non-governmental organizations, along with the enhancement of the cooperation between training institutions and enterprises on technical skills training to improve the quality and responsiveness to new developments.
4. Rationalizing and developing the technical and vocational training institutions to supply various skills responding to the demand of both labour market and business start-ups in collaboration with the private sector.
5. Providing vocational orientation at secondary and high school levels within the general education system and further raising awareness on the importance and necessity of technical and vocational skills for building the future of youth, their families and the country.

#### **B. Planned Actions to Implement the Prioritized Policies**

**4.66** To implement the priority policies in the Sixth Legislature of the National Assembly, **MOEYS** has introduced key policies and activities as follows:

- Promoting the implementation of policies on science, technology, engineering and mathematics.
- Enhancing new teaching and learning methods, such as search rules and other rules, to ensure students have 21st century skills.
- Expanding life skills education, career counseling, youth councils and clubs in Mathematics, Science, History and Khmer Literature.
- Designing curriculum to meet the needs of learners and the job market.
- Developing a curriculum framework in response to the Industrial Revolution 4.
- Training skills in science, technology, engineering, creative arts and mathematics.
- Providing opportunities for young people to receive quality and equitable professional education and trainings.
- Encouraging the young people to be creative, innovative and entrepreneurial.
- Mainstreaming the basic knowledge of business and entrepreneurship to youths in school and the community entrepreneurship development for out-of-school youth and integrating it into life skills curriculum.

**4.67** In order to achieve the implementation of the priority policy in the Sixth Legislature of the National Assembly, **the Ministry of Labor and Vocational Training** has identified the following key activities:

- Continuing to expand the labor market overseas to provide the opportunity to legal migrant workers, the protection of the rights, and interests and protection of families of migrant domestic workers.
- Continuing to develop technical and vocational trainings, consisting of quality and fluent skills aligned with labor market requirements, both internally and externally. Continuing to provide scholarships and ease the access of youth to technical and vocational trainings.
- Continuing to promote the National Productivity Plan to enhance national competitiveness in the region, especially in the ASEAN Economic Community.

- Ensuring the freedom of association to protect the rights of workers and employers, and to protect the rights and interests of workers and employers in accordance with the provisions of the Law on Trade Unions, the Labor Law and the International Labor Conventions.

### 3.3 ENHANCEMENT OF PUBLIC HEALTH AND NUTRITION

#### A. Policy Priorities for the Sixth Legislature

4.68 In the Sixth Legislature of the National Assembly, the RGC's strategic goal is to enhance public health and nutrition of the people to support sustainable human resource development, economic growth, and social development.

4.69 As a result, the RGC achieved the Millennium Development Goals to reduce the mortality rate of mothers, infants and children, reduction in illness and death caused by infectious diseases, such as AIDS, malaria, and tuberculosis and get rid of measles in 2016. At the same time, life expectancy increased from 56.7 years in 1998 to 70.6 years in 2018. Out-of-pocket expenses on health care, especially for the poor and vulnerable have been drastically reduced because of the expansion of social protection such as Health Equity Fund for the poor and Social Security for health care. Both, now cover more than three million people. This progress resulted in the reduction of households unable to pay for their medical expenses from 8.8% in 2009 to 3.7% in 2016 and reduced households falling into poverty because of the medical expense from 5.7% to 1.6% during the same period.

4.70 In spite of the above achievements, Cambodia still faces some challenges, such as insufficient primary health care services; quality of healthcare and treatment is still limited, number of medical doctors and health officials in each specialized field is below the required standard, the health insurance system does not cover every citizen, limited awareness on medicine, cigarettes, alcohol, hygiene and food safety, the mortality of mothers, infants, children as well as malnutrition of women, infants and children among the poor families in rural areas remain a challenge.

4.71 In the Sixth Legislature of the National Assembly, the RGC of Cambodia will focus on:

1. Further implementing and updating "**Health Strategic Plan 2016-2020**" to enhance the quality, effectiveness and equity of health services.
2. Pushing for universal health coverage in Cambodia by expanding the coverage of health equity fund, continuing to implement national social security on healthcare for civil servants, retirees and veterans, and healthcare scheme for workers-employees under the labor law, and organizing healthcare scheme for self-employed individuals.
3. Uplifting the quality, safety, and effectiveness of health services, especially the essential and emergency services through increasing investment in healthcare infrastructure and medical technology; putting in place quality accreditation system at healthcare establishments, improving the capacity to manage regulatory inspection at both public and private health establishments.; preparing and strengthening the enforcement of laws, regulations, and medical professional ethics especially the responsibility and changing the attitude of health service; and providers to comply with medical ethics; enhancing health research development including research on communicable and non-communicable diseases; and further strengthening systems for investigating, monitoring and responding to diseases in accordance with the international health regulatory requirements.
4. Preparing and implementing the human resource development strategy for health sector in an effective and efficient manner to improve the competency and skills by uplifting the quality of training, both basic training before starting the career and refresher training after starting the career; preparing and strengthening health education quality accreditation mechanism; developing database for managing human resources

- and redistributing competent health officials in equitable manner; and strengthening incentivization mechanism especially for health officials based in rural areas.
5. Strengthening the enforcement of laws and regulations related to the control and inspection of medical product quality, the use of medicines without doctor prescription, the use of chemical products in food, and the use of alcohol and tobacco.
  6. Promoting the implementation of measures to prevent and reduce communicable diseases by cooperating with the community and stakeholders to raise awareness on hygiene, food safety, healthcare, effects of chemical products, alcohol and tobacco, and impact of climate change on human health.
  7. Implementing allowance scheme for pregnant women and children under 2 of the poor families, implementing interventions to enhance nutrition, and putting in place multi-sectoral mechanism with participation from the community and sub-national administration governing areas of insufficient nutrition.

## B. Planned Actions to Implement the Prioritized Policies

**4.72** To implement the priority policies in the Sixth Legislature of the National Assembly, the RGC will pay high attention on the strategic policy “Promoting better Cambodian people’s health and increasing the prevention from financial risks in receiving health protection services.”

**4.73** To achieve the above priority policy, **the Ministry of Health (MOH)** will implement its activity programs focusing on all people and the whole health sector (public and private) as follows:

1. Improve reproductive health, and reduce maternal, newborn and child mortality and malnutrition among women and young children.
2. Reduce morbidity and mortality caused by communicable diseases.
3. Reduce morbidity and mortality caused by non-communicable diseases and other public health problems.
4. Make the health system more accountable and responsive health needs of the population.

**4.74** Key indicators selected for each program which will be reported by **the MOH** are shown in the table below.

**Table 4.4: Monitoring Indicators**

Indicator	2019	2020	2021	2022	2023
Maternal mortality rate (100,000 live births)		130			100 <sup>a</sup>
Infant mortality rate (1,000 live births)		14			13 <sup>a</sup>
Under 5 mortality rate (1,000 live births)		30			28 <sup>a</sup>
Stunting among children aged under five		9			6 <sup>a</sup>
Proportion of women of reproductive age (aged 15-49 years) who have their need met for family planning satisfied with modern method		62			65 <sup>a</sup>
Number of new HIV infections per 1,000 uninfected population	0.03	0.03	0.03	0.03	0.03
Tuberculosis Incidence of all forms per 100,000 population	323	310	261	243	226
Tuberculosis death rate (100,000 population)	17	16	15	14	13
Malaria incidence per 1,000 population	1.25	1.05	0.85	0.65	0.40
Malaria mortality rate reported by public health facility per 100,000 population	0.15	0.00	0.00	0.00	0.00
Prevalence of Tobacco use					
- Aged >15 years old	20.8	19.8	18.3	17.8	16.8
- Aged 13-15 years old	2.3	2.2	2.1	2.0	1.9
Prevalence of alcohol use among adults aged >18 years old	45.4	45.3	45.2	45.1	45.0

OPD consultations (new cases only) per person per year	0.80	0.85	0.86	0.87	0.89
Bed occupancy rate	95	95	95	95	95
Hospital mortality rate	<1	<1	<1	<1	<1
Contraceptive prevalence (modern methods)	44.5	46	47	48	49
Proportion of births delivery at health facilities	89	90	91	92	93
Caesarean section rate (% of live births)	9	10	10.2	10.4	10.6
Percentage of pregnant women attended antenatal care fourth visit by health personnel	88	89	89.5	90	>90
Percentage of post-partum women who received PNC consultation by health personnel	89	90	91	92	93
Percentage of infant who were breastfed within 1 hour of birth	66	67	67.5	68	68.5
Percentage of pregnant women received folic acid 90 tablets	82	85	87	89	90
Percentage of post-partum women received folic acid 42 tablets	85	90	95	>95	>95
Percentage of children 6-59 months received vitamin A during the last 6 months (Round 2)	94	95	>95	>95	>95
Percentage of children 12-59 months received Mebendazole during the last 6 months (Round 2)	82	85	88	90	90
DPT-HepB-Hib 3 coverage rate (%)	95	95	95	>95	>95
Coverage rate of measles vaccination DOS 1	95	95	95	95	>95
OPD consultation (new cases) per children under 5 per year	1.58	1.6	1.62	1.65	1.67
Percentage of population living with HIV (adults and children) receiving ART treatment tested with viral load and the result, the viral load suppressed during the past 12 months	85	90	90	90	90
Percentage of population with HIV (adults and children) receiving ART treatment	90	90	90	90	90
TB treatment success rate	>90	>90	>90	>90	>90
TB cases detected	36,000	37,000	35,500	34,000	33,000
Percentage of population aged 18-69 with hypertension receiving treatment	32	35	40	45	50
Percentage of population aged 18-69 with diabetes receiving treatment	19	20	22	24	26
Percentage of women aged 30-49 years screened for cervical cancer at least once	4	6	8	10	12
Number and percentage of adult population with depression receiving treatment	15	20	22	24	25
Number and percentage of people with drug use receiving treatment	70	80	80	80	>80
Cataract surgical rate per 1,000,000 population per year	2,500	3,000	3,100	3,200	3,300
Current expenditure on health as % of GDP	2	2	2.1	2.2	2.3
Percentage of the population covered by social health protection systems (Health Equity Funds and Social Health Insurance schemes)	40	50	55	60	65
Percentage of HC with stock-out of predetermined 15 items in the national Essential Drug List	80	85	86	87	88
Percentage of voluntary blood donation	37	38	39	40	41
Number and percentage of HC and RH submitted complete (100%) HC1 and HO2 report form on time	98	100	100	100	100
Percentage of HCs with functioning Health Center Management Committee	85	>85	>85	>85	90

Source: MOH  
a Goal, target in 2025

4.75 Priority activities for the MOH's implement each strategy are as follows:

#### Health Service Delivery System

- Increase coverage of and accessibility to quality, safe and effective health services and information for the population, especially vulnerable people and in hard-to-reach areas.
- Strengthen referral system to enable client access to a comprehensive package of health and health-related services based on need.
- Provide quality services in compliance with national protocols, clinical practice guidelines and quality standards.
- Encourage behavior change of providers in interaction with patients and consumers of health services and improve health care seeking of the population.
- Strengthen and implement innovative approaches for effective, efficient and sustained health service delivery with increased accountability for results.

### **Health Financing System**

- Increase national health spending in accordance with economic growth and increased fiscal capacity.
- Target available resources according to population health needs.
- Increase efficiencies in the use of available financial resources in transparent and accountable manner at all levels of the health system.
- Increase financial risk protection in access to and utilization of quality health services.
- Align external funding with MOH policy, strategies, plans and priorities and strengthen coordination of funding for health by Development Partners.

### **Health Workforce Development**

- Adopt a unified approach to health workforce planning, to ensure health workforce development is responsive to population and service needs.
- Improve the quality of education and training to meet skill and development needs of the workforce in a changing demographic and epidemiological environment.
- Promote equitable distribution, ensuring retention and skill mix of health workers to enable effective delivery of health services.
- Promote favorable environment, including workplace, to ensure optimal staff productivity, motivation and participation.
- Strengthen health workforce regulation and management to ensure safe and quality of health service delivery.

### **Essential Support Systems**

- Provide public health facilities with sufficient quantity of quality assured, efficacious, safe and affordable medicines and health commodities, including vaccines, reagents and medical devices.
- Improve the rational use of medicines and health commodities.
- Enforce regulatory mechanism to safeguard quality of pharmaceutical products, including medicines, health commodities, medical devices and equipment.
- Enhance capacity of medical laboratories, with associated improvement in test reliability, along with strengthened quality control mechanisms.
- Provide safe and sufficient blood and blood products and strengthen patient blood management and use.

### **Health Infrastructure Development**

- Build and upgrade infrastructure according to updated Health Coverage Plan and Health Infrastructure Building Briefs.
- Equip public health facilities with appropriate basic medical equipment and medical technology to improve diagnostic capacity and quality of healthcare service, and means of transportation.
- Improve supportive environment for overall improvement in quality and safety for both patients and health providers.

- Expand ICT infrastructure to health facilities to allow transfer and use of ITs to support service delivery, teaching, and monitoring.
- Strengthen management of maintenance system for physical infrastructure, medical equipment, transportation and ICT.

#### Health Information System

- Develop and implement legal tools and protocols for health information management.
- Increase the quality, reliability and validity of health and health related data and information.
- Improve institutional capacity on data management, especially at facilities and district level on data compilation, analysis, interpretation, reporting, dissemination and use.
- Enhance the national disease surveillance and response systems, including public health emergency and disease reporting system.
- Strengthen monitoring and evaluation system and promote health research.

#### Health System Governance

- Prepare institutional structures and functions at all levels of the health system to effectively respond to changing environment and the implications of major national reform programs.
- Develop health policies, legislations and regulations, and build regulatory capacity at all levels of the health system.
- Increase national ownership and accountability to improve health outcomes, and enhance coordination and collaboration among relevant stakeholders.
- Use potential public and private partnerships in health service delivery, capacity development and implementation of the national health policies and regulations.
- Encourage active participation of communities and subnational level administrations to strengthen local accountability in health.

**4.76 The National AIDS Authority (NAA)** is a senior government body responsible for administering and coordinating HIV responses across the country. The NAA has developed its third National Strategic and Multi-sector Response to HIV / AIDS Epidemic 2011-2015 and the preparation of the fourth National Strategic Plan 2016-2020 to achieve the goal, 3 Zeros: (1) no new HIV transmission, (2) no discrimination with PLHIV, and (3) no death from mother's with AIDS. The RGC has committed a policy to end the spread of HIV by 2025 and set the target of 90/90/90 by 2020 and 95/95/95 by 2025.

**4.77** To achieve the above goal, **the NAA** has identified some key policies in reducing HIV transmission as well as the fight against the spread of HIV in Cambodia. Key policies include:

- Integrating HIV/AIDS education into the safe village/commune policy.
- Implementing the Standard Operating Procedures on Integration of HIV/AIDS in Commune Development Plans and Commune Investment Plans.
- Policy including the poor HIV infected people into equity funds.
- Continuing to implement the RGC's policies.

**4.78** Priority programs for the implementation of the above policy are:

- Strengthening and expanding the effective interventions on the high risk geography and target groups, increasing the coverage of blood test services, and receiving antiretroviral drugs and reducing new HIV transmission.
- Integrating HIV/AIDS into commune development plans to implement interventions related to HIV/AIDS activities and related services, increasing education, prevention, increasing access to new infections and enhancing social protection for people living with HIV/AIDS to actively participate in the elimination of HIV by 2025.
- Integrating AIDS into Equity Fund: the NAA strives to integrate HIV and key people and HIV treatment into Equity Funds.

- The NAA, the MOP, the CMC, the CSOs, and the Network for People with HIV have collaborated to further extend the identification of poor households and poor people living with HIV/AIDS.

**Table 4.5: Key indicators and targets for 2019-2023**

Key indicators	Unit	2018 Baseline	2019	2020	2021	2022	2023
The number of new infected people compared with 1,000 non-infected people.	%	0.04		0.03			0.03
The HIV prevalence rate among the general population aged 15 to 49	%	0.6	0.5	0.5	0.5	0.4	0.4
95% of the people suspected having HIV/AIDS suspects know their HIV status	%	86	88	90	91	92	93
95% of people who know the status of HIV receive antiretroviral therapy.	%	98	98	98	98	98	98
95% of those who receive treatment and have the lowest HIV blood count	%	80	85	90	91	92	93

## Food Security and Nutrition

4.79 The **CARD** has identified its priority actions for FSN according to the four dimensions of food security such as **availability, access, utilization, and stability** toward to achieve SDG by 2030 ‘**leave no one behind**’, especially the SDG2 ‘**End hunger, achieve food security and improve nutrition and promote sustainable agriculture**’. The priority actions as shown below:

### **Availability**

- Diversify agricultural production–nutritious food production.
- Improve value chain in production & processing—including fortification.
- Improve food quality and safety (import, export & local market).
- Promote efficient, value- adding sustainable agricultural techniques.
- Improve availability/stability and efficiency in use of inputs.
- Review export-drive focus including comparative advantages.

### **Access**

- Increase attention to access to food ( affordability, resources).
- Address access inequalities—**leave no one behind**.
- Review intervention strategies based on proportional, absolute and layered vulnerabilities.
- Enhance social safety nets and ensure ongoing link between FSN and social protection.

### **Utilization**

- Improve access to & behavior change for WASH.
- Improve access to social/health services and behavior change.
- Improve feeding practices.
- Lifecycle approach to nutrition; first 1000 days, (pre) school-age children, adolescents, etc.
- Focus on the interventions for double burden & NCDs.

### **Stability**

- Improve responsiveness of Social Protection mechanisms with a view to FSN.
- Increase focus on climate change adaptation (DRR), including protection against environmental degradation.
- Continue to strengthen disaster management (risk reduction, preparedness and response) mechanisms for all possible shocks (incl. climate, economic, health etc).
- Enhance community resilience to shocks.

**4.80** The priorities for **the CARD** lie in the coordination of these actions and a particular focus on joint actions by concerned ministries, development partners, the community and the private sector Including:

- Institutional investments for strengthening FSN governance at both national and sub-national level.
- Building linkages between FSN and Social Protection and expanding coverage of nutrition related Social Protection measures.
- Double Duty Actions to address the double burden of malnutrition will be critical for achieving the CSDGs 2 and 3.
- Nutrition-sensitive and safe food systems require attention to production and consumption, food waste, food safety and gender issues and cross-sectoral support.
- Advocacy for securing additional financial and in-kind contributions from government, the private sector, development partners, the media and academia.
- Community-led nutrition and food security programmes with support for sub-national coordination and implementation. This requires a special focus on integrated programmes for improved nutrition through family farms and small-scale and community fisheries and forestry.

**4.81** In order to achieve the Government's priority policy on food security and nutrition, **the MOH** will:

- Promote the implementation of infant and young child feeding practices, especially breast-feeding and feeding.
- Increase the coverage of nutritional supplements and pills by focusing attention in difficult areas.
- Increase the coverage of multidisciplinary supplements (Multi-micronutrient powder for children, fish sauce, soy sauce, iron and iodised salt).
- Strengthening local and community-based integration services, including child growth monitoring and nutrition counseling.
- Strengthen the management of severe malnutrition in the hospital.
- Strengthen enforcement of nutrition laws such as restricting advertisements and promoting the use of dairy products.

**4.82** In order to achieve the RGC's priority policy on promoting public health and nutrition services, **the Ministry of Labor and Vocational Training** and **the Ministry of Social Affairs, Veterans and Youth Rehabilitation** will continue the following priority activities:

- Promoting the global health coverage in Cambodia, increasing the coverage of health equity funds, continuing to implement the Social Security Fund for the public officials, former civil servants, veterans, and health care for workers and developing health care for self-employed individuals.
- Implementing the promotion of pregnant women and children under 2 years old of poor families, organizing interventions to promote nutrition and develop multi-sectoral mechanisms, with the involvement of the communities and SNAs in the area which affected by high levels of malnutrition.

**4.83** In order to achieve the RGC's priority policy on promoting public health and nutrition services, **the Ministry of Planning** will promote the nutritional status of micronutrients into the following activities:

- Establishing national policies, technical guidelines, regulations, law on fortification of micronutrients into food, and promoting the effective enforcement of existing laws and regulations.
- Extending the fortification of micronutrients into other appropriate foods and ensure the required quality and quantity.
- Promoting the incorporation of each level of micronutrients into the national standard list.
- Analysing the data on the consumption of food by each type.
- Promoting the importance of the use of micronutrient (iodized salt, fish sauce, and soy sauce, and micronutrients-fortified rice).

### Clean Water

**4.84** For the Sixth Legislature of the National Assembly, to ensure that 100% of the urban population have access to clean water by 2025 and ensure the four conditions: Quality, Sustainability, and Fair Prices, **the Ministry of Industry and Handicraft (MIH)** aims to promote the following activities:

- Promoting and enhancing the technical and financial management.
- Promoting the effectiveness, cooperation and international aid coordination.
- Promoting policy frameworks and regulations.
- Developing a legal framework for the urban water supply sector.
- Promoting decentralization and deconcentration in the urban water supply sector.
- Increasing the protection of water resources and strengthening the regulation.
- Promoting the human resource development.
- Promoting awareness of the benefits of clean water and participation to implement "clean water for all".

**Table 4.6: Estimated rate of population having access to piped clean water**

No	Indicators	2019	2020	2021	2022	2023
1	Rate of population having access to piped clean water supply	53.71	61.71	69.71	77.71	90
2	Number of population having access to piped clean water supply	4,326,703	4,672,839	5,046,667	5,450,400	5,886,432

## 3.4 IMPROVING GENDER EQUITY AND SOCIAL PROTECTION

### A. Policy Priorities for the Sixth Legislature

**4.85** The RGC's strategic goal is to strengthen gender equity and social protection to enhance social-economic situation and strengthen women's role in society as they are the backbone of the economy and society.

**4.86** The RGC has achieved some great results such as mainstreaming gender equity in policy framework and national development plan, reducing gender gap in education, vocational training and civil service; widening women entrepreneurship initiative, reducing domestic violence and sexual abuse against women and children, uplifting social morality, women dignity and Cambodian family, and improving legal service for women and children. With regard to the social protection, the RGC has put in place and implemented the **"Social**

**Protection Policy Framework 2016-2025**” which is comprehensive and respond to actual level of national development along with the reestablishment of its management institutions. In particular, the RGC is implementing the food reserve program, school feeding program, scholarship program, cash support to pregnant women and children of the poor families which are part of social assistance system; and has put in place health equity fund, national social security on healthcare and occupational risks for workers-employees under the labor law, healthcare insurance scheme for civil servants, retirees and veterans, and Persons with Disabilities Foundation.

4.87 With above mentioned results, Cambodia still faces challenges such as discrimination against women; work and family burden is still a barrier for women to involve in education, economic, social and political sector; trafficking of and violence against women and children, especially for migrated women, still happen; the coverage of national social assistance program and social security scheme is still limited; the management of social protection program and scheme is yet to process of social protection program is still fragmented.

4.88 In this sixth Legislature, the RGC will focus on:

1. Further promoting women’s role in the society through enhancing their capacity and the proportion of women within the leadership roles at both national and sub-national levels, in ministries-institutions both in political and technical positions.
2. Updating and implementing **Nearby Rattanak Strategic Plan** by continuing to mainstream gender in development policies and plans in all sectors and at all levels; further promoting women’s entrepreneurship through expanded education, technical and vocational training for women; uplifting social morality, the values of women and Cambodian family through investing in gender equity along with strengthened partnership between stakeholders prevent trafficking of and violence against women-children.
3. Pushing for the implementation of **National Social Protection Policy Framework 2016-2025** especially by putting in place the occupational risk scheme for civil servants and pension scheme for workers-employees covered by labor law, reforming the pension scheme for civil servants, integrating the social security operators into the social protection governance framework, along with the implementation of **National Population Policy 2016-2030** and **National Policy on Ageing 2017-2030**.
4. Preparing the legal framework and supporting infrastructure in order to implement the new social assistance programs and widen the coverage of existing programs to provide better support to the poor and vulnerable group and to put in place new social security schemes while expanding the coverage of existing ones to provide social protection service to every citizen.

## **B. Planned Actions to Implement the Prioritized Policies**

4.89 The RGC in the Sixth Mandate through **the Ministry of Women's Affairs** will develop and implement **the Gender Equality Policy** through mainstreaming gender and the implementation of the Convention on the Prevention of All Forms of Discrimination Against Women in all sectors and development programs to reduce poverty and vulnerability of women, especially women with disabilities, indigenous women minorities. In this context, the ministry will continue to pay special attention to economic empowerment of women, women's decision-making in the public sector and politics, preventing violence against women and girls, health and education for women and girls, and strengthening the mechanisms to mainstream gender in sectors and national programs, including the program of climate change and green development.

4.90 The priority activities are:

### ***Women in Education and Economic Development***

**The MOWA** will continue to lead the coordination in mainstreaming gender in programs and education systems and promoting women's economic empowerment and improving the living conditions of the community through:

- Strengthening the creative, innovative, and inclusive entrepreneurial and business development services of the Women Development Centers.
- Increasing the opportunity, the friendly environment, the peace and the possibility of women getting the suitable jobs, the development of technical and vocational skills, including digital technology following the women's needs and market demand, in particular the standard techniques.
- Expanding partnerships with the private sector and relevant partners in promoting entrepreneurship and potential development, experience and techniques to increase product productivity and reach national and regional markets.
- Increasing the participation of girls in education at the higher levels, especially in education, science, technology, engineering, creative arts, and mathematics.
- Promoting vocational trainings, supporting small and medium enterprises, including the National Entrepreneurship Fund and the Center for Entrepreneurship Development responding to gender equality.
- Continuing to implement the Strategy on Positive Child Raising that respond to the National Action Plan on the Prevention of Violence Against Women and Children.

### ***Prevention of Violence against Women and Girls***

**The MOWA** will coordinate the prevention of violence against women and children by updating and implementing the third National Action Plan on the Prevention of Violence against Women, implementing the Action Plan on Promotion of Social Morality, Value of Cambodia Women and Families, and implementing the Action Plan against Human Trafficking through:

- Promoting public awareness of the culture of nonviolence, social morality, and strengthening the enforcement of the laws related to the prevention of violence against women.
- Creating and improving social services, health services and legal services, especially, creating a mixed service center for women and girls suffering from all forms of violence.
- Establishing and revising relevant policies and laws.
- Developing the capacity at national and sub-national level, including the prevention of violence against women and children, including eliminating all forms of discrimination against women with disabilities and women in vulnerable groups.
- Continuing to implement the fourth Mekong Sub-Region Plan and the National Cooperation Committee of the National Committee for Combating Human Trafficking.
- Leading and coordinating the preparation and implementation of the third National Plan of Action against Sexual Violence in 2019-2023.
- Continuing to implement the Action Plan for 2019-2020, National Committee for Promotion of Social Morality, Value of Cambodian Women and Families, relevant ministries, Joint Commission Promoting Social Morality, Value of Cambodian Women and Families at national and sub-national level.

### ***Women in Public Sector and Politics***

**The MOWA** will work with stakeholders to promote women's leadership in the public sector and politics through:

- Increasing proportion and strengthening women's capacity at the national and sub-national levels, at ministries and institutions, at both political and professional levels.
- Raising awareness and attention of the public and stakeholders about the value, the necessity of gender equality, women's participation in development and governance.

## Gender and Health

The **MOWA** will continue to promote gender equality in accessing health services and related work to ensure healthy living of the people and improve the well-being of all people and all ages through:

- Mainstreaming gender into programs, policies and health-related strategic plans.
- Increasing public awareness in promoting reproductive health, reducing maternal and child mortality, malnutrition among women and children, reducing the death by communicable diseases, non-communicable diseases and other public health problems.

### Strengthening Gender Mainstreaming Mechanism at Sectoral and National Programs, including Climate Change

The **MOWA** will strengthen the mechanism and capacity in inclusively mainstreaming gender in policy, sectoral planning, reform programs through:

- Designing National Policy on Gender Equality and the M&E Framework of the implementing of the national policies.
- Strengthening the capacity and mechanism capacity in mainstreaming gender including the Gender Mainstreaming Working Group and the Strategic Plan for Sector Gender Mainstreaming.
- Continuing to implement the Strategy on Gender and Climate Change, Disaster Management and Green Development.

**Table 4.7: Key Indicators for Gender Measurement**

Key Indicators	Unit	2018	2019	2020	2021	2022	2023
<b>1. Women in Education and Economic Development</b>							
1.1 Proportion of women participation in wage jobs, aged 14-64 years old							
Agriculture	%	35.3 (2017)		40		42	42
Industry	%	27.3 (2017)		30		32	32
Service	%	37.6 (2017)		39		41	41
1.2 Rate of employed women aged 15-64 years old	%	79.9 (2017)		81		83	83
<b>2. Prevention of Violence against Women and Girls</b>							
Number of mixed service centers for women and girls suffering from all forms of violence to facilitate in legal, social, and health services and other services	No	0	1	2	3	4	5
<b>3. Women in Public Sector and Politics</b>							
3.1 Proportion of women in management positions in public sector at national and sub-national level (director general, director, bureau chief and capital-provincial department director).	%	13	14	15	16	17	18

Source: MOWA

**4.91 The Ministry of Social Affairs, Veterans and Youth Rehabilitation (MOSVY), the Ministry of Labor and Vocational Training (MOLVT) and the MOWA** are tasked to provide social services to the people and to protect vulnerable groups from risks. Separate interventions of social safety nets are carried out by other ministries and agencies such as

Ministry of Health, Ministry of Education, Youth and Sport, Ministry of Rural Development and Ministry of Economy and Finance. In order to implement the RGC's prioritized policy to strengthen social safety nets and social protection, the MOSVY outlines three strategies: (1) improving the effectiveness of social welfare services, (2) improving the efficiency of social security systems and providing rehabilitation services of people with physical disabilities, and (3) strengthening institutional capacity and developing partnership.

**4.92** To achieve the RGC's priority policy on strengthening gender equality and social protection, **the MOSVY** will continue the following priority activities:

### **Program 1: Enhancing the efficiency of the social welfare services**

#### **Developing welfare for victims and vulnerable people and household affairs**

- Promoting the welfare for victims and vulnerable people and household affairs.
- Providing protection for victims of human trafficking and sexual assault.
- Launching a Stage Sponsorship Program for Poor Households by adding midwifery support in the mid 2019.
- Linking the Identity Management System and the General Population Register, the Poor and Vulnerable Identity Management System, and the System of Operators to improve work efficiency, reduce time and expenditure, and increase people's awareness on social protection system.

#### **Developing child welfare and youth rehabilitation**

- Strengthening the quality of childcare services in the centers and expanding community-based childcare services.
- Strengthening the M&E system and reports on children's status.
- Implementing inter-country child adoption by ensuring the benefits and protecting basic rights of children.
- Rehabilitating the juveniles who violate the law.
- Rehabilitating the victims of drug abuse.

#### **Developing the welfare of Persons with Disabilities**

- Increasing the efficiency of providing welfare services for persons with disabilities and promoting the rights of persons with disabilities.
- Strengthening the implementation of the Convention on the Rights of Persons with Disabilities, Law on the Protection and Promotion of the Rights of Persons with Disabilities, National Strategic Plan on Disability and regulations.

#### **Developing the welfare of the elderly people**

- Strengthening the activities of the elderly people associations in communes/Sangkats.
- Studying and developing the Elder Support Program.

#### **Developing the welfare of veterans**

- Developing veteran communities.
- Coordinating the work of Veterans Association at commune/Sangkat level.

### **Program 2: Improving the efficiency of the social security systems and providing rehabilitation services for persons with disabilities**

#### **Developing services to provide social security fund for civil servants efficiently**

- Providing social security fund for civil servants.

#### **Increasing the efficiency of the services to provide social security fund for veterans and families**

- Increasing the efficiency of the services to provide social security fund for veterans and families.
- Promoting the livelihood of the veterans and the families of veterans.

#### **Maintaining the sustainability in providing services for people with disabilities**

- Providing all kinds of rehabilitation services to persons with disabilities.
- Mobilizing resources for the sustainability in providing rehabilitation services to people with disabilities.
- Providing supportive policies to people with disabilities.
- Disseminating the Law on the Protection and Promotion of the Rights of Persons with Disabilities.

#### **Program 3: Strengthening institutional capacity and developing partnerships**

##### **Strengthening the institutional capacity and partnership**

- Strengthening the capacity of the civil servants and improving administrative efficiency.
- Continuing to strengthen partnerships with domestic and foreign NGOs.
- Implementing the public financial management reform Phase IV.

##### **Developing human resources**

- Providing vocational trainings at higher education and certificate levels.
- Strengthening and expanding the capacity of the National Institute of Social Affairs.

**Table 4.8: Key indicators for 2019-2023**

No	Indicators	Unit	2019	2020	2011	2022	2023	Total
1	Poor families in community suffering from disaster receiving emergency assistance	families	66,096	67,418	68,866	70,243	71,648	344,271
2	Homeless people reintegrated into the community	persons	968	823	700	595	506	3,592
3	Homeless people receiving protection services	persons	2,567	2,800	3,033	3,266	3,499	15,165
4	Victims and affected by HIV/AIDS receiving the support service in community	persons	2,167	2,276	2,389	2,509	2,634	11,975
5	People with mental disorders receiving treatment and care in the center	persons	110	121	133	146	161	671
6	Pregnant women in poor households receiving subsidies from pregnant women support program	persons	36,000	72,000	72,000	72,000	72,000	324,000
7	Children 0-2 years of age in poor households receiving subsidies from pregnant women support program	persons	18,000	108,000	180,000	144,000	144,000	594,000
8	Victims from human trafficking and sexual exploitation receiving rehabilitation	persons	300	250	250	250	250	1,300
9	Victims from human trafficking protected and rescued	persons	300	220	220	220	220	1,180

10	Victims from human trafficking repatriating to their homeland	persons	10	10	10	10	10	50
11	Victims from human trafficking repatriating from abroad	persons	350	220	220	220	220	1,230
12	Victims from human trafficking integrated into the community	persons	300	220	220	220	220	1,180
13	Victims from human trafficking provided with post-integration services	persons	300	200	200	200	200	1,100
14	Victims from human trafficking closed	persons	150	150	150	150	150	750
15	Orphans and vulnerable children living in childcare facilities	persons	7,481	7,336	7,189	7,045	6,904	
16	Orphans and vulnerable children integrated into the community	persons	1,163	1,186	1,210	1,234	1,296	6,089
17	Victim children receiving care by family and community	persons	10,771	10,794	10,818	10,842	10,904	
18	Children adopted inter-country	persons	10	15	15	15	15	70
19	Inter-country adoption agencies permitted for inter-country adoption	agencies	2	2	2	2	2	10
20	Juvenile offenses committed in prisons or correctional centers and rehabilitation centers receiving rehabilitation services	persons	500	500	500	500	500	2,500
21	Children 3 years of age or older whose parents are in prison entitled to receive social services	persons	20	20	20	20	20	100
22	Victims of drug use rehabilitated	persons	4,000	3,800	3,500	3,500	3,500	18,300
23	Victims of drug use integrated into the community	persons	500	500	500	500	500	2,500
24	Persons with disabilities receiving physical rehabilitation services at the center	persons	28,000	28,000	28,000	28,000	28,000	140,000
25	Persons with disabilities receiving community rehabilitation services	persons	9,000	9,000	9,000	9,000	9,000	45,000
26	Poor disabled people receiving policy scheme of supporting rehabilitation services and health care	persons	29,253	39,701	50,148	60,596	71,043	
27	Disabled people receiving vocational training	persons	590	590	590	590	590	2,950
28	Persons with disabilities recruited into state institutions (2%).	persons	30	30	30	30	30	150
29	Persons with disabilities selected to work in private institutions (1%).	persons	3,500	3,500	3,500	3,500	3,500	17,500

30	Community poor people with disabilities receiving a subsidy	persons	10,228	13,228	16,228	19,228	22,228	
31	Persons with disabilities receiving services for rehabilitation of medical labor	persons	55,000	55,000	55,000	55,000	55,000	275,000
32	Dependent poor elderly people receiving community-based care services	%	2%	3%	4%	5%	6%	
33	Dependent poor, elderly people receiving care in the Veteran Protection Center	persons	30	50	80	100	130	
34	Dependent poor, elderly people receiving a social protection	persons	6,250	7,500	8,750	10,000	11,250	
35	Retirees, disqualified persons, and dependents receiving social security	persons	105,095	109,445	113,815	118,175	122,535	
	Retirees receiving pension	persons	55,799	58,299	60,799	63,299	65,799	
	Disqualified people receiving pension	persons	2,139	2,039	1,939	1,839	1,739	
	Dependents	persons	47,157	49,117	51,077	53,037	54,997	
36	Veterans receiving social security	persons	91,749	96,249	97,249	97,749	98,249	
	Retirees receiving social security	persons	31,662	35,992	37,047	37,732	38,582	
	Disqualified people receiving social security	persons	1,450	1,335	1,225	1,110	995	
	Persons with disabilities receiving social security	persons	26,531	26,686	26,691	26,646	26,551	
	Devoted people who are receiving social security	persons	25,421	25,441	25,442	25,416	25,376	
	Dead people receiving social security	persons	6,685	6,795	6,845	6,845	6,745	
37	Students enrolled in 1st year	persons	150	150	200	200	200	900
38	Students studying bachelor degree	persons	500	500	550	550	550	2,650
39	Graduate students	persons	89	98	120	150	150	607
40	Trainees receiving certificate	persons	150	150	200	250	250	1,000

**4.93 All ministries and agencies** play a role in the implementation of the RGC's National Population Policy (NPP). The MOP's General Secretariat of Population and Development has the role of coordinating the NPP and strategies for the implementation, including the issues of the people at the relevant ministries and agencies responsible for supporting and promoting the NPP focusing on four priority areas: (1) infrastructure development and expansion, (2) migration management and urbanization, (3) expansion of agriculture and related activities, and (4) investment in social and human capital development. The most important goal of the NPP is to facilitate the integration of demographic dynamics into social and economic development plans in all sectors and levels and to ensure the implementation of all relevant stakeholders in reducing the adverse effects of population change on the development in the national, regional and global development framework by preserving cultural values and traditions and to ensure the respect for fundamental human rights. The **National Population Policy 2016-2030** continues to be based on the principles set out in

the NPP the 2003, recognizing and supporting the rights of couples and individuals to have the fundamental rights in free and responsible decision for the number of children and contraception and access to information, education, services and the means to make this decision.

4.94 To achieve the above vision and targets, **the MOP's General Secretariat of Population and Development** will play a role in coordinating with ministries, agencies and stakeholders to implement programs and projects of relevant ministries and agencies, based on the four priorities in the NPP through the implementation of the three-year action plan prepared in five phases until 2030. This action plan is a tool for implementing and monitoring and evaluating the progress of the NPP 2016-2030. In the Sixth Legislature of the National Assembly, all relevant ministries and agencies will focus on the following activities:

- Implementing Action Plan Phase 2 2019-2021.
- Preparing Annual Progress Report and Progress Report of Action Plan 2019-2021.
- Developing and implementing the Action Plan Phase 3 2022-2024.
- Preparing Annual Progress Report of Action Plan 2022-2024.
- Developing a mid-term report on the National Population Policy in 2023, which will highlight the progress, challenges and impacts of demographic change on socio-economic development.
- Promoting the implementation of the NPP within the Cambodia's Sustainable Development Goals framework.

## 4. ECONOMIC DIVERSIFICATION

4.95 Economic diversification is necessary for establishing more economic pillars to underpin growth aimed at expanding export or increasing value-added to the existing economic activities to maintain high growth in the medium and long terms. Economic diversification focuses on four inter-related and complementary priorities i.e. (1) improving the logistics system and enhancing transport, energy, and digital connectivity; (2) developing key and new sources of growth; (3) readiness for the digital economy and the Fourth Industrial Revolution; and (4) promoting the development of the financial and banking sector.

### 4.1 IMPROVING THE LOGISTICS SYSTEM AND ENHANCING TRANSPORT, ENERGY, AND DIGITAL CONNECTIVITY

#### A. Policy Priorities for the Sixth Legislature

4.96 The RGC has made a remarkable progress; however, Cambodia still faces key challenges in the above sectors, including high logistic cost, relatively weak institutional coordination in the development and maintenance of infrastructure, insufficient infrastructure for rising demands in the new phase of development, and lack of consideration for enterprise or factory locations in accordance with the master plan of urban planning and land management when planning and constructing infrastructure. For electricity, challenges include high electricity costs, limited reliability of electricity supply and renewable energy sources have not been included in the energy supply system to its full economic potential. The digital sector also faces some challenges related to the efficiency of investment and utilization of infrastructure as well as the coverage and efficiency of backbone fiber optic infrastructure, and undersea fiber optics.

4.97 Based on this, the priorities of the RGC in the sixth legislature include:

1. Approving and implementing the **Master Plan for Multi-modal Transport and Logistics** to accelerate integration by linking key economic poles and major economic corridors to be more competitive in the region and the world.

2. Increasing investment budget and mobilizing financing to rehabilitate, build and develop physical infrastructure, including roads and expressways, bridges, railways, waterways, and airways to respond to the demand of national development in terms of quantity, quality, safety and sustainability aspects along with the improvement in inter-institutional coordination mechanism.
3. Reducing further the electricity rates, expanding supply coverage and enhancing electricity reliability through the construction of additional sub-stations closer to economic development poles and areas with high economic potentials.
4. Enhancing digital connectivity by ways of expanding fiber optic cable distribution network infrastructure, backbone fiber optic infrastructure, and undersea fiber optic cables, along with the improvement and modernization of mobile telephone network to ensure quality, cost-competitive and nationwide service for all.
5. Strengthening institutional capacity to plan, prepare budget, implement, monitor and evaluate investment projects.

## **B. Planned Actions to Implement the Prioritized Policies**

**4.98** To implement the RGC's priority policy for the Sixth legislature of the National Assembly, **the Ministry of Public Works and Transport** will continue its efforts:

### **1. Laws, regulations and reforms**

- Continuing to finalize the necessary policies and regulatory frameworks for managing and developing transport sector and standards related to setting standards for road construction, land transportation and waterway transport.
- Identifying and developing draft Law on Ports, Law on Water and Maritime Transport, Law on Land Transport Business, Law on Multi-Transportation, Law on Logistics and Dry Ports, Law on Sewage Treatment, Law on Highways and huge bridges and related regulations, including the encouraging of approval, strengthening management, and enforcement.
- Identifying and developing draft law and regulations related to railway.
- Finalizing Sub-Decree on Registration of Vehicle Identification and Plate Number.
- Developing draft Sub-decree and Sub-decree on Registration of the Ships with Cambodian Nationality and reviewing draft Sub-Decree on Establishment of National System for the readiness to respond to spill oil and cooperation.
- Continuing to organize and disseminate some priority laws, especially Traffic Law, Road Law, both at national and sub-national level.
- Continuing to strengthen institutions through training human resources and recruiting the staff with quality and transparency.
- Continuing to engage and promote the implementation of decentralization and deconcentration reform.
- Developing Sub-decree, Prakas, inter-ministerial Prakas and regulations required as defined in the Law on Road Traffic.
- Continuing to contribute to the digital economy and respond to the Industry Revolution 4:
  - Using smart transport systems.
  - Continuing to register online more effectively.
  - Continuing to prepare and deploy port data exchange system.
  - Strengthening the application process for participating in road maintenance programs.
  - Setting up an eco-friendly app for roadside land (Japan).

### **2. Transport Infrastructure Development**

#### **Public work**

- Continuing to rehabilitate and construct road infrastructure of at least 3,000 kilometers further.
- Continuing to rehabilitate, construct and expand the national roads Grade 1 from 2-lane paved road, to 4-lane AC linking to the development zones and key municipalities around 700 km.
- Continuing to rehabilitate and construct the national roads, provincial roads linking to the new development zones of industry, agriculture, agri-industry and tourism which were established and along the border.
- Continuing to strengthen the quality of maintenance, repair and construction work and ensure the flow of national budget on the routine maintenance and periodic maintenance of the network road network.
- Increasing traffic safety signs on national roads and urban areas, and setting up cameras for monitoring the over-speeding vehicles along the national roads.
- Continuing to build sewage treatment stations in key provinces.
- Continuing to cooperate with development partners, organizations and private companies in investing in wastewater (drainage, flood protection system, wastewater treatment and garbage).
- Promoting the finalization and implementation of the Master Plan for WastWater Treatment Station throughout the country.
- Promoting the study of the construction of highways and major bridges with development partners, in particular Phnom Penh-Bavet and Phnom Penh-Poipet-Siem Reap according to the Master Plan of Highway Development in Cambodia.

#### Completed projects and put into operation in the Sixth Legislature

**Chinese Financing:** National Road No. 55, No. 58, ring road 2 and 3, National Road No. 7 Phase 1 (Kla Stus – Romiet commune), National Road 7 Phase 2 (Romiet commune-Trapaing Kreal), Bridge crossing Mekong River Krochma- Stung Trang, National Road No. 11, National Road No. 51, National Road No. 3, National Road No. 70B (Tonle Bit - Srey Sonthor - Prek Tamak), National Road No. 60b (Kampong Thmor - Kratie Town), Bridge crossing the Mekong River, Kratie Province, National Road No.71C, National Road No. 10 (Samlot - Veal Veng - Koh Kong), National Road No. 50C, Phnom Penh-Sihanoukville Highway, Battambang-Siem Reap road, No. 41, No.310 (Neak Loeung-Koh Riding Border of Cambodia-Vietnam), National Road No. 33 and 31, construction of Saang bridge, National Road No. 43, National Road No. 378 ( Dong Krolor - Siempang – O Chum-Banlung), National Road No. 294 (Chhep-Tonle Lapov), National Road No. 72 (Trapaing Thlong-Thraeng-Kampong Thmor), National Road No. 92 (Sam Ang - Kampong Srolao 1 and 2 - Three angles), National Road No. 78-5 ( Banlong-dragon tail), Chumkiri Road, and Water Treatment System Project in some provinces, especially Preah Sihanouk province.

**Japanese Financing:** Project for Rehabilitation of Chroy Changvar Bridge, National Road No. 5 (Battambang-Sisophon, Prek Kkdam-Thlea Maom, Thlea Maom-Battambang and Sisophon-Poipet); and Reconstruction Projects of 7 Bridges (National Road No. 73 and 11).

**Republic of Korea Financing:** The Project for Rehabilitation of National Road N. 21, Phase I and II (Takhmao-Chrey Thom), National Road No. 2 (Takhmao - Dounkeo O Chambok), and National Road No. 22 (O Chambok-Ang Tasom/Takeo Province) National Road No. 48, Improvement of Siem Reap River Phase II, and construction of drainage system in Takhmao City.

**ADB's Financing:** National Road No. 13 and No. 314, National Road No. 53 and No. 151, Economic Development of the Southern Cities (Improve infrastructure, 4 Poipet, Battambang, Bavet and Neak Loeung), Corridor Development Project 2 (Kampot and

Sihanoukville) and project to improve the management of the surrounding environment around the Tonle Sap.

**World Bank's Financing:** Rehabilitation Project (AC): National Road No. 7 (Thnal Toteung - Tbong Khmum Province - Kratie Province), National Road No. 3 (Kampot - Veal Rinh) and National Road No. 4 (Phnom Penh–Preah Sihanouk).

**Thai Financing:** Construction of Stung Bot Bridge, International Boundary Gateway Building and Road Link (border posts linked to National Road No. 5).

### 3. Railway

- Seeking fund to rehabilitate the railway lines from Phnom Penh to Poipet to 20 tons of weight and to construct and repair the stations, install the safety signs and repair the bypass roads.
- Seeking fund to connect railway from Phnom Penh to the new Phnom Penh Autonomous Port.
- Promoting the connection of railways to factories, enterprises, special economic zones, such as Touk Meas station to cement factories from Touk Meas station to Chakrey Ting cement factory and from the Veal Rinh station to the Keo Phos Port.
- Constructing a railway container terminal in Stung Bot.
- Promoting the implementation of agreements on cross-border transport along the Cambodian-Thai Railways.
- Seeking fund to implement railway integration and connectivity projects and to neighboring countries through new construction under the master plan for Cambodia railway development studied by Republic of Korea, especially Phnom Penh-Bavet-Ho Chi Minh railway.
- Continuing to seek development partners and the private sector to build the Singapore-Kunming Railway network.

### 4. Logistics

To provide efficient transport of cost and ease of service in response to the needs.

**The MPWT** will continue its prioritization work as follows:

- Implementing the logistics master plan.
- Establishing the information centers and sectoral development plan for information technology in logistics.
- Promoting investment in logistics centers, warehouse, container terminal and dry port.
- Formulating legal documents in logistics, European agreements related to international shipping of the hazardous items on road, warehouse management rules and service delivery rules and logistics operator management.
- Promoting the implementation of a public-private partnership initiative.
- Introducing a new concept of transforming Cambodia into a regional exchange of goods and logistics into a national master plan on transport and logistics to take advantage of trade flows between Vietnam and Thailand.
- Continuing to cooperate and coordinate with relevant institutions in implementing the ASEAN Connectivity Master Plan 2025.
- Establishing a logistics policy such as management of goods in the Green Logistics Temperature Management Chain.

### 5. Sustainable transport development

- Continuing to strengthen technical and institutional capacity in environmental management.
- Mainstreaming adaptation practices to climate change in policy guidelines and revising strategic plans and climate change action plans in the transport sector.

- Continuing the research of technical standards for the construction of road infrastructure to ensure environmental sustainability and preparedness in response to climate change.
- Continuing to promote the reduction of greenhouse gas emissions from vehicles by encouraging people to use buses, trains, bicycles and walking.
- Continuing to train national and sub-national technical staff on integrating climate change into the National Budget Plan for Public Works using the Economic Analysis and Training of Focal Points of an economic analysis approach to mainstreaming climate change into road construction projects using the national budget.

## **6. Road transport, public transport and road traffic safety**

### **Road transport**

- Strengthening the management of registrations, technical checks and licensing of automated driving licenses and expanding the public transport service locations closer to the people.
- Strengthening, promoting, and training on the use of automated systems for both national and sub-national officials (vehicle registration, driver's license, vehicle inspection, and logistics business registration).  
Promoting the additional establishment of vehicle inspection centers, and mobile vehicle inspection.
- Managing, monitoring and registering vehicles, issuing driving licenses, technical checks and public delivery through the automatic system.
- Installing data centers with high technology, maintaining data security, reducing costs, increasing accountability for services delivery.
- Continuing to integrate automatic registration system, ID card and vehicle number plates with the automatic system of the General Department of Taxation and the Directorate General of Identification.
- Reviewing the ability in the issuance of licenses of domestic and cross-border transportation, business licenses as soon as possible, with transparency and accountability.
- Continuing to operate the extension centers or change the driving license at the supermarket.
- Continuing to discuss the request for the amendment of the Protocol 2005 for the implementation of the agreement between Cambodia and Vietnam on land transportation.
- Continuing to negotiate with neighboring countries to promote efficiency and address the challenges of bilateral cross-border transport.
- Promoting the implementation of cross-border transport agreements in the Greater Mekong Sub-Region.
- Establishing legal frameworks to implement the three agreements in the framework of the ASEAN Framework on Transport Coordination i.e. (1) ASEAN Framework Agreement on Facilitation of Commodity Transit, (2) Agreement within the ASEAN Framework for Inter-State Transport Coordination, and (3) ASEAN Framework Agreement on Multi-impagTransport Coordination.
- Preparing for ratification from the National Assembly on an agreement within the ASEAN framework on facilitating the carriage of passengers by car.

### **Municipal public transport**

- Promoting the formulation of national policies, master plans and legal documents related to public transport.
- Promoting the use of smart transportation systems and traffic management.
- Continuing to develop the city's streets to avoid heavy transport across the city.
- Continuing to study and solve the traffic jams in Phnom Penh.
- Continuing to study the feasibility of building an automatic train system, and the study of the feasibility of constructing tramway, monorail, subway in Phnom Penh.

### Road traffic safety

- Continuing to improve road traffic safety and reducing the number of street deaths to below 5 persons per 10,000 by 2020.
- Carrying out activities and expanding collaboration to achieve the UN's target on road traffic safety, reducing the death rate by 50% by 2020.
- Continuing to disseminate the traffic laws to the public in all aspects.
- Continuing to collaborate with relevant institutions, the private sector, CSOs on the implementation of road traffic safety.
- Continuing to promote the private sector to deliver road traffic law training to the company's workers.
- Continuing to distribute reflecting stickers and helmets to motorcyclists.
- Continuing to study and monitor the most frequent hazardous areas throughout the country.

### Prevention of overweight transport vehicle crimes

- Continuing to educate and promote the public awareness of laws and regulations related to overweight transport and build capacity and morality to the officials to put their heart at work to ensure the accuracy of the weight control tools.
- Continuing to eliminate overload transport and faulty vehicle modification and to restrict the offenses at the stations.

## 7. Waterway, sea transport and ports

### Waterway transport

- Encouraging the more effective implementation of the agreement between Cambodia and Vietnam on water transport in 2009.
- Strengthening the delivery of public services on logistics, inspection and technical checkups, boats, driving licenses and other related services, and promoting the development and management of ship workshops.
- Strengthening ship management and registration as well as relevant work at the Department of Public Works and Transport.
- Collaborating and participating in the International Water Supply Infrastructure Association.

### Sea cargo ship

- Strengthening public service delivery of ship registration, ship technical checks, ship business permit, and other related services, and promoting the development and management of ship workshops.
- Reviewing the registration of the Cambodian flag ships.
- Continuing the cooperation to develop coastal ships of Cambodia, Thailand and Vietnam.
- Continuing to implement the IMO/NORAD project on the prevention of marine pollution from ships.
- Reviewing the draft of the National Emergency Plan for combating oil spills.
- Strengthening ship and crew management and related work.
- Participating in the work of the National Committee for Maritime Security.
- Cooperating with ReCAAP ISC and member countries.
- Cooperating with the Marine Transport Technology Coordination Center to gain knowledge of regulations and management of ships and crew.

### Port administration

- Continuing to implement the National Port Policy and develop a Master Plan on Port Development and promoting the development of ports in accordance with the correct technical standards.

- Collaborating with the private sector and development partners to ensure sustainable port development, along with modernization of port operations such as the preparation of a port data exchange system.
- Establishing a training center for crews, disseminating and providing skills trainings to staff responsible for the port security.

#### **Waterway infrastructure and port buildings**

- Promoting the development of the Tbong Khmum Port Project (Tonle Bit).
- Studying and designing projects on public passenger boats, construction of small-scale ports and docks in some districts and areas of the Mekong River.
- Constructing the tourist port in Kep and coastal areas.
- Studying and developing the navigation signs boats and rehabilitating the navigation, Vaico River, Angkor Borey canal and other parts of the Mekong River.
- Measuring the water depth and producing electronic navigation maps in the seas and other areas of the Mekong River.
- Studying and producing the waterway classification for navigation.
- Measuring for port construction and setting up technical standards for ports and waterways.
- Cooperating with the International Hydrological Organization, the East Asia Hydro-Ecological Commission, and the International Navigation Assistance Sign Association.

### **8. Public enterprises**

#### **Construction and public work laboratory**

- Strengthening the laboratory quality in accordance with ISO/IEC17025.
- Strengthening the service of laboratory closer to development areas through the establishment of laboratory branches in key development provinces.
- Seeking collaboration with partners to develop laboratories.

#### **Preah Sihanouk Autonomous Port**

- Constructing a container port of 350 meters, a depth of 14.5 meters, a container terminal and shipyard rehabilitation with a depth of 14.5 meters.
- Studying the development of a storage space for goods and containers covering more than 54 hectares.
- Studying the plan for upgrading the international cruise terminal at the old port.
- Studying more about Preah Sihanouk Port's Special Economic Zone by creating a "Customs Manufacturing Bonded Warehouse" and "Free Port" serving as Logistics Hub.
- Striving to achieve 37,445,000 tons of goods crossing.
- Achieving the volume of containers passed: 3,793,000 TEUs.
- Achieving the volume of passenger ships passed: 9,270 ships.

#### **Phnom Penh Autonomous Port**

- Continuing to push forward for the development Phase III on an area of 5.5 ha. which has the capacity to load up to 200,000 TEUs per year.
- Continuing to promote the development of the UM2 harbor and to build a satellite port along the river and to build the dockyard near the LM17 container terminal.
- Continuing to promote the establishment of port supporting areas, dry warehouses and cooling warehouses, and developing a goods collection and distribution service center.
- Continuing to modernize and expand TS1 Passenger and Tourist terminal.
- Continuing to promote and achieve within 5 years (2019-2023) as follows:

- The volume of goods passed: 18,608,000 tons.
- The volume of containers passed 1,370,000 TEUs.
- The volume of cargo ships passed: 13,700 ships.
- The volume of international passenger ships passed: 3,310 ships.

### 9. Partnership in development and international cooperation

- Continuing to develop legal frameworks and organize forums to support the development and solve the problems effectively with development partners and the private sector.
- Continuing to encourage the private sector to study the feasibility of investing in roads, bridges, railways, and port projects, especially the highways as the priority stated in the Master Plan.
- Continuing to promote the relationships of partnerships in the transport sector.
- Continuing to collaborate to implement transport policies and strategic plans and initiatives in the region and the world.

**4.99** To implement the priority policies in the Sixth Legislature of the National Assembly, **the State Secretariat of Civil Aviation** will continue its key priorities and activities as follows:

#### 1. Strengthen Flight Safety

- Prepare and compile regulations, standards, procedures, requirements, instructions, guidelines and legal documents related to examination of airworthiness and environmental protection according to the laws and regulations of Cambodian Civil Aviation regulations and in accordance with ICAO's standards and recommendations.
- Cooperate in formulating the regulations, legal frameworks and procedures on the lifespan of aircrafts used in the Kingdom of Cambodia.
- Review and evaluate the technique of suspending, revoking and renewing the flight operation permit in the Kingdom of Cambodia (inbound and outbound and across).
- Examine the operation of all foreign aircrafts flying in the Kingdom of Cambodia (inbound and outbound and across).
- Research and evaluate incidents or accidents related to aircrafts inside and outside the Kingdom of Cambodia.
- Review and evaluate techniques for issuing, suspending, revoking and renewing aircraft registration certificates, airworthiness certificates, engineer capacity and aircraft skill certificates, audio certificates, radio licenses, aircraft lease certificates, aircraft oil stations, aircraft repair and maintenance units, and aircraft maintenance programs.
- Examine the airworthiness for aircrafts registered in the Kingdom of Cambodia.
- Cooperate in researching and evaluating incidents or accidents related to aircrafts inside and outside the Kingdom of Cambodia.

**2. Strengthening civil aviation security:** Strengthening civil aviation security is to provide national and international trust guaranteed through thorough implementation according to the national and international standards on civil aviation security intended to prevent and combat any law violations such as terrorism, destruction, life-threatening threats and property damage and so on.

- Prepare and compile legal provisions, procedures, standards, requirements, guidelines and legal documents relating to the security measures and the air transport of hazardous goods according to the laws and regulations of Cambodia Civil Aviation and the standards and recommendations of the International Civil Aviation Organization.
- Plan training program and train security and security officers in cooperation with other departments and with ministries and agencies and competent authorities to take action to prevent the violation and destruction of civil aviation sector.

- Implement and manage state safety programs and national civil aviation security programs by analyzing and reporting on the security and safety control systems of operators, air transport enterprises and service providers.
- Review and evaluate techniques for the suspension, revocation and renewal of civil aviation controller certificates.
- Conduct inspection of: (1) Airport and helicopter, (2) Air transport enterprises and operators, (3) airports, and (4) air routing services.

### **3. Strengthen international cooperation and flight connections**

Strengthening international cooperation and flight connections is to continue efforts to strengthen civil aviation cooperation in order to create and harmonize policies and roadmaps to develop the civil aviation sector in the sub-region, the region and the whole world.

- Cooperate and coordinate with the International Civil Aviation Organization to determine the standards and recommendations to carry out the Security and Safety Audit Program.
- Prepare drafts of regulations and legal documents, study and amend and modify regulations and provisions pertaining to the national and international civil aviation sector.
- Prepare and compile Air Transport policies and regulations in accordance with the objectives and vision of the Royal Government of Cambodia and the International Civil Aviation Organization.
- Conduct negotiation and establish memorandums of understanding, agreements and legal documents on air transport services.
- Participate in managing and handling essential aviation jobs such as liberalization of air transport with ASEAN and other organizations at regional and international levels, in collaboration with the International Relations and Legislation Department.
- Review and evaluate the techniques of providing air transport licenses or certificates in cooperation with the Department of Flight Safety and Standard and the Department of Airworthiness.
- Review and evaluate the technique of issuing the permits of air transport of hazardous goods in coordination with the Department of Flight Safety and Standard and the Department of Civil Aviation Security.
- Prepare and provide program and off-program flight services and compile civil aviation data in cooperation with relevant departments and institutions.

### **4. Enhance air routing services:**

Enhancing air routing services ensure that air routes for aircrafts and air traffic services are secure, ensuring the reliability of delivering services in accordance with international standards as well as the development of routing infrastructures.

- Prepare and compile regulations, procedures, standards, requirements, guidelines, and legal instruments relating to air routing safety and standards, and air routing services for aircrafts operating its flight in and out of the Kingdom of Cambodia.
- Review and evaluate the techniques of provision, suspension, revocation and renewal of certificates or certificates of flight capability, crews, engineers and air routing experts, and aviation information officials.
- Prepare and publish a book on aviation information related to Cambodia's airspace and the air space reserved for Cambodia under the cooperation and international and national agreements recognized or permitted by the International Civil Aviation Organization.
- Collaborate with relevant ministries and institutions in monitoring and controlling electronic radio signals to avoid interrupting air routing services.
- Manage the aviation frequency with the authority of the telecommunications authority in accordance with the instructions of the International Telecommunication Union.

- Prepare contracts with relevant authorities in the provision of air routing services, such as the weather services and telecommunication services, etc.
- Administer and provide air routing services in and out of the airspace of the Kingdom of Cambodia in accordance with Cambodian Civil Aviation Regulations and the International Civil Aviation Organization's standards and recommendations.
- Collaborate on the search, rescue and firefighting.

#### 5. Develop national and international airport infrastructures

The airport infrastructure development must be consistent with the growth of air passengers and make the civil aviation industry best responsive to the needs of consumers, including air passengers, efficient airport landings, civil airport development and the promotion of development in the field of safe, reliable and economic air transport.

- Prepare and compile regulations, procedures, standards, requirements, instructions, manuals, and legal documents related to airport safety standards, airport safety management systems, water and electricity supply and environmental protection at the airport in the Kingdom of Cambodia in accordance with the laws and regulations of Cambodian Civil Aviation and the standards and recommendations of the International Civil Aviation Organization.
- Oversee the implementation and standards for existing and new airport construction projects, study the location and process (including materials and equipment), engineering work and maintenance.
- Conduct technical study and evaluation of application for licenses for the construction of a new airport.
- Study and evaluate the technique of issuing airport certificates.
- Study and evaluate the technique of issuing airport registration and aircraft operation certificates.
- Provide advice and guidance on any barriers that interfere both inside and outside the airport and comply with the standards and guidelines about the signs and interrupting lights.

**6. Develop human resources and strengthen institutional capability:** To ensure security and safety meets the requirements. Qualified civil servants and civil aviation professionals are sufficient to carry out the work in accordance with the Royal Government's policies, enhance organizational management and support the implementation of technical duties.

**4.100** To implement the RGC's priority policies in the Sixth Legislature of the National Assembly, **the MME** will continue its priority activities in managing and promoting the power sector development to achieve an adequate, reliable, quality, and affordable electricity supply for all types of users and to manage and promote the development of energy efficiency and energy saving. The MME also aims to manage and promote the research, development and use of civil nuclear energy, including radiation and nuclear energy techniques for the purpose of peace, safety and security. In order to achieve the above commitments, the MME has put forth the following strategic actions:

- Promoting the development of the energy sector and electricity by enhancing the connectivity to people with quality, stable and affordable electricity in a variety of sources, including hydropower, combustion, and solar power.
- Strengthening the energy techniques and electricity standard in buildings and housings.
- Strengthening the science and technology of civil nuclear energy, including radiation and nuclear energy techniques.

Table 4.9: Key indicators in energy sector

No	Indicator	2017	2018	2019	2020	2021	2022	2023
		Baseline	Estimated	Projected	Projected	Projected	Projected	Projected
1	Energy supply	Million kwh	9,307	10,808	12,969	15,304	17,599	20,063
2	% of villages having energy supply	(%)	86.85	93.0	100.0	100.0	100.0	100.0
3	Energy consumption per person per year	kwh/person	579	664	786	915	1,037	1,165
4	% of houses having energy supply	%	72.1	74.6	77.4	83.05	87.9	90.0
5	% of renewable energy sources	%	52.6	51.1	52.1	54.04	55.22	48.23
6	Length of national transmission line 115/230kv	km	2,141	1,441	2,441	2,536	2,611	2,611
7	Length of national transmission line 500kv	km	0	140	140	230	230	230
8	Development of Law on Nuclear of the Kingdom of Cambodia	%	20	40	100			
9	Development of technical specifications and regulations related to the management, safety, security, and safety protection of the nuclear and radiative substance.	No	-	2	5	-	-	-
10	National Policy on Energy Efficiency	%	-	40	100			
11	Sub-decree on Energy Technical Specification of Cambodia for Energy Network Arrangement in the Buildings and Housings	%	60	80	100			
12	Virus Killing Laser Center	%	-	-	30	50	100	

4.101 To implement the RGC 's priority policies for the Sixth Legislature of the National Assembly, **the Ministry of Posts and Telecommunication (MPTC)** will continue its prioritized efforts in line with the rapid progress of the telecommunications, information and communication technology activities.

- Continuing to develop a policy framework and regulations.
- Continuing to modernize the postal sector in line with international standard, especially receiving and distributing deposits to push the postal sector more efficiently and progressively at the international level with partnerships with domestic and international companies.
- Continuing to expand the telecommunications backbone infrastructure to remote rural areas and potential economic and tourism potentials through (1) building fiber optic networks to all the provinces and districts that fill the ICT and (2) building a submarine fiber optic network from the Kingdom of Cambodia to China and developing the Greater Mekong Subregion-based telecommunications infrastructure.
- Continuing to focus on (1) trainings of students and civil servants on posts, telecommunication, and ICT and (2) research and innovation focusing on key activities include:
  - Collaborating with the private sector and universities to strengthen training capacities.
  - Developing a better curriculum.
  - Promoting e-learning training.
  - Promoting overseas and international researchers and innovators.

## 4.2 DEVELOPMENT OF KEY AND NEW SOURCES OF GROWTH

### A. Policy Priorities for the Sixth Legislature

4.102 The RGC's strategic goal in the Sixth Legislature is to ensure an economic growth which is sustainable, inclusive, broad-based, firm, resilient to shocks and competitive.

4.103 Cambodia has achieved high economic growth of around 7% per annum during the last two decades but the growth base remains narrow. The current growth pillars, i.e. agriculture, tourism, garment and construction cannot ensure high growth in the long term due to structural change of domestic economy and demography, rising competition and vulnerability to external shocks. In this regard, it is necessary to identify new sources of growth through promoting the development of new economic sectors, creating and increasing value-added in the existing growth pillars.

4.104 Based on this, the key priorities for the RGC of the sixth Legislature include:

1. Further implementing the "**Cambodia Industrial Development Policy 2015-2025**", especially transforming Sihanoukville Province into a multi-purpose Special Economic Zone (MPSEZ), along with the conduct of the Policy's mid-term review.
2. Formulating and implementing the garment and footwear sector development strategy to improve competitiveness, create value-addition, establish supporting industries and develop the industry's value chains.
3. Further improving the operation of SEZs to attract more investment and create industrial bases that include agro- processing, assembly, furniture manufacturing, and household appliances as well as souvenir products for tourists.
4. Preparing a master plan for the tourism sector with a focus on diversification of tourist products and destinations, attracting high-spending tourists and encouraging tourism-supporting industries.
5. Promoting the development of the entertainment service sector, literature, arts, cartoons and movies, which are the creative industries with high potentials for creating value-addition and jobs, while encouraging the production and consumption of domestic products, both traditional products and those with a Geographical Indications (GI).
6. Promoting the developing oil and gas industry, especially the launching of the first-ever oil production site as soon as possible while strengthening the management of revenues from those resources in an efficient, transparent and accountable manner.

### B. Planned Actions to Implement the Prioritized Policies

4.105 To implement the RGC's priority policies for the Sixth Legislature of the National Assembly, **the Council for the Development of Cambodia (CDC)** will continue its task of promoting the implementation of the **Industry Development Policy (IDP) 2015-2025** through the following activities:

- Building the capacity of officials involved in planning, evaluation, scientific research and analysis, and policy recommendations.
- Facilitating, promoting and monitoring the progress of the implementation of the IDP of relevant ministries and agencies.
- Continuing to implement the policy measures, policies and action plans as set out in the IDP related to the responsibilities of the CDC, particularly relevant policy measures under the key strategy of "promoting investment attraction".
- Collecting, analyzing synthesizing, and compiling the timely progress reports on policy implementation.
- Organizing technical working group meetings and inter-ministerial meetings related to promoting the implementation of the IDP.

- Organizing dissemination workshop on policies and progress reports on policy implementation.
- Continuing to update memos related to the four priority topics, including agro-industrial development, promotion of SME development, promotion of skills training and human resource, and promotion of transport system and logistics development.
- Continuing to develop memos, and concept notes related to global experience and expertise in industry development.
- Studying and engaging in the formulation of the master plan or the concept notes related to transforming Preah Sihanouk province into a multi-purpose special economic zone.
- Continuing to collaborate with development partners to study and identify priority investment sectors and mobilize resources to support the implementation of the IDP.
- Co-organizing strategic documents related to the maintenance of investment and develop concept notes related to strategies promoting the development of the garment and footwear industry to increase value-added and promote the development of clusters of supporting industries.
- Facilitating Mid-Term Review of the Implementation of the IDP.

**4.106** To implement the RGC's priority policy in the Sixth Legislature of the National Assembly in continuing to promote the process and attract investment in special economic zones to build an industry base, **the Council for the Development of Cambodia (CDC)** will implement the following key activities:

- Leading and coordinating in reviewing the incentive framework for companies located in the SEZs, both foreign, local, and small and medium enterprises.
- Promoting more active involvement from the private sector/regional developers in the development of infrastructure at the sites of the SEZs to ensure the attractiveness and interest of investors.
- Continuing to promote the establishment of major industry and industrial parks by adopting "Special Economic Zones Law" to develop those areas to international standards in all aspects as well as encouragement and other practical support measures to promote investment in the SEZs.
- Continuing to cooperate in the development of the provincial industrial zones, which are the focus of small and medium enterprises aimed at promoting the competitiveness of these enterprises, especially through the prioritization of access to electricity and water supply, transport links and logistics as well as other facilitations and motivations.
- Promoting competitiveness between SEZs by studying the development of core indicators for measuring the performance of those economic zones as criteria for providing incentives and promoting best practices.
- Participating and cooperating with relevant ministries and agencies to continue to develop physical infrastructure, especially around the SEZs.
- Continuing to reform the governance structures and strengthen the capacity of officials in the SEZs to provide more efficient services to investors.
- Reviewing the feasibility of promoting major and high-quality SEZs using the public private partnership mechanism.

**4.107** To implement the RGC's priority policy in the Sixth Legislature of the National Assembly, **the Ministry of Industry and Handicrafts (MIH)** will continue its priority activities as follows:

- Diversifying industry and expanding industrial production capacity, increasing productivity, with particular emphasis on the implementation of the **IDP 2015-2025**.

- Outlining the action plan to attract technical and financial support from the country partnership program under UNIDO coordination and strengthening cooperation with international organizations and development partners.
- Promoting and encouraging investment to create industrial clusters, industrial parks and the establishment of SEZs as well as investment in infrastructure development and the connection of both software and hardware supporting all industrial production activities.
- Continuing to strengthen the implementation of laws and regulations on factory management and attract all enterprises and factories to register for the factory establishment, factory license and the factory's signboard.
- Monitoring, collecting, managing and compiling better statistical data.
- Strengthening the scientific, technological and innovative cooperation and promoting research activities and encouraging new creativity in the business, services and products that are appropriate in national and digital contexts or the 4<sup>th</sup> industry revolutions.
- Developing guidelines on industrial waste management.
- Strengthening procedures and cooperation with domestic and international partners in strengthening and facilitating the registration, protection, and provision of patent licenses in the industrial sector.
- Strengthening the implementation of national standards and metrology in protecting public welfare, increasing regional and global competitiveness.
- Boosting capacity building in business development service delivery and institutional support capability, especially the National Institute of Standards, the National Institute of Metrology, the National Productivity Center, the Industrial Laboratory of Cambodia, and other relevant institutions to promote investment and efficiency of public service delivery.

### **Small and Medium Enterprises**

- Reviewing the strategy or action plan supporting the private sector on production, increasing the competitiveness of SMEs and handicrafts, and expanding the Cambodia market.
- Promoting and encouraging the implementation of an inclusive business model or business activity, social enterprise initiatives to create a new dynamics for a systematic solution to accelerate the innovative business of the private sector that can help to solve problems for the poor and the people with low income in Cambodia.
- Implementing the wide cross-sector meetings linking systematic relationships between producers, suppliers and marketers by requiring close participation and collaboration with relevant ministries and agencies and private sectors such as Chamber of Commerce, Chamber of Employment, associations or unions, enterprises.
- Continuing to establish a Business Development Advisory Center and cooperate with private business development advisory bodies.
- Creating a business environment in order to increase registration, authorization, establishment of a small-scale manufacturing enterprise and handicraft as well as the better One Window Service Office.
- Improving the processing capacity of local handicraft and using digital system in businesses, especially innovative businesses and businesses providing social benefits such as social enterprises in contribution to local job creation.
- Promoting the policy formulation for the development and management of salt fields.
- Organizing promotions and training on food safety and promoting compliance with national and international standards.
- Encouraging and promoting local processing handicraft activities such as rattan, bamboo.

- Continuing to promote the management of basic statistics on SMEs and handicraft in the entire country in the formulation of a strategic plan to promote and support the development of SMEs and handicrafts.
- Continuing to promote cooperation with development partners in promoting the development of SMEs and handicraft.
- Encouraging, supporting and promoting a One Village One Product Movement, organizing training courses on financial management and handicraft management in collaboration with development partners.
- Increasing promotion activities and organizing competition program, the exhibitions of domestic and foreign products to promote domestic products.
- Promoting the formal inclusion of SME Development Policy and the five-year implementation plan and implementing the activities set out in this policy which focus on priorities, i.e. promoting legal environment as well as the public institutional capacity, entrepreneurship and human resource capacity development, promoting local trade, productivity, quality, technology and innovation, expanding the links to international and foreign markets.

**4.108** To implement the RGC's priority policy in the Sixth Legislature of the National Assembly, **the Ministry of Tourism (MOT)** will continue to implement its key priority policies as follows:

- Developing tourism product and investment: (1) preparing development strategies and priority actions on tourism development; (2) diversifying new tourism products in addition to Angkor area, (3) promoting attraction and investment in tourism; (4) reviewing, evaluating and promoting investment companies licensed by the RGC; and (5) promoting the establishment of sacred tourist sites.
- Studying tourism market and promotion: (1) enhancing the promotion of "Cambodia, Kingdom of Wonders", (2) promoting market study and expanding tourism promotion to other priority market targets; (3) encouraging and expanding overseas tourism promotion through the Cambodia Board of Marketing and Tourism Promotion, and (4) promoting market research and developing tourism statistics.
- Strengthening and improving the quality of tourism products and services: (1) strengthening the quality of tourism products and services; (2) strengthening the quality and effectiveness of public service delivery through the creation and promotion of public service standards; (3) implementing the national tourism standard; (4) encouraging the competition movement of "**Clean City, Clean Resort, Good Service and Good Hospitality**" "**Clean Cambodia**"; and (5) strengthening the tourism industry quality with a "**One Service, One Standard**".
- Strengthening the quality of education, training and human resource development in the tourism sector: (1) training and building tourism professional skills and (2) sending officials to internships for experiences and study abroad.
- Coordinating the tourism travel and transport: (1) promoting the development of relevant infrastructures of relevant ministries and agencies; (2) encouraging and facilitating tourism travel; and (3) collaborating with relevant ministries and agencies in reducing unnecessary barriers and jobs through gateways and international border gates.
- Strengthening the private sector and the public private partnership: (1) promoting international, multilateral, trilateral, and bilateral cooperation in the sub-regional and global context; (2) promoting active participation from the private sector; and (3) promoting partnership between the public private partnership.
- Good governance in tourism: (1) developing the capacity to improve the management and development of human resources, in particular the ability to manage and assign tasks according to organization's needs; (2) strengthening the human resource quality in the tourism industry with the concept "**One Staff, One Skill**"; and (3) promoting the decentralization to SNAs in accordance with the National Program for Sub-national Democratic Development.

- Strengthening the safety and security of tourists: (1) promoting the roles of women, child safety, and disabled persons; (2) preventing the spread of HIV/AIDS in tourism; and (3) combating drugs in tourism.

**4.109 The MOT** needs to add five more fundamentals to Cambodian tourism development as follows:

- Conserving, protecting, improving and sustainably developing the appropriate places that are rich in culture, history and natural resources, which are the tourism destinations of the potential nation.
- Respecting the values of local people in each community and promoting the sharing of good quality experiences to tourists and local residents and providing quality services.
- Encouraging stakeholders to enjoy social and economic benefits from the tourism sector to reduce the negative impact of tourism on the economy, society, culture and the environment.
- Maintaining the value of all heritage and resources to support long-term tourism activities and sustainability for future generations.
- Promoting the participation of all stakeholders, both the private and the private sector, the development partners in the tourism development with quality, sustainability, and high responsibility.

**4.110** To implement the RGC's priority policies in the Sixth Legislature of the National Assembly, **the Ministry of Culture and Fine Arts (MOCFA)** will continue to implement its key priority policies including the national culture development and conservation.

**4.111** Conservation of the National Cultural Heritage is a task that must be regarded as the primary obligation that **the MOCFA** must strive to achieve. At the same time, culture must also be progressive and prosperous. Therefore, the RGC will put in place the policies that will help to create a suitable condition, which is an opportunity to "**develop national culture**" through encouraging creativity in the arts and culture as well as expanding the cultural industry. Better cultural preservation and development is the promotion of ethics, virtue and national prestige. Economic growth is the opportunity for the conservation and development of the national culture to be more prosperous and efficient in accordance with the "**Conservation for Development**" and "**Development based on Conservation**" sustainably, as a "**cycle**" of cultural progress and economic growth in line with strategic goals, is growth, employment, equity and efficiency.

#### **Conservation of national tangible and intangible cultural heritage**

- Updating the inventory of national cultural heritage by creating a national "database system" that is easy to identify the cultural heritage risk periodically.
- Developing legal documents and work plans that respond to the specific situation in managing cultural heritage.
- Putting in place the measures for the maintenance and repairing of national cultural heritage.
- Strengthening the mechanism for the reinstatement of illegal and stolen artifacts both inside and outside the country.
- Promoting the awareness and engaging the public participation in the preservation of national cultural heritage.
- Promoting the community heritage preservation.
- Strengthening and expanding the development of knowledge and professional skills in the field of culture.
- Maintaining and promoting the transfer of traditional knowledge.
- Increasing the awareness, attention and participation of the public, especially youths and children, by training on the principle of "Education for Culture, Culture for Education".
- Preserving and promoting the protection of indigenous culture.
- Empowering women, children and persons with disabilities in the culture sector.

#### **National culture value promotion**

- Strengthening and expanding the scope of the national cultural dissemination through performance, conference, exhibitions, etc.
- Strengthening and expanding the roles of museums and cultural centers.
- Researching and promoting national cultural heritage.
- Preparing a compilation of Cambodia's outstanding and luxurious heritage files to register in the UNESCO's list.

### Cultural development

- Developing legal documents and mechanisms to support artists, producers, associations, and entrepreneurs who are engaged in the culture sector.
- Cooperating with relevant ministries and agencies to promote the creation of cultural product market and labor markets in the culture and arts sector.
- Expanding cultural markets and products by providing a wide range of opportunities for artists, producers and artists in the culture and arts sector.
- Encouraging and promoting creativity, innovation, originality in music, film, visual arts, handicrafts, traditional weaving and design.
- Promoting the exhibition of creativity in arts, culture and industry.
- Promoting Cambodian film industry by:
  - Developing human resources in the film sector.
  - Increasing the promotion in all forms to attract foreign filmmakers in Cambodia to become a welcoming land for foreign film productions.
  - Increasing the facilitation mechanism in applying for filming through one window service office.
  - Continuing the policy “Golden Hour” for domestic movies.
  - Turning cultural heritage sites into targeted attractions for filming, performance and investment in tourism.
- Promoting Cambodia as a cultural product promotion site
  - Establishing a database on cultural organizations, associations and enterprises
  - Identifying culture and one village one product.
- Setting up mechanisms to facilitate the import of standard and legal technology equipment to entrepreneurs in the culture sector.

**4.112** To implement the RGC's priority policies in the Sixth Legislature of the National Assembly, **the MME** has a big mission in maximizing the development of mining through the exploration, production development, treatment, transport, inventory, oil and gas trade to contribute to the socio-economic development and long-term benefits of the country and better livelihoods of the Cambodian people.

**4.113** To the above mission, **the MME** will formulate the **National Petroleum Policy 2020-2030** and introduce the action plan for the implementation in 2020. The priority activities are:

- Developing laws and regulations.
- Building capacity and strengthening the institutions both upstream and downstream.
- Increasing the income from petroleum sector.
- Promoting the social and environmental responsibility in petroleum operation and energy security.

**4.114** To achieve the priority policies in the sixth legislature of the National Assembly, Ministry of Commerce is implementing the actions as below:

- Develop Products Diversification: (1) Study and establish a branding of potential products of Cambodia to enhance its reputation and expand exports to international markets, (2) continue to set up and manage Cambodia's permanent product centers and the international and domestic trade promotion centers, (3) cooperate with trade partners and overseas trade centers to promote Cambodian products into regional and global markets.
- Develop Diversification of Export Market: (1) Prepare export promotion policies, (2) develop a system of monitoring and evaluation of trade policy and strengthen the effectiveness of implementation of trade policy, (3) strengthen and expand international

and domestic trade fairs, (4) continue to do research, monitor and analyze the trend of economic and trade, trade barriers and trade strategies of implemented countries, (5) improve trade facilitation in all export operations, and (6) strengthening and expanding trade agreements in bilateral and multilateral frameworks.

### 4.3 PREPARING FOR DIGITAL ECONOMY AND THE FOURTH INDUSTRIAL REVOLUTION

#### A. Policy Priorities for the Sixth Legislature

4.115 Global industrial revolution has caused profound transformation of the socio-economic landscape environment due to technological innovations and is now embarking on the path to a new phase, namely, the fourth industrial revolution. This requires the RGC to be ready to seize opportunities and respond to challenges created by new economic sectors, SME development, enhancement of the productivity and efficiency of agriculture sector, improvement of health system, capacity enhancement to deal with natural disasters as well as effective urban management and environmental management. In addition, the RGC has to manage the adverse effects caused by the industrial revolution that include changing style of doing businesses and job losses, political and social instability and the cyber-attacks etc.

4.116 On this basis, the priorities of the RGC of the sixth Legislature focus on:

1. Developing and implementing a long-term digital economy strategic framework while classifying digital sector as a sub-sector in the national accounts.
2. Further updating and implementing the telecommunication and ICT development policy, Master Plan for Information and Communication Technology as well as Law on Telecommunication, and relevant regulations, along with the development and implementation of a long-term ICT strategic framework.
3. Further strengthening and expanding the development of necessary supporting infrastructures, including ICT infrastructure, domestic postal and express delivery infrastructure and logistics and electronic payment infrastructure while assessing the possibility of developing a national internet gateway.
4. Promoting the establishment of a legal framework to support digital development, including the implementation of digital government and information security strategy, E-Commerce law, cybercrime law as well as amendment of laws and related regulations which underpin growth and prevent risks in this sector.
5. Developing education and training program by focusing on the broad use of digital technology and incorporation of the use and awareness of digital technology into the academic curriculum, in line with market demand, along with the establishment of partnership mechanism between businesses and universities and vocational training institutions to create new digital skill development and training programs.
6. Developing entrepreneurship and digital ecosystems that are conducive to the creation of new businesses, promoting the use of digital system in business, and establishing an entrepreneur cooperation mechanism within the RGC or some forms of partnership with the private sector.

#### B. Planned Actions to Implement the Prioritized Policies

4.117 To implement the RGC's priority policies in the Sixth Legislature of the National Assembly, **the National Science and Technology Council** will continue its activities as follows:

1. Building and strengthening sufficient human resources, both quantitatively and qualitatively, while considering the factors of gender equality and the inclusiveness that enable them to fulfill their duties, and to provide appropriate incentives to gain

- qualified human resources in science, technology and innovation for technical aspects and national strategic planning. The necessary measures are as follows:
- Prioritizing the development of human resources in science, technology and innovation, based on the existing education system and vocational training, with support from the society and international cooperation. Likewise, encouraging well-known scientists and attracting talented persons from abroad, which contributes to effective human resource building. By 2023, the RGC and the private sector will jointly build human resources in science, technology and innovation with around 664 researchers in 1 million people and the equivalent of 377 full-time working hours per 1 million people.
  - Building human resources components in science, technology and innovation, necessary at all levels and the relevant ministries and agencies.
2. Enabling the effective and efficient national research and development activities and building an inclusive innovation ecosystem, focusing on adaptability and imported technology localization. Upgrading the national priority industry to serve domestic consumption and exports, which will lead to better development. At the same time, increasing the ability to absorb international technology to increase momentum and move from the status of a lower middle-income country to an upper middle-income country that promotes sustainable development. To accomplish this, the necessary measures are as follows:
    - Promoting research and development (R&D) by focusing on experimental R&D which are national priorities and can help absorb and adapt foreign technologies, based on strategies of self-inventing and purchasing (if necessary) and transferring the burden to the private sector at each stage.
    - Creating, implementing, and managing (1) research and development funds of ministries and agencies; (2) technology procurement funds for ministries and agencies that do not conduct direct research; and (3) the national research and development fund, which is competing to support the national research and development activities set out in the national agenda of science, technology and innovation to stabilize the budget for key research and development, which is one of the main pillars of the development of the science, technology and innovation.
  3. Strengthening institutions, legal frameworks and financial support systems on science, technology and innovation to enable the national science, technology and innovation ecosystem to work together to implement human resource development, national research and development programs, as well as the commercialization of the results of this research in order to develop the public and private sector with a dynamic potential market along with better international collaboration. In order to accomplish this task, the necessary measures shall be applied are as follows:
    - Organizing and strengthening the institution to be responsible for science, technology and innovation and research and innovation.
    - Strengthening the public services as a key part of the innovation ecosystem such as patents and national standards for recognition and recognition of technology with national pride and global confidence.
    - Developing laws, regulations and financial support systems, which form the basis for the development of science, technology and innovation.
    - Strengthening the international cooperation in science, technology and innovation and preparing for official scientific diplomacy with the agenda of the science, technology and innovation for top-level discussion to make the relation of science, technology and innovation proceed smoothly.
  4. Cultivating the society to have the inclusive culture of science, technology and national innovation by building confidence and public belief in national technological

products and services, and enjoying the results of efforts and investment in the development of science, technology and innovations as well as on governance reform.

**4.118** The effective development of science, technology and innovation requires international cooperation and the improvement of the public-private partnerships and cooperation which aim to build joint strategies and create an innovation system.

**4.119** To implement the RGC's priority policy in the Sixth Legislature of the National Assembly, **the Ministry of Post and Telecommunication (MPTC)** will continue its key activities as follows:

**Promoting ICT development**

- Developing the policy on digital government.
- Developing the national information network infrastructure for cloud technology.
- Establishing a micro data center for running high-speed internet projects to homes, information centers, and e-learning.
- Creating new management software system and creating a common national website.
- Expanding server capability, website, e-mail server, and setting up a digital signature certification mechanism for ministries and agencies, capital/provinces, and the national and sub-national authorities.
- Setting up a licensing mechanism, digital signature for businesses, and registering permits for businesses in ICT.
- Managing and resolving the ICT security issues.
- Establishing an ICT industrial park and showing the evolution of the latest technology.

**Mainstreaming the awareness and promotion of the use of ICT** in rural areas, especially for vulnerable people such as disabled persons, women and children, to reduce threats to women and children on the internet, and to provide short training courses on ICT to ministries and agencies, capital/provinces and other relevant entities.

**4.120** To achieve the priority policies in the sixth legislature of the National Assembly, **Ministry of Commerce** is implementing the actions as below:

- Developing policy, both legal and regulatory, in the field of trade, while responding to digital economy and industrial revolution 4.0: (1) developing trade policies in line with national, regional and global context, (2) promoting the establishment of law on E-commerce, (3) coordinating, strengthening and promoting the implementation of laws and regulations related to business activities through electronic system and management of market activities by issuing licenses and monitoring of risks, (4) continuing to manage system and filling of notices of secure transaction ([www.setfo.gov.kh](http://www.setfo.gov.kh)) to be more effective, safe, secure and reliability, and (5) developing the establishment, analysis, and evaluation of laws and legal regulations related to trade in line with the global context; and
- Developing entrepreneurship and business practices in the digital economy and responding to the Industrial Revolution 4.0: (1) strengthening the work of the Chamber of Commerce in all centers and disseminating the benefits of organizing and forming business associations through regulatory documents as well as strengthening the capacity of existing business associations, (2) continuing to promote and attract local and foreign traders and investors to participate in developing and producing of potential products, and (3) strengthening and expanding the number of workshops or training on packaging quality, base price, standards, and trademarks which showcase the idea of creating new products and how products circulate in the market.

**4.121** To implement the RGC's priority policy, **the Ministry of Information** will implement the following activities:

- Continuing to promote the national media and to encourage the private media to realize the efficiency potential, making broadcasting coverage widely reach people both in the country, in regions and in other continents. This is to provide information, education and entertainment with quality and equity to the Cambodian people living anywhere both inside and outside the country, with an attempt to promote of the Khmer identity and the country's prestige to the world.
- Preparing a technical material modernization plan for the national broadcasting team to respond to the need of the national official broadcasting.
- Continuing to promote the establishment of sub-national radio and television stations in the provinces, prioritizing the provinces in north-western and north-eastern parts of the country in line with the principles of democratic development and good governance at the sub-national level, as defined in the Strategic Framework on Decentralization and Deconcentration Reform.
- Promoting the technical trainings and capacity building for sub-national program and information production officials to allow national radio stations to broadcast live events at the national level and produce social education programs and issues related to women and children.
- Promoting the implementation of the Law on the Press and continuing its research efforts to develop new legal frameworks for regulating the information and audiovisual sector in the framework of the rule of law, ensuring both the rights to freedom of expression, journalism, and democracy.
- Continuing to encourage and broaden the participation of the private sector, CSOs and NGOs in the information and audiovisual sector.
- Promoting the quality of news coverage covered by national news, reflecting on all aspects of Cambodia's social life as a true, accurate as in the slogan "**new, fast, trustworthy, anywhere, anytime**", based on responsibility and respect of the professional ethics to ensure the promotion of the rule of law and liberal multi-party democracy.
- Creating all types of promotion such as social education, legal education, education programs on gender and children and awareness programs for all in collaboration with relevant ministries and agencies.
- Through their modern media, all national media are obliged to contribute to promoting Cambodia's national identity and prestige on the international stage as well as to the timely reaction of all broadcasts and information that may be distorted and can cause harm to the harmony and the national peace or affect the rights of individuals as well as affecting the dignity of the general public.

**Table 4.10: Key indicators of the Ministry of Information**

Key Indicators	Unit	2018	2019	2020	2021	2022	2023
A. State Media							
1. State Television (TVK)							
- Central Station	No	01	01	01	02	02	02
- Provincial Stations	No	07	08	08	10	10	12
2. State Radio (RNK)							
- Central Station (AM)	No	03	03	03	03	03	04
- Provincial Stations (FM)	No	18	20	20	22	23	24
3. National News Agency	Location	01	01	01	01	01	01
B. Private Media							

1. Private Television Stations	No	12	13	14	14	15	15
2. Cable TV (capital/provinces)	No	96	155	161	167	173	179
3. Private Radio Stations	No	51	53	55	57	59	60
4. Printing media (newspaper, bulletin, magazine in Cambodian and foreign languages)	No	574	580	580	600	600	600
5. Printing House	No	136	136	140	142	144	145

Source: Ministry of Information

**4.122** To implement the RGC's priority policies, **the Ministry of Industry and Handicraft (MIH)** will implement a number of activities as follows:

- Diversifying the industry and expanding the industrial production capacity, increasing productivity, with a particular emphasis on the implementation of the **IDP 2015-2025**.
- Encouraging investments to create industrial clusters, industrial parks and the establishment of Special Economic Zones as well as investment in infrastructure development and linking both software and hardware supporting all industrial production activities.
- Strengthening scientific, technological, and innovative cooperation and promoting research activities and encouraging new innovations in business, services and products that are appropriate in national and digital contexts or industry revolutions 4.0.
- Continuing and participating in policy development promoting science, technology innovation.
- Preparing a draft proposal for a draft Law on Technology Transfer.
- Strengthening the procedures and cooperation with domestic and international partners in strengthening and facilitating the registration, protection, and provision of patent licenses in the industry sector.
- Promoting and encouraging the implementation of inclusive business modeling or business activity, and social entrepreneurial initiatives to create a viable platform for a systematic solution to accelerate the innovative business of the private sector, which can help provide to solve problems for poor and low income people in the country.
- Enhancing the capacity of local processing handicrafts and use of digital commerce in businesses, especially innovative businesses, and providing social benefits such as social enterprises, in contribution to local job creation.
- Promoting supporting and enhancing the movement of One Village One Product.
- Continuing to promote the management of SMEs statistics across the country in the formulation of a strategic plan to promote and support the SME development and handicrafts.
- Continuing to promote cooperation with development partners in promoting SME development and handicrafts.
- Promoting, supporting and enhancing the movement of One Village One Product, creating training courses on financial control and handicraft, enterprise management in collaboration with development partners.
- Promoting the formal inclusion of SME Development Policy and 5-year implementation plan and implementation of activities set out in this policy which focuses on five priority areas: (1) promoting a legal and regulatory environment as well as the capacity of public institutions; (2) promoting entrepreneurship and human resource capacity development; (3) promoting local trade, productivity, quality, technology and innovation; (4) expanding links to foreign and international markets and (5) improving access to financing.

**4.123** To implement the RGC's priority policies, **the MOEYS** will implement the following activities:

- Developing a curriculum framework in response to the Industrial Revolution 4.0.

- Strengthening the new teaching and learning methods, such as discovery learning approach and other approaches for 21<sup>st</sup> century skills.
- Training skills in science, technology, engineering, creative art and math.
- Promoting the implementation of policies on science, technology, engineering and mathematics.
- Promoting the use of ICTs.

**4.124** To implement the RGC's priority policies, **the General Secretariat for Promotion of the One Village One Product Movement** will continue to implement the key activities of **the National Policy on Promotion of the One Village One Product Movement 2016-2026** as follows:

- Development of legal frameworks and mechanisms.
- One Village One Product mapping.
- Promotion of institutional and human resource development related to the promotion of the One Village One Product movement.
- Promotion of a better change in mindset.
- Raising awareness on the experiences in the promotion of the One Village One Product movement.
- Enhancement of the participation from all relevant parties to promote the One Village One Product program.
- Develop the One Village One Product research and development capacity.
- Build the capacity in making the agricultural, industrial, handicraft products and services.
- Promote the product quality to meet the One Village One Product standards.
- Seek the financing concession or loan.
- Promote the market development and business management.
- Create, compile or strengthen or extend the One Village One Product promotion association/community.
- Promote the participation of the youth and women in the promotion of One Village One Product.
- Promote the participation from the skilled, experienced and local people in the promotion of One Village One Product movement.
- Promote sustainable development.

#### **4.4 PROMOTING DEVELOPMENT OF BANKING AND FINANCIAL SECTOR**

##### **A. Policy Priorities for the Sixth Legislature**

**4.125** The strategic goal of the RGC is to further develop the financial sector to be more diversified, inclusive and resilient to shocks based on market principles, in line with financial and economic integration in the region to help underpin sustainable growth and enhance livelihoods of the people. To date, the RGC's achievements include the development of policies and regulations, especially by strengthening control and monitoring mechanisms in the financial and banking sector, developing financial infrastructure, providing favorable conditions to people through imposing an interest rate ceiling of 18% per annum for loans from MFIs, further developing an insurance sector and securities market, which include primary market and equity-finance market, and establishing of derivatives market and raising awareness of advantages of listing on the stock market to facilitate SMEs' registration.

**4.126** However, this sector still faces some challenges in that financial tools are not fully diversified, crisis prevention and resolution mechanisms including an early-warning system are not yet in place, policy coordination is not good enough, financial literacy of Cambodian people is still limited amid the rapid development of financial systems, domestic saving remains low, interest rates remain high, high dollarization limits the effectiveness of monetary policy, and the development of insurance sector remains limited.

4.127 Based on these, the priorities of the RGC of the sixth legislature will focus on:

1. Further implementing the “**Financial Sector Development Strategy 2016-2025**” by undertaking the following: developing the payment gateway infrastructure; promoting the development of payment system using financial technologies (Fintech); coordinating policy and regulatory frameworks; strengthening institutional capacity and human resources related to financial and banking sector in line with Cambodia’s economic progress and in response to the needs of integrating Cambodia’s financial system into the region and internationally.
2. Further ensuring financial stability, especially through strengthening the management and supervision mechanisms of the financial and banking sector by adopting a risk-based and forward looking approach; speeding up the establishment of financial stability committee as well as developing a crisis prevention and resolution mechanism, including an early warning system, financing options and enacting a Law on Deposit Protection.
3. Strengthening the roles of the banking sector to mobilize domestic financing; conducting studies and preparing policies and mechanisms to expand the financial service coverage and the principles of financial consumer protection to promote people’s living standards and economic development.
4. Further developing the securities market by encouraging enterprises and companies to issue public securities; enhancing trading mechanism by establishing institutional investors; establishing future market operators; and exploring the possibility of developing a digital asset trading management mechanism.
5. Exploring the development of a government bond market to serve as the foundation for setting the base interest rate; mobilizing financing for public investment and strengthening monetary policy.
6. Encouraging the development and use of Financial Technology (FinTech) in financial and banking sector aimed at modernizing and increasing the cost-effectiveness and safety of banking operations.
7. Enhancing, analyzing and monitoring the competency and oversight on money laundering activities and terrorist financing.
8. Encouraging a wider use of the Riel by developing a national-level policy aimed at increasing participation from stakeholders; raising people’s financial literacy aimed at increasing the efficiency and contributing to the economic growth.
9. Further strengthening and expanding new insurance products, especially life insurance and micro insurance by improving the regulatory framework; strengthening insurance operator’s capacity and consumer protection.

## **B. Planned Actions to Implement the Prioritized Policies**

4.128 To implement the RGC’s priority policies in the Sixth Legislature of the National Assembly, **the NBC** will continue its key activities as follows:

### **Banking Sector**

- Maintaining the financial stability by strengthening the capacity and capabilities of the financial stability monitoring unit. Early Warning System is one of the tools used to signal the potential for deterioration in the soundness of the financial institutions. All financial sector agencies will provide the necessary data and information to enable a comprehensive and high quality financial stability report to be produced. The government plans to establish a national financial stability committee, which created a comprehensive institution framework in order to monitor and maintain the financial stability.

- Preparing for crisis, which supervisory agencies will adopt a cooperation framework and procedures in crisis preparedness. Each agency will also create its own contingency plan and contribute to a national contingency plan.
- Studying the possibility of implementing a depositor protection scheme to increase public confidence in the banking system, especially for small depositors. Under Cambodia's Banking Law, NBC will lead the work on the depositor protection scheme, in cooperation with MEF. With current developments in banking system, there is a need to establish a special resolution regime (i.e. a law providing NBC with more alternatives to resolve problem banking promptly with low cost).
- Complying with the Basel Core principles on Effective Banking Supervision and prevail global standards which are key elements for enhancing the effectiveness of banking supervision. Currently, NBC is making good progress toward fully complying with the 29 Basel Core principles. NBC will improve the status of compliance especially on risk management processes such as sovereign and transfer risk, operational risk, interest rate risk, and consolidated supervision.
- Reviewing regulation on solvency ratio and prompt corrective actions. NBC will also recruit and train additional staff in banking supervision and undertake other targeted capacity building program. NBC will enhance its supervisory approach toward being risk based and forward-looking. This process requires capacity building and undated information technology.
- Further promoting the use of Riel currency by setting up a national policy on promoting the use of Riel. The government plans to establish various working groups to evaluate market, new services, and other instruments meant to promote the use of Riel.
- Supervising anti money laundering and combating the financing of terrorism, an item in supervision and monitoring of banks. NBC, along with CAFIU, has raised awareness among banks microfinance institutions and microfinance deposit-taking institutions on AML and CFT compliance matters.
- Improving the effectiveness in issuing ownership titles as well as reducing its cost. Also, the government plans to solve problems related to the issuance of fragmented ownership on co-owned building and real estate registration at Department of Collateral Registration. In addition, the government will enforce the process of real estate registration to be used when borrowing from banks and financial institutions.
- Reviewing the desirability of expanding consumer protection principles in existing regulations by setting out more specific requirements on lending products, advertising and promotional materials, complaint procedures, fees, interest rate calculations, and collection practices.
- Enhancing financial inclusion by (i) reducing the level of financial exclusion, (ii) promoting sustainable and inclusive growth, (iii) enabling the development of a comprehensive ecosystem to support financial inclusion, and (iv) allowing the benefits of financial inclusion to be shared by all people.

### **Microfinance Sector**

- Adopt the updated national strategy for microfinance sector and a new strategy for financial inclusion.
- Supervise the microfinance sectors and plan to enhance compliance with the Basel committee's Core principles for Effective Banking Supervision for microfinance activities. The NBC will continue to focus on supervision and issuance of

regulations following international standards for supervising microfinance institutions.

- Strengthen enforcement of laws by taking strict actions against unregistered microfinance operators and those who continue to operate illegally.
- Enhance for Financial Literacy by continuing to conduct its public awareness campaigns, particularly for people in rural areas, in order to enhance further understanding about financial literacy and promoting financial inclusion, clearly clarifying with the public that microfinance institutions are neither state-owned and nor charitable organizations.
- Seek low funding sources, to study the factors that contribute to high cost of funds, and to find ways to reduce interest rates with market mechanism.
- Reduce shadow banking activities by strengthening data and information gathering and taking action to reduce shadow banking activities that can create risks to financial stability.

## 5. PRIVATE SECTOR AND JOB DEVELOPMENT

4.129 The development of private sector remains the priority for the RGC in the market economy development approach and plays a key role to in promoting growth and socio-economic development. In this spirit, private sector development will be implemented through a package of comprehensive measures which covers: (1) Job market Development (2) Promotion of Small and Medium Enterprises and Entrepreneurship (3) Organization and Implementation of Public Private Partnership and (4) Strengthening Competition.

### 5.1 JOB MARKET DEVELOPMENT

#### A. Policy Priorities for the Sixth Legislature

4.130 The strategic goals of the RGC are the development of job market, high income, good working condition and attention to the welfare of the workers-employees both formal economy and informal economy.

4.131 In the meantime, Cambodia still faces some challenges such as labor quality and productivity is still low if compared to other countries within the region, majority of the labor force is working in the informal economy, employment and seniority data management system is not firm, the arrangement of occupational safety and health management system at the factories, enterprises is limited, the safety of workers-employees transportation is not fairly good, management of factory closure and payment of seniority indemnity is insufficient and limited protection services for migrant workers.

4.132 In the Sixth Legislature of the National Assembly, the RGC will focus on:

1. Further strengthening the “**Job Forum**” mechanism; providing job orientation training and expanding job recruitment and advertisement services; and streamlining labor market information, both inside and outside the country, in order to increase employment opportunities in an equitable manner and reduce migration for high risk jobs.
2. Implementing the Law on Minimum Wage for workers/employees subject to the provisions of the Labor Law by effectively reinforcing the tripartite mechanism; establishing criteria and principles considered in minimum wage negotiation process in line with socio-economic situation and productivity level; biweekly payment of wages and regular annual seniority payment to workers/employees.
3. Strengthening and expanding the implementation of apprenticeship/internship programs by making amendments to the Labor Law; institutionalizing the apprenticeship/

- internship system in conjunction with the provision of an incentives system for participating enterprises and establishments.
4. Strengthening the quality and effectiveness of work inspection in compliance with the Labor Law, the Law on Unions, the Law on Social Security, and international labor standards in order to improve workers' rights, freedom of association, the working conditions, travel to work safety of workers-employees; Strengthening workers-employees data management system in order to manage the issuance of work certificates, payments of seniority bonuses and pensions.
  5. Improving the industrial relations by reinforcing the work dispute settlement mechanism, better enforcement and proper interpretation of legal provisions related to the Labor Law, the Law on Unions, the Law on Social Security and other international labor conventions.
  6. Strengthening the governance of migrant workers and expanding bilateral and multilateral cooperation to open up job markets in foreign countries; preventing illegal migrant workers; promoting the protection of workers' rights, work safety and dignity; facilitating communication with migrant workers' families; and reintegrating returning migrant workers through skills recognition, transfer of their social security entitlements back to the country; and consultations on job seeking opportunities and the prospect for self-employment.
  7. Endeavoring to reduce the cost of electricity and clean water for workers-employees, and students living in rented houses; promoting safe accommodation and transport arrangements for workers-employees; implementing the 3-month maternity leave with 120% salary; providing free healthcare service and pregnancy examinations at public hospitals/health centers; providing assistance to female workers who are pregnant or have just delivered babies; and reviewing the tax exemption threshold for the minimum wage and providing tax exemption for additional benefits.

## B. Planned Actions to Implement the Prioritized Policies

4.133 To implement the RGC's priority policy in the Sixth Legislature of the National Assembly, **the MOLVT** will continue to implement following key priority activities:

- Developing working conditions and harmonization in industrial relations by continuing to improve working conditions, occupational safety and health, prevent the use of child labor and forced labor, strengthen the mechanism of minimum wage determination and benefits of workers, employers and strengthen the harmonization in industrial relations aiming to promote working conditions and harmonization of industrial relations that brings about trust for workers and employers who are investing in Cambodia.
- Modernizing the system of technical vocational education and training development by further strengthening of the quality of technical skills training, expanding skills training to support the socio-economic development policies, strengthening the partnership between the public and private sectors and other partners to ensure the sustainability of technical vocational education and training, promoting governance in technical vocational education and training and promoting research and innovative technology to ensure that "**One Youth, More Than One Skill**" to promote knowledge, vocational skills, entrepreneurship, creativity, innovation, virtue, morality and spirit of responsibility, good health, good physical, women's roles and social protection, in particular to promote socio-economic development to stepped up to upper middle-income country in 2030, and high-income country in 2050.
- Broadening career and employment space by increasing decent work and employment productivity; expanding mechanisms, scope and efficiency of career and employment services to better respond to meet the needs of consumers, management of the use of labor force in the country and protection of the Cambodian migrant workers; providing orientation prior to entering into work to increase equitable

employment opportunities and reduce risk of migration and promote socio-economic development in Cambodia.

- Developing social security fund for workers and public officials, former civil servants and veterans by continuing to strengthen and expand practices of social security on occupational risk scheme, strengthening and expanding the implementation of social security fund in health care, promoting the preparation to launch pension schemes and to strengthening social security fund in the informal economy as well as developing the capacity to optimize the provision of services aiming to promote social welfare and national solidarity as well as contributing to poverty reduction at the maximum, particularly social protection for workers, public officials, former civil servants and veterans.
- Continuing to cooperate with **the MME and the MIH** to promote the linkage of electricity and clean water at affordable price to workers and students living in rented houses and promote the implementation of special lease laws (lease of rooms), tax exemption for additional benefits and continue the adjustments of the taxable minimum wage from 1 million riels.

**4.134** To implement the RGC's priority policies in the Sixth Legislature of the National Assembly, **the Ministry of Planning** will continue its key priority actions as follows:

- Continuing to identification of poor households and produce ID poor or equity cards as soon as possible.
- Expanding regional coverage for the identification of poor households, including urban areas, and on specific requests for vulnerable populations such as persons with disabilities or veterans, families, and people living with HIV/AIDS.
- Disseminating the data on poverty to all ministries and agencies and other relevant stakeholders.

## **5.2 PROMOTING SMALL AND MEDIUM ENTERPRISES AND ENTREPRENEURSHIP**

### **A. Policy Priorities for the Sixth Legislature**

**4.135** Small and medium enterprises play an important role in enhancing economic growth, job creation, reduction of poverty and migration. The RGC's strategic goal is to continue strengthening the development and modernization of small and medium enterprises, promoting entrepreneurship and the creation of new enterprises substitute imports with domestic production, connecting small and medium enterprises with FDI, and enhancing the export of products with high potential especially in agriculture, food processing and agro-industry sectors.

**4.136** Challenges in developing small and medium enterprises include an ineffective provision of public services and institutional coordination which are both complicated and time consuming, limited access to credit while sources of investment capital remain narrow, a need for more comprehensive tax incentives, lack of entrepreneurship and business management competencies, limited infrastructure support such as national laboratories, and inefficient trade facilitation with high cost compared to neighboring countries in the region.

**4.137** In the Sixth Legislature of the National Assembly, the RGC will focus on:

1. Finalizing the preparation of the "**SMEs Development Policy**" and promoting subsequently its effective implementation.
2. Strengthening the supporting mechanism to facilitate registration, service coordination, the widely and timely dissemination of market information, and the dissemination and mainstreaming of new technologies in an effort to open up markets for Cambodian products.

3. Establishing a “**SMEs Bank**” to provide financing to SMEs and promoting the development and implementation of other financing arrangements/options including the Collective Investment Scheme.
4. Establishing a “**National Entrepreneurship Fund**” and “**Entrepreneurship Development Center**” in collaboration with the private sector with the aim of promoting entrepreneurship and efficiency in businesses.
5. Strengthening and expanding additional investment on supporting infrastructure such as a national laboratory and, improved trade facilitation and logistics system as well as promoting investment in the creation of SMEs clusters.
6. Enhancing productivity for SMEs through stricter compliance with sanitary and phytosanitary requirements, technical standards and products innovation through the protection of intellectual property and patents.

## **B. Planned Actions to Implement the Prioritized Policies**

**4.138** To implement the RGC’s priority policy in the Sixth Legislature of the National Assembly, **the MIH** will continue its priority activities as follows:

- Reviewing the strategy or action plan supporting the private sector on production, increasing the competitiveness of SMEs and handicrafts, and expanding the Cambodia market.
- Promoting and encouraging the implementation of an inclusive business model or business activities, as well as social enterprise initiatives to create a new dynamics for a systematic solution that will accelerate the innovative business of the private sector that can help to solve problems for poor and low income people in Cambodia.
- Implementing wide cross-sector meetings linking systematic relationships between producers, suppliers and marketers by requiring close participation and collaboration with relevant ministries and agencies and private sectors such as Chamber of Commerce, Chamber of Employment, associations or unions, and enterprises.
- Continuing to establish a Business Development Advisory Center and cooperate with private business development advisory bodies.
- Creating a business environment in order to increase registration, authorization, establishment of a small-scale manufacturing enterprise and handicraft, and to improve One Window Service Office.
- Improving the processing capacity of local handicraft enterprises and the use of digital systems in businesses, especially innovative and social businesses providing such as social enterprises in contribution to local job creation.
- Promoting the policy formulation for the development and management of salt fields.
- Organizing promotions and training on food safety and promoting compliance with national and international standards.
- Encouraging and promoting local processing handicraft activities, using materials such as rattan, bamboo.
- Continuing to promote the management of basic statistics on SMEs and handicrafts in the entire country for the formulation of a strategic plan to promote and support the development of SMEs and handicrafts.
- Continuing to promote cooperation with development partners in promoting the development of SMEs and handicrafts.
- Encouraging, supporting and promoting a One Village One Product Movement, organizing training courses on financial management and handicraft management in collaboration with development partners.
- Increasing promotion activities and organizing competition programs, and exhibitions of domestic and foreign products to promote domestic products.
- Promoting the formal inclusion of SME Development Policy and the five-year implementation plan and implementing the activities set out in this policy which focus

on priorities, i.e. promoting legal environment, institutional capacity, entrepreneurship and human resource capacity development, local trade, productivity, quality, technology and innovation, as well as expanding the links to international and foreign markets.

**4.139** To implement the RGC's priority policies in the Sixth Legislature of the National Assembly in attracting investment to create a small and medium-sized enterprise cluster, **the Council for the Development of Cambodia** will implement the following key activities:

- Participating in the consultation on the policy of encouraging industrial parks for small and medium enterprises to promote linkages between foreign enterprises and local enterprises.
- Organizing or participating in study tours to explore the design of industrial parks for small and medium enterprises that promote linkages between foreign enterprises and local enterprises, in particular the participation in the value chains and the production chain in the context of regional integration with Thailand or Vietnam, or any other country in a region that has similar situation.

**4.140** To achieve the priority policies in the Sixth legislature of the National Assembly, **the Ministry of Commerce** is implementing the actions as below:

1. **Research and Trade Training Development:** (1) Disseminate new trade policies and promote business-related subjects in e-learning, (2) training on entrepreneurship and the development of SMEs in terms of business and project management, e-commerce, opportunities and challenges.
2. **Develop of Trade Activities in Capital and Provinces:** (1) Develop business management, and (2) Develop business skills.
3. **Gender and Trade Sector:** (1) Promote gender equity in the field of trade as well as public service, (2) strengthen and expand the concept of gender, gender equity and women in SMEs sector, and (3) gender mainstreaming in cross-sector initiatives for short-term strategies (vocational training and skills) and long-term strategies.

## **5.3 ARRANGEMENT AND IMPLEMENTATION OF THE PUBLIC PRIVATE PARTNERSHIP**

### **A. Policy Priorities for the Sixth Legislature**

**4.141** The strategic goal of the RGC is to establish and fully implementation a public investment management program through a comprehensive and integrated public-private partnership mechanism in accordance with the international best practices.

**4.142** As a result, Cambodia achieved noticeable progresses in promoting private sector participation by adopting the **“Policy paper on the development of public-private sector partnership mechanism for managing public investment project 2016-2020”** and establishing institutional mechanisms as well as implementing large investment projects in the energy, transport and information technology infrastructure sectors, especially in the form of **“build-operate-transfer”**.

**4.143** Major challenges include the continued use of **“ad hoc mechanism”** in carrying out public-private partnership project, lack of financial project risk assessment, insufficient regulatory frameworks, limited capacity in initiating, developing, negotiating and managing the projects.

**4.144** During the Sixth Mandate of the National Assembly, the RGC will focus on:

1. Continueing to carrying out the works under the **“Policy paper on the development of public-private partnership mechanism for managing public investment**

**project 2016-2020”** and formulating a long term **“policy to implement public investment projects under public-private partnership”** that will contribute to creating a favorable environment for encouraging the participation of the private sector and financial institutions.

2. Developing further the legal and regulatory framework with the introduction of a joint operation management procedure and assessing the possibility to launch the necessary supporting financial arrangements in line with Cambodia’s economic development context.
3. Reinforcing institutional and human resource capacity at relevant ministries/institutions on the management and implementation of projects under the public-private partnership mechanism.
4. Expanding the portfolio of public investment projects through the public-private partnership mechanism in order to attract additional private funding to advance the development of infrastructure and increase quality public service delivery aiming to supporting sustainable economic growth and easing the reliance on national budget and public debt.

## **B. Planned Actions to Implement the Prioritized Policies**

**4.145** To implement the RGC’s priority policies in the Sixth Legislature of the National Assembly, **the Ministry of Economy and Finance** will implement its key activities as follows:

- Developing a public investment framework and public private partnership.
- Continuing to encourage and promote the development of SEZs, export processing areas, free trade zones and border market development with the participation of the private sector.
- Continuing to implement and operate the Private Sector Government Forum mechanism to further address the concerns of the private sector and to further strengthen the private sector with greater ownership and independency.

**4.146** To participate in the implementation of the RGC's priority policies in the Sixth Legislature of the National Assembly in the formulation and implementation of public-private partnerships, **the CDC** will undertake the following key activities:

- Continuing to implement the **"Policy Paper on the Development of Public Private Partnership Mechanism for Public Investment Management 2016-2020"**.
- Continuing to promote and attract local and foreign investors to invest in large infrastructure projects such as transport, roads, bridges, energy and communications and information, to support the reduction of funding from the national budget and public debt.
- Continuing to review and provide inputs on the design of **“public investment project implementation policies under the public private partnership mechanism”** and continuing to formulate relevant regulation framework and provisions.
- Continuing to participate in reviewing and approving the list of priority projects and the feasibility study results of the priority projects, including those that will be piloted under the public private partnership mechanism.

**4.147** To achieve the priority policies in the Sixth Legislature of the National Assembly, **the Ministry of Commerce** is implementing the actions as below:

- **Strengthening Private Sector:** (1) Strengthening and expanding the development of private institutions through the establishment of business associations and chambers of commerce, (2) evaluating the needs of trade facilitation among business-related institutions, (3) carrying out dialogue and discussion, and regularly deal with challenges faced by businesses with relevant institutions, (4) promoting export and

studying value addition of potential products, (5) continuing to monitor fuel retail prices at in domestic and international markets and adjust the price index, and (6) expanding training activities to relevant government officials and private sector staffs and establishing a research program supported by development fund agencies;

- **Strengthening and Expanding Trade Facilitation:** (1) Continuing to develop administrative procedures and strengthening trade facilitation, (2) strengthening collaboration between state institutions and the private sector in trade, and (3) monitoring and evaluating the trade facilitation.

## 5.4 ENHANCING COMPETITION

### A. Policy Priorities for the Sixth Legislature

4.148 The strategic goal of the RGC includes the increase of economic efficiency and productivity and enhancement of the competitive and innovation of its public institutions, business people and citizens. As for the achievement, the global competitiveness index of Cambodia has improved, from the 112th out of 117 countries in 2005 to 94th out of 137 countries between 2017-2018.

4.149 However, improving competitiveness faces some challenges have remained including the lack of legal framework in promoting fair and honest competition, limited processing capacity and value added creation, the lack of skilled labor, and the low efficiency of supporting sectors.

4.150 On this basis, the RGC of the Sixth Legislature will focus on:

1. Drafting and enacting the Anti-Trust/Competition Law; establishing a legal framework for strengthening industry structures and promoting a culture of competition.
2. Reviewing and amending the Insolvency Law to encourage risk taking and protect entrepreneurship.
3. Promoting the use of commercial arbitration as a capable and credible alternative dispute resolutions mechanism.
4. Stimulating the establishment of products, services and management standards and upgrading those standards to enhance quality and the adoption of new technology.
5. Drafting and enacting Consumer Protection Law including its implementation mechanism to promote health and protect the rights and safety of consumers, enhance product and service standards and propping up more competition.
6. Enhancing fair level playing field, particularly through stricter custom and tax compliance and transparent and proper public procurement procedure.

### B. Planned Actions to Implement the Prioritized Policies

4.151 To achieve the priority policies in the Sixth Legislature of the National Assembly, **the Ministry of Commerce** is implementing the actions as below:

1. **Competition and Consumer Protection:** (1) Strengthening the process of preventing any fraudulent attempts of products' quality and safety of all means, at the markets nationwide, (2) continuing to promote the effectiveness of managing and monitoring activities to provide accurate information to users such as product labels, product usage, product promotions, which is especially deceptive or misleading for the consumers, (3) continuing to monitor the standards of food safety by adopting the national standard and related codec standard, and (4) promoting the Competition Law including document compilation, training, and dissemination of the law.

2. **Solution to Trade Dispute:** Continuing to cooperate with the National Arbitration Center for Trade and conducting research on relevant law enforcement documents of **the Ministry of Justice** in order to promote the commercial court process.

4.152 To implement the RGC's priority policies in the Sixth Legislature of the National Assembly, **the MIH** will continue to implement its key activities as follows:

- Encouraging medium-term planning for SME development by identifying potential business opportunities for export, new product development, value chain linkages and regional production network, and developing a necessary and realistic activity framework for developing those enterprises.
- Examining the ability to provide support to SMEs on trainings and investment in machinery or production equipment and other incentives linking with the conditions of local raw material production, improving product quality and modernizing the production chain aimed at linking multinational corporations.
- Strengthening the single-window mechanism for SME registration, by using the licenses and accounting records for the evaluation basis and conditions for providing incentives and support from the RGC.
- Continuing to strengthen the institutional framework and the capacity to manage the meteorology and standards that are the foundation for industrial activities and efforts to establish the legal framework and international recognition of key national institutions such as the National Center for Meteorology and the Cambodia Institute of Standards.
- Improving the efficiency of industry registration by implementing cooperation procedures, granting registration authority to partner agencies, and facilitating the registration of business agents on behalf of applicants, including taking into account the automation of industrial property registration.
- Supporting and enhancing the competence and authority of standards and meteorology in assuring quantity, quality, safety, environmental services and management.
- Promoting and encouraging the transfer of new technologies in manufacturing and handicrafts.
- Reviewing and mobilizing the potential of natural resources that promote the investment in heavy industry.
- Expanding the supply of drinking water in the capital, towns, industrial areas and SEZs by expanding the capacity of public and private water units in accordance with technical standards and in compliance with national drinking water standards.

## 6. INCLUSIVE AND SUSTAINABLE DEVELOPMENT

4.153 Along with the promotion of high economic growth, the RGC also focuses the attention on inclusive and sustainable development, particularly with regard to “**Cambodia Sustainable Development Goals**”.

4.154 In implementing this work, there are major challenges such as low growth in agricultural sector, limited efficiency of natural resource management, the rapid, but unbalanced growth of urbanization, and the need for capacity improvement in order to respond to climate change impacts. All of these require the RGC to place priority on: (1) promoting agriculture sector and rural development; (2) sustainable management of natural resources and culture; (3) strengthening urbanization management; and (4) ensuring environmental sustainability and readiness to respond to climate change.

## 6.1 PROMOTION OF AGRICULTURE SECTOR AND RURAL DEVELOPMENT

### A. Policy Priorities for the Sixth Legislature

4.155 The strategic goal of the RGC is to strengthen the role of the agriculture sector in generating jobs, ensuring food security, reducing poverty, and developing rural areas.

4.156 Nevertheless, the agriculture sector continues to face several challenges including low productivity, low quality of agricultural inputs, technical services that are yet to be responsive to demands, low development of agricultural supply chains, which are not responsive to market demands just yet, limited livestock farming and aquaculture, weak of comprehensive and complementary export facilitation mechanisms, continued import of agricultural products that can be supplied domestically, weak sanitary and phytosanitary system, lack of mechanism for providing agricultural market information linking to growing and cultivation plans, incomprehensive Research and Development (R&D), and underutilization of agricultural land. Along with these, rural development challenges include the need for improving the quality and maintenance of rural infrastructure, access to clean water, and rural sanitation.

4.157 On this basis, in the Sixth Legislature of the National Assembly, the RGC will focus on:

1. Promoting the development and implementation of the “**Master Plan for Agriculture Sector Development towards 2030**” and the “**Agriculture Sector Strategic Development Plan 2019-2023**”.
2. Accelerating the process to prepare, enact and enforce the “**Law on Plants Protection and Sanitary and Phytosanitary**” and the “**Law on Contract Farming**”.
3. Improving productivity, quality, and diversification through increasing investments in R&D for high value-added crops, livestock and aquaculture; promoting a Model Farm development; boosting agricultural extension service; strengthening farmer cooperative management; preparing contract farming production mechanism; reducing costs and improving quality of agricultural inputs; conducting studies related to the establishment of agricultural insurance services; developing financial products in support of agricultural production; and promoting the use of digital and smart technology in agriculture.
4. Upgrading the processing industry through the promotion of private investment in agricultural products with high potentials such as rice, cassava, mango, cashew nuts, banana, rubber, vegetables, etc and through the formulation of specific strategy for each crop.
5. Further promoting farming diversification aimed at substituting imports, and establishing clean and hygienic wholesale vegetable markets.
6. Promoting the commercialization of agriculture through better application of the Sanitary and Phytosanitary system, improved trade facilitation, additional investment in a quality laboratory for export and promoting the production and consumption of domestic agricultural products.
7. Fostering livestock and aquaculture through continued implementation of the “**Law on Animal Health and Production**”, the “**Strategic Planning Framework for Livestock Development 2016-2025**”, and the “**National Aquaculture Development Strategy 2016-2030**”.
8. Strengthening the management of economic land concessions; continuing the clearing of landmines and unexploded ordinances; and carrying on work related to the grant of social concession lands to poor households for family-based farming.
9. Prioritization of investment in irrigation systems by focusing on linkages with agricultural production areas together with regular maintenance and reinforced management of these systems.
10. Maintaining the efforts to promote a vibrant rural development with additional investment in rural roads, small-scale irrigation systems, expansion of electricity supply coverage

and access to clean water, sanitation upgrading, and improving people's livelihood through the “**One Village-One Product Movement**” and “**New Village Movement**”.

## **B. Planned Actions to Implement the Prioritized Policies**

**4.158** To participate in the implementation the RGC's priority policies for the Sixth Legislature of the National Assembly in promoting the processing industry by promoting private investment in potential agricultural products, **the CDC** will undertake the following key activities:

- Reviewing the feasibility for establishing the agricultural processing areas and provide incentives to companies located in those areas.
- Co-organizing business and investment forum to attract more investors in agro-processing industry.
- Participating in the review and discussion of incentive policies for companies investing in the agro-processing industry.
- Cooperating with relevant ministries and agencies to promote and encourage the private sector to establish export agricultural processing areas.
- Participating in formulating and developing strategies and master plans for agro-industrial processing areas.

**4.159** To achieve the priority policies in the Sixth Legislature of the National Assembly, **the Ministry of Commerce** is implementing the actions as below:

- **Increase Productivity:** (1) continuing to implement the program of Accelerating Inclusive Markets for Smallholders (AIMS): The project covers 17 provinces and five types of products: fragrant rice, vegetables, chicken, cassava, and silk, (2) continuing to promote agricultural products and agro-industry to promote these Cambodian products, substituting for import and leading to the export of which to foreign markets, (3) continuing to campaign for buying Cambodian products at the national in all provinces in Cambodia and participating in international trade fairs within the bilateral, regional and global framework, and (4) strengthening private sector institutions through the establishment of chamber of commerce and business associations throughout the country.
- **Strengthen and Expand Food Security:** (1) continuing to strengthen and maintain strategic food inventory ready-to-use for helping intervention to victims of flood, storm and any damages, (2) continuing to strengthen the stability price of rice in local market in order to maintain the benefit for the people and prevent them from the market from being taken into chaos, (3) continuing to buy and sell rice, and (4) continuing to negotiate bilateral trade agreement, with the existing rice markets.

**4.160** To implement the RGC's priority policies in the Sixth Legislature of the National Assembly, **the MAFF** will continue its prioritized activities as follows:

1. Continuing to enhance research into modern agricultural techniques and technology development in order to sustainably increase product quantity, quality and diversification while improving nutrition and adapting to climate change and local, regional and international market demand.
2. Strengthening the capacity of registered agricultural and animal raising cooperatives through promoting the performance of appropriate technology, the practice of water-saving techniques and contract-farming, and promoting private sector investment in agricultural value chains at all levels. This can be done through appropriate alignment of the partnership approach between the **public sector, the private sector and the agricultural cooperatives** aiming to extend market opportunities for agricultural commodities that are given priority, particularly for small-scale producers.

3. Strengthening and enlarging household rubber farming to stimulate opportunities for farmer to benefit from cultivating, harvesting, and processing rubber and to enhance farmers' bargaining power when selling their produce. Investment in rubber processing will be promoted to add value to the commodities and create job opportunities which will contribute to rural poverty alleviation.
4. Promoting diversification of agricultural products with higher added value in the crops, livestock, aquaculture, and timber farming sub-sectors as well as investment in main crops processing by continuing to improve the quality and safety of the agricultural commodities, including packaging and enhancing the capacity for quality standards inspection as well as strengthening the crop protection measures, and SPS control.
5. Promoting animal husbandry for commercial purposes in order to increase household profits and to encourage highly productive small, medium and large-scale animal farms that implement good quality, and safety measures as well as provide economic benefits to supply local demand and to increase export competitiveness.
6. Establishing crop, animal and fish quarantine control stations at the main border gates to hinder the transmission of zoonosis as well as pest, animal and fish diseases and to restrict the import and export of poor-quality agricultural products which have negative effects on public health and damage both local and international markets.
7. Strengthening the capacity of existing fishery communities in both freshwater and marine territories such as free of illegal fishing.
8. Updating the national forestry program in the context of the current reform for stable, long term forestry development.
9. Continuing to use all means to detect, investigate and combat illegal fishing activities and flooded forest exploitation and encroachment with local authorities, armed forces and related institutions including prosecutors and the courts, and to demarcate flooded forest boundaries and to prevent and mitigate intrusion into flooded forest and forest lands as far as possible.
10. Strengthening international cooperation with neighboring countries and developing partner countries in bilateral and multilateral frameworks, and regional and international cooperation and enhance the cooperation and negotiation leading to an extended market for Cambodian agricultural products in other countries in the context of globalization.

4.161 **The MAFF** has identified 5 programs as follows:

#### **1. Increasing productivity and crop diversification**

To promote the production of all crops with around 5% growth per year and to increase the export of agricultural products by 7% per year through agricultural modernization, increased productivity, diversification of crops with high potential and strong competition in markets.

- Enhancement of high market potential crop production and productivity.
- Promoting plant protection, quality and agricultural product safety.
- Promoting agricultural extension services and agricultural cooperative development.
- Researching the sustainable development of natural rubber.
- Promoting agro-industry development.
- Researching the sustainable agricultural development.
- Building and implementing projects related to cross-sectoral policies.

#### **2. Animal production and animal health promotion**

To achieve an animal production growth rate of 3% annually through the management and development of livestock, to reduce the risk of infectious diseases, and to reinforce the sanitary inspection of animal and animal products with the following key priority activities:

- Strengthening animal production, including the promotion of animal management and breeding.
- Strengthening animal health, public health and animal welfare.

- Promoting the dissemination of the law and enforcing laws and policy implementation.
- Promoting the research and development on animal health and production.
- Enhancing institutional and human resource capacity development in animal health and production sub-sectors.
- Promoting public-private partnerships.
- Strengthening extension services on animal health, animal production and market development.
- Strengthening national and international economic and technical cooperation for the animal health and production sub-sector.

### **3. Fishery Resource Management and Aquaculture Development**

To improve fisheries resource management to be more effective and sustainable through strengthening the enforcement of Law on Fisheries, maintaining a natural fish catch of around 600,000 tons per year, increasing aquaculture yields by 20% per year and providing fishing communities with better livelihoods with the following key priority activities:

- Strengthening fishing and management and conservation of fisheries resources.
- Developing fresh water and maritime aquaculture.
- Developing and managing fisheries value chain.
- Reserching the resources and development of fisheries.
- Strengthening the capacity of the units and developing human resources in fisheries.

### **4. Management and development of forest resources and wildlife**

To manage sustainably the forest resource and wildlife though strengthening the enforcement of Law on Forest, by promoting forest replantation, increasing research and development on forests and wildlife, and building the the capacity of forest communities to have a better living condition with the following key priority activities:

- Forest management and development.
- Enhancing the research and development on forests and wildlife.
- Zoo management and wildlife protection.
- Enforcing the Law on Forest.
- Enforcing institutional management and supporting services.

### **5. Optimizing the effectiveness of supporting services and human resource development**

To Optimize the effectiveness of institutional management, provide the supporting services and capacity building and education for the sustainable agriculture sector development with the following key priority activities:

- Optimizing the effectiveness of institutional management, providing the supporting services and human resource development in agriculture sector through strengthening and using the computerized system for planning, activity management, monitoring and evaluation of the Programme Budget, and improving international cooperation and promoting the quality of agricultural education.
- Promoting the appropriate environment for private investment in agriculture production chains, increasing technology usage (ICTs) to easily access production techniques, market information, value chain data and other agriculture information.
- Preparing laws, legal instruments and the supporting agricultural policies.
- Increasing the investment in local human resource development through promotion of technical knowledge, and continuing to prepare the supporting structure through capacity building of village animal health workers to become agricultural promotion workers under the management of District Agriculture Office, to achieve sustainable development goals.
- Establishing and operating the Cambodian Academic Institution of Agricultural Sciences to optimize the effectiveness of agricultural research in Cambodia.
- Promote the effectiveness of participation in preventing and eliminating human trafficking activities and other crimes in the agriculture sector which harm agricultural

management and development practice that aims to provide food safety and the sustainability of natural resources.

**Table 4.11: Key indicators in agricultural sector**

No	Outcome Indicator	2019	2020	2021	2022	2023
1	Rice yield (tons/hectare)	3.35	3.37	3.39	3.41	3.44
2	Crop diversification ratio (%)	63.44	64.55	65.65	66.73	67.79
3	Gross Value added in Agriculture sector (billions riel)	22,610	23,515	24,220	24,940	25,690
4	Effectiveness of agricultural extension service (%)	35	37	40	42	43
5	Crops production (million tons)	2,993	3,148	3,314	3,490	3,677
6	Agricultural product export (million tons)	5.87	6.29	6.73	7.20	7.70
7	Meat production (thousand tons)	240	247	254	262	270
8	Rubber production (thousand tons)	292.00	353.00	395.00	412.00	417.00
9	Wild-caught fisheries (thousand tons)	600	600	600	600	600
10	Aquaculture production (thousand tons)	298.70	358.50	430.10	516.20	619.40
11	Wild-caught fisheries and aquaculture export (thousand tons)	20	20	30	50	50
12	Reforested production (thousand m <sup>3</sup> /year)	200	225	250	275	300
13	Climate-smart rice cultivation areas (million hectare)	1.2	1.23	1.26	1.29	1.32

Source: MAFF

4.162 To implement the RGC's priority policies in the Sixth Legislation of the National Assembly, **Cambodian Mine Action and Victim Assistance Authority (CMAA)** will continually carry out its significant activities mentioned in the National Mine Action Strategy (NMAS) 2018-2025, to speed up Mine/ERW clearance to achieve its vision "Toward A Mine Free Cambodia 2025" as following:

**GOAL 1: Release all known landmine contaminated areas by 2025.**

- Complete national Baseline Survey of remaining districts by 2020.
- Conduct Land Reclamation/Land Cancellation (NTS) and re-survey to update contamination data.
- Release prioritized known mine contaminated villages by 2021 and remaining villages by 2025.
- Review and enhance the existing operational systems and capacity.

**GOAL 2: Release prioritized cluster munitions contaminated areas by 2025.**

- Plan and prioritize cluster munitions contaminated areas to be released.
- Conduct survey and release confirmed cluster munitions contaminated areas.

**GOAL 3: Address the threats from other explosive remnants of war (ERW).**

- Survey and release known ERW contaminated areas.
- Provide timely EOD call-out responses as requested by community and authorities.

**GOAL 4: Minimize mine, cluster munitions and other ERW casualties, and improve livelihood of survivors and mine/ERW affected communities.**

- Provide effective gender-and age-appropriate mine/ERW risk education to people in current and emerging high-risk areas.
- Support mine/ERW survivors and indirect victims by ensuring that they receive adequate and gender- sensitive medical and mental care, and physical rehabilitation.
- Improve the livelihood capacity of mine/ERW survivors and indirect victims to enhance their inclusion and full participation in society.

**GOAL 5: Contribute to economic growth and poverty reduction.**

- Support local development priorities in communities affected by mine, cluster munitions and other ERW.
- Support national and sub-national development priorities.

**GOAL 6: Promote regional and international disarmament and cooperation in mine action.**

- Promote the compliance of the Anti-Personnel Mine Ban Convention (APMBC) obligations and the Convention on Certain Conventional Weapons (CCW). obligations with support acceding to protocol V.
- Provide support acceding to the Convention on Cluster Munitions (CCM) and Support demining operations under the framework of the United Nations Peacekeeping Operations.
- Enhance international cooperation and assistance in mine action including South-South cooperation.

**GOAL 7: Establish a sustainable national capacity to address the residual threats after 2025.**

- Strengthen national capacity to manage and implement an effective and efficient mine action program.
- Preserve, enhance and share mine action knowledge within the sector and beyond.
- Review by 2020 the legal, institutional and operational frameworks, strategies and capacity needed to address the residual threats.
- Develop, strengthen and maintain a sustainable national capacity to effectively address the residual threats after 2025.

**GOAL 8: Ensure mine action activities are supported by enhanced quality management system and effective information management, that are gender- and environment protection sensitive.**

- Enhance the Quality Management System and strengthen the National Information Management System for Mine Action.
- Promote gender mainstreaming and mainstream environmental protection in mine action.
- Apply the Performance Monitoring System (PMS) to mine action.

**Table 4.12: Indicators of Mine Action Sector 2019-2023**

Indicator	Unit	2018	2019	2020	2021	2022	2023
The Number of Mine and ERW victims (injured/killed)	person	58	52	47	42	38	30
The Number of Mine and ERW victims by tampering (injured/killed)	person	41	37	33	30	27	20
The Number of Mine and ERW casualties received the rights promotion.	person	256	260	260	260	260	260
The Number of Mine and ERW casualties received the rehabilitation services.	person	2,683	2,700	2,700	2,700	2,700	2,700
The Number of Mine and ERW casualties received emergency and rapid response from CMAA	person	124	125	125	125	125	125
<b>Total Area of Mine and ERW clearance</b>	<b>ha.</b>	<b>21,400</b>	<b>21,400</b>	<b>21,400</b>	<b>21,400</b>	<b>21,400</b>	<b>21,400</b>
Area of Mine Clearance	<b>ha.</b>	11,000	11,000	11,000	11,000	11,000	11,000
Area of ERW Clearance	<b>ha.</b>	10,400	10,400	10,400	10,400	10,400	10,400

4.163 To implement the RGC's priority policy in the Sixth Legislature of the National Assembly, **the Ministry of Water Resources and Meteorology** will focus on five strategies:

- Administration management improvement and human resources development.
- Water resources management and development including irrigation hegemony implementation.
- Water resources and meteorology information management.
- Flood and drought management and meteorology information management.
- Water sustainability and conservation.

4.164 As part of **administration management improvement and human resources development**, the **MOWRAM** will carry out the following activities:

- Strengthening administrative processes and provide training to the MOWRAM officials in response into international and national standards.
- Continuing to strengthen the capacity of officials, at the central and sub-national levels for both males and females, with FWUC being aware of the advantages of water on daily livelihood and economic development in order to advise them to actively participate in management planning, maintenance, conservation, and effective and sustainable water usage to maintain good eco-system, through training, workshops, school curriculum, bulletins, magazines, radio, TV and other media.
- Setting up a gender network in all Provincial Departments of Water Resources and Meteorology.
- Increasing the awareness of gender and gender analysis to gender network officials at all levels.
- Ensuring all the programs and projects of ministry must have gender working group participation.
- Improving the technical and managerial capacity of both male and female officials of MOWRAM to implement irrigation methods and drainage technology.

4.165 As water resources management and development include irrigation hegemony implementation, **the MOWRAM** will carry out the following activities:

- Rehabilitating and constructing the existing irrigation schemes to meet the urgent needs of water for agriculture.
- Prioritizing the rehabilitation and construction of irrigation schemes and drainage systems in areas with high poverty.
- Encouraging the maintenance and expansion of reservoirs, lakes, ponds, intake canals and drainage systems to ensure an adequate water supply for the cultivation zone, aquaculture, daily living and animals.
- Promoting the dissemination of water management innovation technology in rain-fed agricultural areas which depend on rainwater.
- Buiding and rehabilitating irrigation systems to ensure adequate water supply to farmers.
- Establishing, strengthening, and providing technical support to the Farmer Water Users Community (FWUC).
- Studying and preparing river basin development plan on a short, medium and long term basis, with a consideration placed on the changing of water discharge, water current, and aquifers to ensure the sustainable use of water.
- Implementing integrated water resources management and development, while thoroughly considering a clear link between water sources and other sectors of the environment, including the changing needs of humans and the environment for water and other resources needed to achieve the effective management.
- Increasing the awareness and encouraging the implementation of river basin development and management plans with the cooperation of concerned ministries, stakeholders and beneficiaries, especially women.

- Encouraging the farmers' participation, especially from women, stakeholders, and the private sector to in all stages of project preparation and project improvement as well as irrigation and drainage system development.
- Improving Farmer Water Users Community's (FWUC) capacity on the operation and maintenance of irrigation schemes with farmers' and development partners' participation.
- Strengthening and establishing FWUC to participate effectively in sustainable water resources management, water distribution, and irrigation maintenance.
- Encouraging investments from international donors and the private sector to support the management of irrigation schemes with farmers' and development partners' participation.
- Generating income through irrigated agriculture and continual investments in the water sector for agricultural productivity.

**Table 4.13 : Water resources management and development**

Indicator	Unit	2018 Baseline	2019 Estimated	2020 Projected	2021 Projected	2022 Projected	2023 Projected
1. Irrigation capacity on rice paddy field	Ha	1,802,359					
+ Outcome in each year	Ha		30,000	30,000	30,000	30,000	30,000
+ Subsequent Total	Ha		1,832,359	1,862,359	1,892,359	1,922,359	1,952,359
2. Irrigation capacity on minor crop	Ha	4,413					
+ Outcome in each year	Ha		500	500	500	500	500
+ Subsequent Total	Ha		4,913	5,413	5,913	6,413	6,913
3. FWUC created	Ha	544					
+ Outcome in each year	Ha		7	7	7	7	7
+ Subsequent Total	Ha		551	558	565	572	579

Source: MOWRAM

**4.166** As part of **flood and drought management**, the **MOWRAM** will carry out the following activities:

- Promoting and encouraging the study and construction of flood controls and water drainage with the aim of minimizing natural disasters caused by water.
- Taking actions to mitigate flood in all areas which provide high economic potential by providing education to communities and public information through media.
- Responding urgently to areas severely affected by drought, flood and other destructions caused by water.
- Continuing to encourage people and all institutions to participate in flood mitigation actions such as preparing safety hills, supplying materials and machinery, educating, and participating in national and international events on flood risk reduction.
- Setting up pumping stations and repairing pumping stations and water pumps.
- Being ready to intervene to rescue dry season rice and rainy season rice for people in all provinces in case of water shortage, especially in areas near water resources that are not irrigated by irrigation schemes.
- Preparing a map showing the flood affected areas.
- Restoring the sediment to reduce the flood.

**Table 4.14 : Flood and Drought management**

Indicator	Unit	2018 Baseline	2019 Estimated	2020 Projected	2021 Projected	2022 Projected	2023 Projected
1. Flood prevention and alleviation	Ha.	139,156	Sustain and expand protection over agricultural area, public property and national physical infrastructure				
2. Sea water protection and alleviation	Ha.	21,043	Sustain and expand protection over agricultural area and all kind of crops				
3. Rescued rice paddy during drought and water shortage	Ha.	93,287	90,000	90,000	90,000	90,000	90,000
4. Set up pumping stations	Place	31					
+ Outcome in each year	Place		5	5	5	5	5
+ Subsequent Total	Place		36	41	46	51	56
5. repaired pumping stations	Place		9	9	9	9	9
6. repaired pumping machines	Place		18	18	18	18	18

Source: MOWRAM

**4.167** In terms of **water resources and meteorology information management**, the **MOWRAM** will carry out the following activities:

- Strengthening and expanding meteorological and hydrological system including data collecting and broadcasting.
- Conducting regular forecast and alert on droughts, floods and storms for short, medium and long period Conduct regular forecast and alert on droughts, floods and storms for short, medium and long periods of time.
- Improving and installing meteorological and hydrological stations, rain gauges, and water staff gauges at important locations and rivers for data collection and dissemination.
- Installing hydrological observation systems to provide accurate water level and water discharge data for flood forecasting. Hydrological data will be used for designing water resources projects, water resources management and other purposes.
- Installing meteorological observation system to receive accurate weather data for weather forecasting. Other data will be used in project design and other purposes.
- Informing the public of weather forecast information as well as education to prepare themselves for weather risks and climate change adaptation, including storms, lightning, tsunamis, and flood.
- Preparing inventory for and geographical maps of irrigation systems, flood control systems, polders, river basins, inundated land and water resources management based on sufficient data.

**Table 4.15: Water resources and meteorology information management**

Indicator	Unit	2018 Baseline	2019 Estimated	2020 Projected	2021 Projected	2022 Projected	2023 Projected
1-Set up hydrological stations	Place	44					
+Outcome in each year	Place		17	17	17	17	17
+Subsequent Total	Place		61	78	95	112	129
2-Repaired hydrology station in each year	Place		12	12	12	12	12
3-Install hydrological station water	Place	19					
+Outcome in each year	Place		1	1	1	1	1

+SubsequentTotal	Place		20	21	22	23	24
4-Set up meteorology stations	Place	65					
+Outcome in each year	Place		5	5	5	5	5
+SubsequentTotal	Place		70	75	80	85	90
5-Repaired meteorological station in each year	Place		12	12	12	12	12

Source: MOWRAM

**4.168** As part of **water sustainability and conservation**, the **MOWRAM** will carry out the following activities:

- Strengthening and encouraging the enforcement of Water Resources Management Law and other related provisions to monitor and prevent all rehabilitation and construction projects which might have adverse impact on water resources and eco-systems.
- Maintaining water discharge and minimum water level in river, and lake for sustainable ecological systems and waterway transport.
- Prohibiting and taking urgent action to prevent the invasion of land filling or excavation or the invasion of water in rivers, lakes, ponds, and canals as well as regular inundated or coastal areas without any permission which in turn impacts water resources, eco-system and environment.
- Strengthening river basin and natural lake conservation which could store water to help reduce flood and maintain ecosystems.
- Preparing a sub-decree to define the geographical map of irrigation systems, and the reservoir to avoid possible invasion in irrigation system area.
- Focusing on efforts to prioritize the preservation of river basins and caves.

**4.169** To implement its role on **water resources management**, the **MOWRAM** focuses on some main actions:

- Maximizing the usage of irrigation potential to deal with water problems in the agricultural sector.
- Strengthening the rehabilitation, construction, maintenance, and irrigation infrastructure management involving: river basins, drainage, canals, flood control systems, polders, and pumping stations to increase irrigation capacity and agricultural productivity.
- Improving the management and increasing the effectiveness of irrigation through capacity building.
- Ensuring the participation of institutions as well as people's ownership in using and managing irrigation systems.
- Ensuring adequate clean water to meet needs year-round and protect the eco-system.
- Flood alleviation and capacity building to ensure protecting from floods caused by rainwater and sea water.
- Avoiding water pollution towards eco-systems and aquifers.

### Sustainable Development of the Mekong River Basin

**4.170** To implement the RGC's priority policies in the Sixth Legislature of the National Assembly, the **Cambodia National Mekong Committee (CNMC)** will continue to fully cooperate with other Mekong Member Countries under the Mekong River Commission (MRC) framework to ensure the prosperous and sustainable development of the Mekong River Basin, implement more effectively the Agreement on Cooperation for the Sustainable Development of the Mekong River Basin, and ensure mutually beneficial cooperation towards the optimal and sustainable development of the Mekong River Basin. The integrated water

resources management (IWRM) requires a water-food-energy nexus, a gender-sensitive perspective, the mainstreaming of climate change and the alignment of regional and national efforts in development planning and implementation, the protection against extreme floods and droughts, as well as the preservation of key environmental assets and livelihood of vulnerable communities necessary to achieving the relevant Sustainable Development Goals committed by the MRC Member Countries, especially Goal 6, “**Ensure availability and sustainable management of water and sanitation for all**”.

**4.171** To implement the committed prioritized policies, **the CNMC** will continue to cooperate with Mekong Member Countries to optimize development opportunities and address challenges through a basin-wide, integrated, and inclusive multi-disciplinary process, notably through the implementation of the Basin Development Strategy (BDS) in continuing to implement all the MRC Procedures for Water Utilization to support the sustainable, reasonable, and equitable use of the Mekong water and related resources; strengthening the MRC basin-wide monitoring networks and forecasting systems for floods and droughts, as well as data and information management systems; continuing to improve the dissemination, uptake, and use of the MRC products by relevant line agencies and organizations; as well as identifying opportunities for further cooperation with Dialogue Partners, Development Partners and other concrete cooperation mechanisms such as ASEAN, Mekong-Lancang Cooperation, and Greater Mekong Sub-region.

**4.172** To implement the RGC’s priority policies in the Sixth Legislature of the National Assembly, **the MRD** will continue its key priority activities as follows:

#### **1. Rural road infrastructure development**

- Rehabilitating and constructing rural roads (total length: 45,000km).
- Improving rural roads to DBST or concrete to be resilient with climate change.
- Maintaining the rural road periodically.
- Preparing road inventory and rural road maps as well as putting up traffic signs.

#### **2. Clean water supply development**

- Continuing to build and repair all types of wells, community ponds, rainwater ponds, community water distribution systems, and small scale irrigation systems.
- Continuing to supply water purifier containers.
- Continuing to establish and run water quality laboratories.
- Continuing to organize rural water supply system inventory.
- Continuing to raise awareness of water safety plans.
- Continuing to develop rural water supply and sanitation with funding from national and subnational sources and support from development partners and NGOs.
- Establishing a national monitoring system for rural water supply and sanitation.
- Developing programs for supporting water supply operation and management at the village level.

#### **3. Rural sanitation**

- Establishing rural water supply and sanitation programs with support from development partners and NGOs.
- Establishing a national monitoring system for rural water supply and sanitation.
- Developing a sanitation financing strategy with a particular focus on poor and vulnerable households.
- Establishing the role of subnational institutions (commune/Sangkat, district/Khan) in delivering rural sanitation programs according to guidelines and capacity building programs.
- Strengthening national and subnational capacity in promoting rural sanitation.

- Establishing a monitoring and evaluation system for rural water supply and sanitation programs.
- Promoting hygiene practices in rural communities and changing hygienic practice behavior.
- Developing a national strategy on changing habits and communication.
- Increasing awareness of rural sanitation through communication.
- Developing and implementing national strategy on financing for sanitation programs for poor and vulnerable households.
- Establishing networks and building capacity for the Village Sanitation Coordination Team.
- Building latrines and hand washing facilities at schools in rural areas.
- Seeking national and sub-national support for sanitation activities.

#### 4. Human resource development

- Continuing human resource development to increase the effectiveness of the delivery of public services.

#### 5. Community development

- Continuing to strengthen the capacity of the Village Development Committee.
- Continuing integrated village development.
- Continuing to raise awareness of disaster preparedness and to reduce disaster in the community.
- Continuing to improve family food security.
- Continuing to strengthen the Rural Development Centers in Takeo, Kampong Speu and Cambodia-Korea.

#### 6. Indigenous people development

The development of indigenous environment will allow indigenous people to live a decent life and escape poverty, as well as preserve and protect indigenous culture with the main objectives as follows:

- Developing indigenous peoples' lives to move away from starvation and extreme poverty.
- Protecting and enhancing the culture of indigenous people.
- Keeping better health of indigenous people.
- Providing at least 9-year basic education to indigenous people and providing vocational training in accordance to their needs and based on the geography of each ethnic group.

#### Clean water supply at urban areas

4.173 To implement the RGC's priority policies in the Sixth Legislature of the National Assembly in implementing the Clean Water Policy so that 100% of urban people have access to clean water services by 2025 and ensuring four preconditions: quality, safety, sustainability and affordability, **the MIH** has the following priority activities:

##### ***Promoting technical and financial management***

- Developing sector development strategies, including long-term financing and investment plans.
- Ensuring all public entities formulate their 5-year business plans well by 2023.
- Restoring existing production facilities and distribution networks using the RGC's organizational resources and financing from development partners.
- Studying each entity's root causes of the problems that result in the public water supply authorities not having enough revenue to cover all costs, and considering improvements in the the efficiency and productivity of the organization.

- Providing full autonomy to public entities by building public water supply capacity in the provinces to promote the autonomy as the economic public enterprise.
- Following the model and experience of Phnom Penh Water Supply Authority (PPWSA), in which all entities will be approved as economic public entities by 2023.
- Striving to push the public water supply authorities to provide quality services, affordable prices, ensured full payment of costs and resources for re-investment.
- Developing an effective water quality monitoring system to ensure that drinking water supply complies with national drinking water quality standards.

#### ***Promoting effectiveness, cooperation and international aid coordination***

- Continuing good cooperation with development partners to obtain financing for rehabilitation and expansion of supply capacity in line with development plans.
- Studying and promoting access to receive finance for the private sector through working with the RGC's institutions, development partners, NGOs and local and international banks to support the private sector in accessing favorable loans.
- Encouraging the investment from the private sector by establishing policies, legal frameworks, as well as facilitating an investment environment conducive to private-public partnerships, and private investment.
- Collaborating with relevant institutions to ensure the achievement of the goal of improved water supply.
- Strengthening the partnership with the "Cambodia Water Suppliers Association" to jointly achieve Cambodia's Water Sector Development Strategy.
- Cooperating with the National Committee for Disaster Management in preparing for climate change as well as participating in all activities to reduce the impact on the clean water sector.

#### ***Promoting policy and regulation framework***

- Establishing a legal framework for the urban water supply.
- Promoting decentralization and deconcentration in urban water supply sector.
- Increasing the protection of water sources and strengthening regulations.

#### ***Promoting human resource development***

- Building human resource capacity both in quantity and quality in response to the needs of the General Directorate of Clean Water and the private sector in a systematic and sustainable manner.
- Increasing the training courses that build the capacity of technical officials and officials from the public and private water units on production operation, electrical and mechanical systems maintenance, and other skills required for the emergency phase.
- Seeking assistance sources to build a water supply training and research center.

#### ***Promoting the awareness on the benefits of clean water and participation***

- Implementing 'Clean Water for All' program, with a focus on providing subsidies on networking fees to the poorest and most vulnerable families.
- Creating a competitive environment by introducing key water quality service quality indicators as a measure of the organization's capacity and transparent monitoring system.
- Conducting educational programs and disseminating information on clean water to people of all levels for development cooperation.

### **One Village One Product**

4.174 To implement the RGC's priority policies in the Sixth Legislature of the National Assembly, **the CARD** will continue to implement **the National Policy on Promotion of the**

**One Village One Product Movement 2016-2026** by focusing on the 15 strategic priorities as follows:

- Development of the legal framework and mechanism.
- Mapping for One Village One Product.
- Promotion of institutional and human resource development related to the promotion of the One Village One Product movement.
- Promotion of better change of mindset.
- Raising awareness on the experiences in the promotion of One Village One Product movement.
- Enhancement of participation from all relevant parties to promote the One Village One Product program.
- Developing the One Village One Product research and development capacity.
- Building the capacity in producing the agricultural, industrial, handicraft products and services.
- Promoting the product quality to meet the One Village One Product standards.
- Seeking the financing concession or loan.
- Promoting the market development and business management.
- Creating, organizing, strengthening or extending One Village One Product promotion associations/communities.
- Promoting the participation from youth and women in of One Village One Product.
- Promoting the participation from skilled, experienced and local people in the promotion of One Village One Product movement.
- Promoting sustainable development.

**Table 4.16: Indicators for measuring One Village One Product**

No	Indicator	Unit	2019	2020	2021	2022	2023
1	The number of Cambodian products included as products of One Village One Product (25 cities and province)	No	125	200	275	350	425
2	The number of products of One Village One Product with improved quality that meets the quality standard from low to high (25 cities and provinces)	No	0	75	150	200	250
3	The number of One Village One Product research, development and training centers established in the capital and provinces	No	5	10	15	20	25
4	The number of One Village One Product exhibitions (twice a year in 25 cities and provinces)	No	50	100	150	200	250
5	The number of associations and communities promoting the One Village One Product movement established in the capital and provincial levels	No	0	0	25	50	100

## 6.2 THE SUSTAINABLE MANAGEMENT OF NATURAL RESOURCE AND CULTURE

### A. Policy Priorities for the Sixth Legislature

4.175 The strategic goal of the RGC is to strike a balance between the development and preservation aimed at promoting the development of agriculture, industry and tourism sectors, strengthening the management of mineral resources, ensuring the sustainability of forests, fisheries and ecological systems as well as the protection and development of the national cultural heritage.

4.176 As a result, forest cover has been maintained at around 60% of the country land area; more than 410,000 hectares of economic land concessions have been withdrawn for implementing the social land concession program, or through donation, or reforestation; areas of more than 970,000 hectares have been designated fisheries preservation area after the abolishment of fishing lots; 610 forestry associations and 516 fishing associations have been established; tangible and intangible cultural heritages which include Sambor Prei Kuk Temple, Chapei Dang Veng, Tugging Rituals and Game, and Oral Epic Peom of Reamker Tah krud, have been inscribed on the UNESCO World Heritage List.

4.177 Challenges related to this sector include weak governance and management system of mineral resources, and anarchic mineral exploitation; the pressure of land use demand against the need to maintain forest cover, along with forest clearing fencing for private ownership, encroachment of flooded forest area and fishing domains; offences related to forest, wildlife and fisheries, which remain our concern; as well as the development of cultural heritage, which is not to its full potential.

4.178 In this Sixth Legislature of the National Assembly, the RGC will focus on:

1. Promoting the implementation of “**National Policy on Mineral Resources 2018-2028**” by strengthening the governance and management of mineral resources and business while encouraging the contribution of community in order to reduce the negative impact on environment and society and strengthen the national revenue mobilization.
2. Strengthening sand resource and business management mechanism by minimizing the social and environmental impact.
3. Continuing to manage the forest and wildlife resource by maintaining the forest cover more than 60% of the country land area, promoting the forest and wildlife preservation, preventing the forest encroachment and clearing for private ownership purpose, promoting the contribution of community in forest prevention and restoration as well as combatting the forest crime and wildlife trafficking.
4. Continuing to promote the preservation and management of fisheries resource through combatting fisheries crimes, improving the fishing community, and increasing the aquaculture.
5. Further protecting the ecosystem and natural areas by emphasizing on the protection of biodiversity, wet land and coastal areas in order to ensure land quality and sustainable water resources.
6. Continuing to preserve and develop the cultural heritage by encouraging their additional inscription, strengthening the management, research, studies, and compilation as well as generating value from the cultural heritage.

## B. Planned Actions to Implement the Prioritized Policies

### Mineral Resources

4.179 To implement the RGC’s priority policies for Sixth Legislature of the National Assembly, **the MME** will continue to implement the National Mineral Resources Policy 2018-2028 by strengthening the governance and management of mineral resources and business, while promoting participation from the communities to minimize social and environmental impact and increase the revenue collection, strengthen the mechanism for managing mining

resources and businesses. The MME has continued to adopt the strategies outlined in the National Mineral Resources Policy 2018-2028 as follows:

- Strengthening the institutional roles in managing and developing mineral resources, with an emphasis on eliminating illegal mining businesses and collecting non-tax revenue to the state.
- Promoting sustainable mining operations and social, environmental and economic responsibility.
- Managing and developing small-scale mining handicrafts and mining businesses through delegations to sub-national authorities to license and manage mining businesses within their mandate.
- Managing and processing the mineral exports.

## **Fishery Resource Management and Aquaculture Development and Forest Resources and Wildlife Management and Development**

### **Fishery resource management and aquaculture development**

**4.180** To implement the RGC's priority policies in the Sixth Legislature of the National Assembly, **the MAFF** will continue to implement its priority activities as follows:

- Continuing to strengthen sustainable fisheries resource management and conservation in line with the Strategic Planning Framework for Fisheries 2015-2024 and the statements on national policy for fisheries, particularly through fighting all forms of crimes related to fisheries.
- Increasing aquaculture to increase the supply to fish farms, including techniques, fish varieties, credit, markets and the implementation and enforcement of laws through the continued use of existing mechanisms which is the priority in fisheries protection.

### **Management and development of forest resources and wildlife**

- Forest management and development.
- Enhancing the research and development on forests and wildlife.
- Zoo management and wildlife protection.
- Strengthening the enforcement of Law on Forest.
- Strengthening institutional management and supporting services.

### **Natural Resource Management**

**4.181** To implement the RGC's priority policies in the Sixth Legislature of the National Assembly, **the MOE** will continue to implement its priority activities as follows:

#### ***Protected area management***

- Improving the effectiveness of the protected area management system through strengthening the management capacity of the organization and through good governance.
- Demarcating, identifying management areas, registering protected areas as the state public property, while having a clear plan for protected areas management.
- Increasing law enforcement efficiency and reducing threats with modern equipment and training on law enforcement and related skills as needed in each area.
- Encouraging the delegation of the management function of protected areas to SNAs
- Determining land rights in protected areas and resolving land conflicts in protected areas, including in the areas of economic land concession projects.
- Creating new protected areas.
- Developing strategies to increase forest cover through reforestation and promoting conservation and restoration of genetic resources, plants, forests and wildlife in protected areas.

- Improving the effectiveness of REDD+ programs by reducing greenhouse gas emissions from deforestation and degradation, conserving carbon stocks, sustainable forest management, and increasing forest carbon inventory.
- Developing creative solution in conservation and development, as well as creating opportunities for sustainable ecotourism and financing mechanisms.

#### ***Environmental education and information dissemination***

- Promoting the transformation of environmental knowledge into environmental practices through the development of environmental education policies, environmental education strategies, environmental events, and environmental education activities such as the improvement of the national environmental education program, the continued implementation of environment-friendly schools, the implementation of environment-friendly pagodas, the promotion of green community movement, and environment-friendly houses.
- Promoting environmental information dissemination activities in all forms and means by continuing to cooperate with relevant stakeholders to change people's attitude towards environment.
- Organizing the environmental data, providing environmental mapping services such as biodiversity conservation maps, maps used for protected areas management, management area maps in protected areas, community protected area maps, and ecotourism corridor maps.
- Promoting environment-friendly competitions through awards, and green certifications to environmental-friendly operators, technology discovery service providers, and green product manufacturers.

#### ***Local community development, ecotourism development, and heritage area management***

- Continuing to review and update community protected areas and management plans
- Studying forest communities in newly established protected areas to further develop community protected areas.
- Cooperating with SNAs and relevant ministries and agencies related to the establishment of community protected areas networks at national, regional and protected areas committee levels.
- Expanding employment opportunities for local communities by providing direct and beneficial opportunities for employment generation and encouraging the integration of activities in community management plans into each commune investment plan.
- Selecting and implementing the concept of "co-management and community participation" in several protected area communities located in the eastern part of the Mekong River and north and south parts of the Tonle Sap.
- Mobilizing support and resources for establishing and expanding production, contributing to improving the livelihoods of protected areas communities in the Mekong River region and north and south parts of the Tonle Sap.
- Preparing ecotourism and conserving natural resources.
- Local communities benefit from participating in the management of protected areas through ecotourism arrangements.
- Ecotourism and cultural tourism have proven to be successful ways for the protection and preservation of protected areas as well as simultaneously maintaining the sustainability and well-being of local communities.
- Strengthening the cooperation and partnerships with relevant ministries and agencies, especially with tourism and ecotourism companies, and ecotourism development projects and ecotourism services to be improved and increase the number of tourists visiting the protected areas.
- Strengthening the cultural heritage management in collaboration with culturally responsible institutions, concerned units and development partners.

- Enhancing the capacity of the organizations and disseminate information and education on the value of comprehensive natural-cultural heritage to the public.

**4.182** To implement the priority policies in the Sixth Legislature of the National Assembly, **the NCDM** will continue its priority activities as follows:

### **1. Understanding Disaster Risk**

- Assessing disaster risk, vulnerability, capacity, exposure, hazard characteristics and their possible impacts.
- Promoting the collection, analysis, management, use and dissemination of the relevant data and information, sourcing from geographic information system (GIS), and information and communication technology and innovations.
- Incentivizing businesses to strengthen business continuity and conduct location-specific risk assessments of their operating environment and supply chain with a clear understanding of their hazard exposure, vulnerability and risks to hazards.
- Integrating disaster risk information into business investment planning and management across private sector entities, in particular Micro, Small and Medium Enterprises (MSMEs), through business associations, chambers of commerce and national and local platforms on DRR.
- Mobilizing public-private partnership initiatives for awareness raising, advocacy and education to strengthen private sector attitudes towards risk-sensitive development.
- Formulating guidelines for local risk assessments and their use in local development planning, with a complement of traditional, indigenous and local knowledge and practices, and science and technology.
- Building the knowledge and capacity of local and national government officials, civil society, communities and volunteers to monitor hazards, exposure and social vulnerabilities.
- Raising public awareness of disasters by taking the opportunities provided by the International Day for Disaster Reduction and the World Tsunami Awareness Day.

### **2. Strengthening Disaster Risk Governance to Manage Disaster Risk**

- Revising the existing national and local disaster risk reduction strategies/ plans in line with the Sendai Framework and SDGs.
- Improving the legal, policy and regulatory environment to incentivize businesses to reinforce DRR.
- Promoting implementation of health aspects of the Sendai Framework for Disaster Risk Reduction 2015-2030, with a view to ensuring more systematic cooperation, coherence and integration between disaster and health risk management.
- Undertaking an inventory of available local DRR strategies/plans and work towards achieving the Sendai Framework Target on “risk-informed local DRR strategies/plans” by 2020.
- Ensuring women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in disaster risk reduction.

### **3. Investing in Disaster Risk Reduction for Resilience**

- Promoting national mechanisms for disaster risk transfer and insurance as appropriate.
- Increasing resilience and integrating disaster risk reduction into common practice through intensified partnerships between the private sector, local government and other stakeholders.
- Promoting appropriate financial mechanisms to integrate disaster risk reduction considerations and measures to support the building of disaster resilient communities by engaging development funds, banks, private foundations and stakeholders.

- Institutionalizing community-based disaster risk management (CBDRM) to strengthen the resilience of households and communities.
- Strengthening education on disaster and climate risk reduction and accelerating the implementation of comprehensive school safety.

#### **4. Enhancing Disaster Preparedness for Effective Response and to “Build Back Better” in Recovery, Rehabilitation and Reconstruction**

- Updating disaster preparedness and contingency plans at local, national and regional levels with a multi-stakeholder and multi-sectoral approach, ensuring comprehensive and accessible service and referral mechanisms to promote specific needs of women and children, the elderly, people with disabilities and other at-risk populations.
- Strengthening multi-hazard early warning systems to ensure last-mile accessibility.
- Expanding private sector engagement in preparedness for response, recovery, and to “Build Back Better” through more systematic public-private cooperation.
- Building capacity of local authorities, including strengthening leadership of women, persons with disability and youth to develop local disaster recovery plans that include retrofitting, reconstruction, building code enforcement, post-trauma programmes, resilient livelihoods, shelter provisions for displaced populations etc.
- Mainstreaming ecosystem-based approaches through trans-boundary cooperation to build resilience.

**4.183** To implement the RGC’s priority policies in the Sixth Legislature of the National Assembly, **the MCFA** will continue to implement its priority activities as follows:

##### **1. Conservation of tangible and intangible national cultural heritage**

- Updating the National Cultural Heritage Inventory by creating a national database that is easy to identify cultural heritage risk regularly.
- Establishing mechanisms, regulations and work plans that address the real situation of cultural heritage management.
- Taking appropriate measures in time to safeguard, preserve and restore national cultural heritage which is at risk or loss.
- Strengthening mechanisms for recovering Cambodian artifacts that were illegally stolen and held locally and abroad.
- Raising awareness and encouraging the public participation in the preservation of national cultural heritage.
- Promoting the preservation of heritage in the community.
- Strengthening and enhancing the development of knowledge and skills on culture.
- Maintaining and promoting the transfer of traditional knowledge.
- Increasing the awareness, attention and participation of the public, especially youth and children, through the training of “Education for Culture, Culture for Education”.
- Maintaining and promoting the protection of the indigenous culture.
- Increasing the participation of women, children and people with disabilities in the culture sector.

##### **2. Promotion of national cultural value**

- Strengthening and expanding the scope of national cultural promotion through performances, festivals, exhibitions, etc.
- Strengthening and expanding the roles of museums and cultural centers.
- Researching and disseminating national cultural heritage.
- Compiling the documents to register Cambodia's most valuable and valuable heritage items and sites in UNESCO's list.

### 3. Culture development

- Developing legal norms and performance mechanisms for supporting artists, producers, organizations, and entrepreneurs with careers in culture.
- Collaborating with line ministries and agencies to promote the creation of cultural and labor market products in culture and arts.
- Expanding the market of cultural products and services by providing opportunities for artists, producers and businessmen in culture and arts.
- Encouraging and promoting creativity, original accomplishments and new in music, cinema, visual arts, crafts, handicrafts, traditional weaving and designs.
- Promoting the exhibition of creativity works in the arts, culture and creative industry.
- Promoting filming industry in Cambodia.
- Promoting Cambodia to be a cultural product promotion site.
- Creating a database on cultural organizations, associations and enterprises.
- Identifying culture and One Village One Product.
- Establishing a mechanism to facilitate the import of standard and legitimate technology equipment for entrepreneurs in the culture sector.

## 6.3 STRENGTHENING URBAN PLANNING AND MANAGEMENT

### A. Policy Priorities for the Sixth Legislature

4.184 The strategic goal of the RGC is to promote urban development with good and clean living environment along with enhanced well-being of the people and socio-economic efficiency.

4.185 At the same time, the RGC faces a number of challenges such as the master plan for land use and development direction strategy have not been studied or completed for most cities and provinces; residential settlements are not in good order; illegal uses of curbsides; encroachment of natural lakes, forest, public land remained unaddressed; master plan for urban physical infrastructure development incomprehensive; urban transport and traffic not in good order resulting in unnecessary social and economic costs; and absence of clear legal framework for improving and preserving historical constructions in the city.

4.186 In the Sixth Legislature of the National Assembly, the RGC will give priority to:

1. Continuing to enhance land reform and accelerate the development of a master plan and a land use plan for land management, urban planning and construction, at both national and sub-national levels, aiming to manage and use land more efficiently.
2. Strengthening the competency to manage urbanization, land use plan for the capital, developing land use plans for municipalities, district-khan, commune-sangkat nationwide; preparing strategic directions for land zoning; and residential management by using technology.
3. Formulating an infrastructure master plan for main cities and urban area to support the development of roads, railways and waterways as well as electricity networks, and clean water networks, especially sewage and water treatment systems.
4. Promoting construction sector development and arrangement of cities and urban areas, especially Poipet and Bavet, by enhancing the development and enforcement of laws, regulations, technology and construction standards that ensure quality, safety, beauty, efficiency and smart city principles as well as strengthening the implementation of an affordable housing program.
5. Further enhancing the beauty and services in cities and major urban areas through managing waste and sanitation; preparing pedestrian sidewalks, parking spaces, public parks; constructing rivers' edges and dam; improving public order and lighting

in the city; conserving buildings of historical values; and enhancement of the quality and use of public transport in the city.

## **B. Planned Actions to Implement the Prioritized Policies**

4.187 To implement the RGC's priority policies in the Sixth Legislature of the National Assembly, **the MLMUPC** will continue to implement its priority activities as follows:

### **1. Land administration**

- Implementing the registration of real estate to reach 78% by 2019, 84% by 2020, 90% by 2021, 96% by 2022, and 100% by 2023 of an estimated total of 7 million land titles.
- Registering the land of 10 indigenous communities as a collective ownership per year.
- Accelerating the registration of state land that is the subject of the economic land concession for the remaining 119 companies and other state lands.
- Studying regulations to include construction information on titles.
- Accelerating the land dispute resolutions through all mechanisms, including the National Authority for Land Dispute, Cadastral Commission, Mobile Dispute Resolution Team and the additional mechanisms established by the MLMUPC for the social harmony.
- Preventing encroachment on all types of state land, including forest land, land in protected fishing areas, land in natural and environmental protected areas, road sides and railways.
- Expanding the 2nd, 3rd, and 4th geodetic benchmarks to support the mapping and listing of properties throughout the country.
- Update the geographical name list of the Kingdom of Cambodia for newly formed villages and communes/Sangkats.

### **2. Land management and urbanization**

- Encouraging and approving the following physical plans:
  - National Land Management Plan.
  - Land management plans in 3 areas, i.e. coastal areas, areas surrounding Tonle Sap, and areas surrounding Phnom Penh.
  - Land Management Plans for 12 provinces.
  - Land use master plans for 22 municipalities and urban areas.
  - Land use master plan for 38 districts/Khans.
  - Land use plans for 179 communes/Sangkats.
- Promoting and approving the administrative boundary maps, infrastructure maps, and current land use maps for all 197 municipalities, districts/Khans, and capital and provinces by 2019.

### **3. Cambodia's coastal area development and management**

- Developing and approving the Cambodia's Coastal Areas Physical Plans: (1) land use master plan for 7 islands of the Cambodian coastal areas, (2) land use master plan for Koh Rong Town, (3) land use master plan and detailed plan of the beaches, seas, rivers, streams, lakes, and waterways connecting the sea and the water surface close to the beaches.
- Constructing and demarcating the land boundary of beaches, seas, rivers, streams, lakes, and waterways connecting the sea of the Cambodian coastal areas.
- Putting the geodetic benchmarks and producing aerial photo maps on the islands of the Cambodian coastal areas.

### **4. Housing and social land concessions**

- Launching the residential information and data management for the whole country.

- Developing the map for the temporary construction sites and poor communities and housing loan information in the capital and provinces.
- Continuing social land concession programs to distribute lands to 500 poor and landless families per year and continuing to distribute 500 land plots and/or houses per year to the armed forces standing at the borders.
- Formulating a formal village for social land concessions prepared and integrated into commune Sangkat development plans and investment programs.
- Encouraging the settlement of disordered buildings in municipalities and urban areas in the form of on-site development or resettlement in accordance with Directive No: 03 on the settlement of temporary buildings on state land which are illegally occupied in the capital, municipalities, and urban areas.
- Promoting the construction of housing units for rent and sale to low and medium-income and vulnerable people in accordance with National Program for Development of Affordable Housing.
- Incentives Policy and National Program for Affordable Housing Development.

### **5. Construction development and management**

- Strengthening construction management by taking strict measures to control and prevent the construction on the state public land and unauthorized construction; and promote constructions, in alignment with permits to avoid impacts on the beauty, safety, public order, environment and beaches of Cambodia.
- Launching public service on construction business e-registration and moving to provide more services.
- Introducing IT system for the management of property construction data by connecting to GIS of Google Maps.
- Promoting transparent dispute resolution in the construction sector.
- Strengthening the management of individual and legal entities in design and construction business.

### **6. Development of laws and regulations**

- Developing laws: (1) Law on Construction, (2) New Law on Land, (3) Law on Land Management and Urbanization, (4) Law on Housing, (5) Law on Cambodia's Coastal Area Management and Development.
- Formulating policies and strategies: National Policy on Public Private Partnership on Land and National Strategy on Municipality and Urban Area Development.
- Formulating Royal Decrees, Sub-decrees and regulations: (1) Royal Decree on Organization and Fuctioning of National Council for Construction Technical Regulations, (2) Royal Decree on Organization and Fuctioning of National Council for Construction-related Professional Board, (3) Sub-decree on Cambodia's Coastal Area Management and Development, (4) Sub-decree on Professional Code of Conduct in Construction Sector, (5) Sub-decree on the Management of Tradespersons in Construction (for tradespersons whose professional boards have not been established yet), (6) Sub-decree on Licensing in Construction, (7) Sub-decree on the Organization and Fuctioning of the National Construction Laboratory, (8) Sub-decree on Building, Repairing and Demolition Permit, (9) Sub-decree on Conditions and Procedures of Construction Regulation, (10) Sub-decree on the Uniforms, Insignias, and Decorations of the Construction Inspectors, (11) Sub-decree on Conditions and Procedures of the Complaints in Construction, (12) Sub-decree on the Organization and Fuctioning of the Commissions for Construction Dispute Resolution, (13) Sub-decree on the types and sizes of construction which require insurance for building or demolition (14) Sub-decree on the Establishment of Cambodia's Coastal Area Conservation Fund and (15) other regulations supporting the land management, urbanization, construction and housings.

**Table: 4.17: Indicators for the MLMUPC 2019-2023**

No	Indicators	Unit	2018	2019	2020	2021	2022	2023
1	Land registration rate and issued land titles	%	72.5	78	84	90	96	100
2	Indigenous land communities land registration	No. of communities	24	34	44	54	-	-
3	Commune/Sangkat land use plan	No.	80	179	199	219	239	259
4	District/Khan land use master plan	No.	-	19	25	29	34	38
5	Municipality and urban area land use master plan	No.	9	23	25	27	29	31
6	Provincial land management plan	No.	3	7	9	11	13	15
7	Regional land management plan	No.	-	1	1	2	2	3
8	National land management plan	No	-	0	0	0	0	1
9	Social concession land for the people	No. of households	78,545	79,045	79,545	80,045	80,545	81,045
10	Houses for families of the soldiers, police and veterans	No. of houses	6,699	7,199	7,699	8,199	8,699	9,199

Source: MLMUPC

## 6.4 ENSURING THE ENVIRONMENTAL SUSTAINABILITY AND PRE-EMPTIVE RESPONSE TO THE CLIMATE CHANGE

### A. Policy Priorities for the Sixth Legislature

4.188 The RGC's strategic goal is to minimize environmental impacts, enhance the capacity to adapt to climate change, and contribute to reducing global climate change to ensure sustainable development.

4.189 Key challenges include an increase in natural resource utilization, deterioration in environmental quality, including water, land and air, limited capacity in mainstreaming technology that is resilient to the climate change, the limited cooperation and participation from stakeholders, and the need to ensure water and energy security in the long term.

4.190 In the Sixth Legislature of the National Assembly, the RGC of Cambodia will give priorities to:

1. Continuing to implement the “**National Strategic Plan on Green Growth 2013-2030**”, “**Cambodia Climate Change Strategic Plan 2014-2023**”, “**National Environment Strategy and Action Plan 2016-2023**”, “**National REDD+ Strategy**”; and use social and environmental funds effectively to ensure economic development with low-carbon emission and resilience to climate change.
2. Further strengthening the management of protected areas, biodiversity conservation, natural resource conservation, especially the ecosystems of Tonle Sap lake, Mekong river and the coastline areas.
3. Reinforcing the management of solid waste, wastewater, gas and lethal substances by implementing principles of reduction, reuse, recycling and non-use as well as strengthening pollution monitoring and control mechanisms.
4. Promoting resource efficiency and sustainability by implementing the principle of sustainable consumption and production.
5. Increasing the usage of environmental-friendly and climate-friendly technologies in physical infrastructure and socio-economic development.
6. Continuing to promote the implementation of carbon trading mechanisms and related regulatory frameworks, strengthen the capabilities to develop and implement climate

- change adaptation and resiliency measures as well as explore the possibility of studying financial resiliency to respond to disasters caused by climate change.
7. Further promoting the development and implementation of integrated water resource management plans in order to expand water supply in response to demand, and minimize the risks caused by flood and drought, as well as to ensure long-term water security.
  8. Continuing to encourage and increase investment in clean energy and renewable energy, especially solar power while reducing the production of energy from unclean sources to ensure long-term energy security.
  9. Strengthening regulatory framework, research, as well as the development of skill and capacity for national and sub-national official in terms of environment, green development, climate change, integrated water resource management, and the usage of natural resources in a sustainable manner.

## **B. Planned Actions to Implement the Prioritized Policies**

4.191 To implement the RGC's priority policies in the Sixth Legislation of the National Assembly, **the MOE and the NCS**D will continue to implement its priority activities as follows:

### **Green development, science and technology**

- Ensuring the consistency on the development of the priorities of the national sustainability policies, plans and programs and aligning the priorities of the policies, plans and programs with national, regional and international policy instruments to which Cambodia is a member.
- Promoting research and development in science, technology, innovation, human resource building, awareness raising, and the use of green and nuclear technology for peaceful purposes to support sustainable development.
- Enhancing and improving policies and legal instruments to increase the contribution of renewable energy in Cambodia's energy mix and energy efficiency
- Developing and supporting the implementation of a national research agenda to ensure sustainable development.
- Encouraging the incorporation of strategic environmental assessments into decision-making processes, policies, plans and legal instruments to ensure the sustainability of environmental and natural resources in the mining (sand) and energy sectors.
- Promoting the sustainable development that ensures economic prosperity while protecting the environment's quality, sustainable living and completeness of the natural resources.
- Modernizing the National Council for Sustainable Development in fulfilling its roles and duties to ensure good governance and the needs of the Cambodian people are met.
- Developing and starting the implementation of Green City Sustainable Strategic Plan.

### **Responses to Climate Change**

- Delegating functions and resources to SNAs to strengthen responsibility and ownership to ensure the sustainability of environmental and natural resources.
- Promoting resilience to climate change and facilitating for the progress of building a low-carbon society, including attracting the private sector in climate-smart investments.
- Developing a roadmap for implementing the NDC to implement the UN Framework Convention on Climate Change.
- Increasing national budget allocation for climate change responses.

- Presenting policies and regulations to the private sector to implement the climate smart investments.

#### Biodiversity and biosafety

- Sustaining the full functions and roles of biodiversity resource, biosafety and ecosystems, including the implementation of ecosystem services payment mechanisms.
- Developing a policy framework for ecosystem services payment.
- Encouraging conservation of outside the natural zones.

**Table 4.18: Key indicators for the sustainable development 2019-2023**

No	Indicators	Unit	2017 Baseline	2018	2019	2020	2021	2022	2023
1	No of policies, regulations, principles, MOU, and agreements related to science, technology and innovation	No	5	0	2	2	2	2	1
2	No of municipalities and urban areas approving and implementing the Sustainable City Strategic Plan 2018-230	No	1	8	8	12	12	12	0
3	No of sector development plans with strategic environmental assessment	No	0	0	1	1	1	1	0
4	Proportion of renewable energy in the total energy consumption	%	0.75	0.85	1	1.2	1.4	1.6	1.66
5	Reduced volume of GHS compared with the baseline	Gg CO <sub>2</sub> equivalent	2,443,040	2,497,275	2,798,952	2,835,781	2,887,181	2,917,352	3,018,374
6	Percentage of communes/Sangkats vulnerable to climate change	%	42	40	39	38	37	36	35
7	Institutional level that prepared in response to climate change	%	45	49	53	57	60	63	65
8	Ministries and agencies mainstreaming biodiversity into their sectors	No	2	2	3	4	5	6	7
9	Sites of the protected areas of outside the natural zones	No	0	1	3	5	7	8	8
10	Sites implementing the ecosystem services payment	No	0	1	2	3	4	6	8

Source: MOE

**CHAPTER V**  
**COSTS,**  
**RESOURCES, AND**  
**PROGRAMMING**

## CHAPTER V

### COSTS, RESOURCES AND PROGRAMMING

**5.1** This Chapter examines the resourcing of the investments required to meet the goals and targets of the **NSDP 2019-2023**. While the scope of the analysis is the economy as a whole, the primary focus is the availability of public sector capital finance to implement the policies set out in the **NSDP2019-2023**, and the associated programming challenges. The Chapter has four sections. *First*, it shows the setting out of the financing needs of both public and private sectors, drawing on the data provided in earlier chapters (and the RGC's macroeconomic framework). *Second*, it analyses the total public investment needs, by taking account of the likely requirements as given in the Public Investment Program (PIP). *Third* it examines sources of finance, and how the gap between total needs and availability might be bridged, drawing on the Development Finance Assessment (DFA) published in 2018 by the Council for the Development of Cambodia (CDC) and the Resource Mobilization Strategy (RMS) developed by the MEF. *Fourth* it discusses options for developing greater synergies between public sector capital planning mechanisms.

**5.2** At the outset, the RGC underlines and recognizes the priority of financing all manner of investment needs within a rapidly growing middle-income country. Within the public sector, this includes financing of infrastructures, new schools and hospitals, and essential new systems of support, such as key social protection programs. During the new planning cycle, public investment will continue to prioritize the social sectors, and the need to target investments on disadvantaged groups and lagging communities. Within the private sector, investments are needed to deliver step changes in productivity and the transfer of new technologies to maintain competitiveness and high levels of employment. While outside the direct purview of the State, new efforts will be made to monitor and track these flows and influence their composition.

**5.3** Additionally, the RGC will continue strengthening and broadening the types and scope of partnerships between ministries and agencies with development partners but placing a greater emphasis on those providing access to finance. Moreover, given the decline in Official Development Assistance (ODA), and specifically grant in aid, greater recognition will be given to the private sector and the role played by domestic public financing. Efforts will also be made to strengthen the capacities of government institutions for the sourcing, management and delivery of investments.

**5.4** Finally, as discussed in previous chapters, the RGC will take concrete actions to further strengthen and refine the harmonization of planning along with monitoring and evaluation, with the execution of public investment expenditure, and development-cooperation-financing, via the Public Financial Management Reform Program (PFMRP). To ensure improved alignment, greater links and synergies will be made between planning efforts (undertaken within the NSDP and the PIP overseen by the MOP), and revenue and capital budgeting (within the Budget Strategic Framework carried out by LMs/LAs and overseen by the MEF).

#### TOTAL INVESTMENT REQUIREMENTS

**5.5** The RGC employs two processes to establish investment needs. *The first* covers the economy as a whole (i.e. both public and private sectors) and is rooted in the macroeconomic framework developed by the MEF. The data here are *top-down* estimates developed in line with the growth projections specified within the RS and the longer-term economic objectives (in essence, maintenance of real terms GDP growth in excess of 7% per year). In turn, the estimates for public sector investment are consistent with the Budget

Strategic Planning (BSP) process, which provides the rules for the recurrent and capital budgets over a rolling three-year period. *Second* the macroeconomic scenario is discussed at length in Chapter 3, and this provides projected private sector investment totals, and the initial planning totals for public investment used in the NSDP. These are re-stated in Table 5.1 below (in US Dollar and Cambodian Riels).

**Table 5.1: Capital Investment Required to Achieve Growth Targets 2019-2023**

Source of Finance	2019p	2020p	2021p	2022p	2023p	Total
(In Million USD)						
<b>Total Public Investment</b>	<b>2,257</b>	<b>3,382</b>	<b>3,376</b>	<b>3,527</b>	<b>3,912</b>	<b>16,454</b>
Domestic finance	738	1,636	1,519	1,539	1,566	7,000
Foreign finance	1,298	1,476	1,561	1,634	1,974	8,154
<b>Total Private Investment</b>	<b>6,519</b>	<b>7,447</b>	<b>8,524</b>	<b>9,774</b>	<b>11,174</b>	<b>43,438</b>
Domestic finance	2,853	3,118	3,405	3,719	4,012	17,107
Foreign finance	3,666	4,328	5,119	6,055	7,162	26,331
<b>Total Investment</b>	<b>8,776</b>	<b>10,830</b>	<b>11,901</b>	<b>13,301</b>	<b>15,086</b>	<b>59,890</b>
(In Billion Riels)						
<b>Total Public Investment</b>	<b>9,257</b>	<b>13,870</b>	<b>13,845</b>	<b>14,463</b>	<b>16,043</b>	<b>67,479</b>
Domestic finance	3,028	6,711	6,230	6,310	6,421	28,700
Foreign finance	5,324	6,053	6,404	6,738	8,096	32,615
<b>Total Private Investment</b>	<b>26,727</b>	<b>30,532</b>	<b>34,950</b>	<b>40,073</b>	<b>45,812</b>	<b>178,096</b>
Domestic finance	11,697	12,786	13,960	15,246	16,447	70,138
Foreign finance	15,029	17,746	20,990	24,826	29,364	107,957
<b>Total Investment</b>	<b>35,984</b>	<b>44,402</b>	<b>48,795</b>	<b>54,536</b>	<b>61,855</b>	<b>245,574</b>

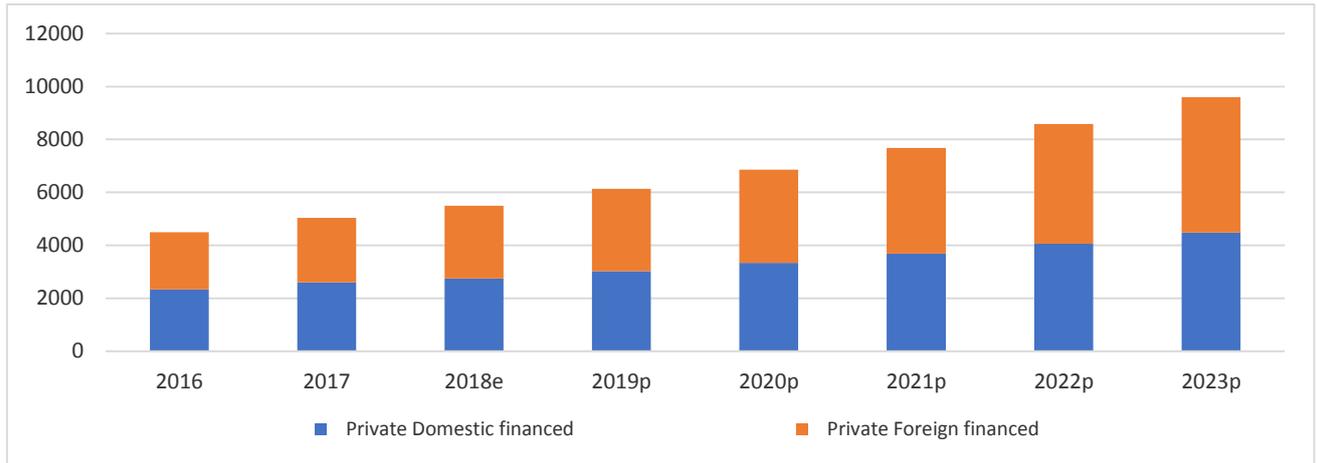
Source: MEF

Note: Exchange rate 1 USD=4,100 Riels, (\*) Gap of the total is the RGC's loan payment

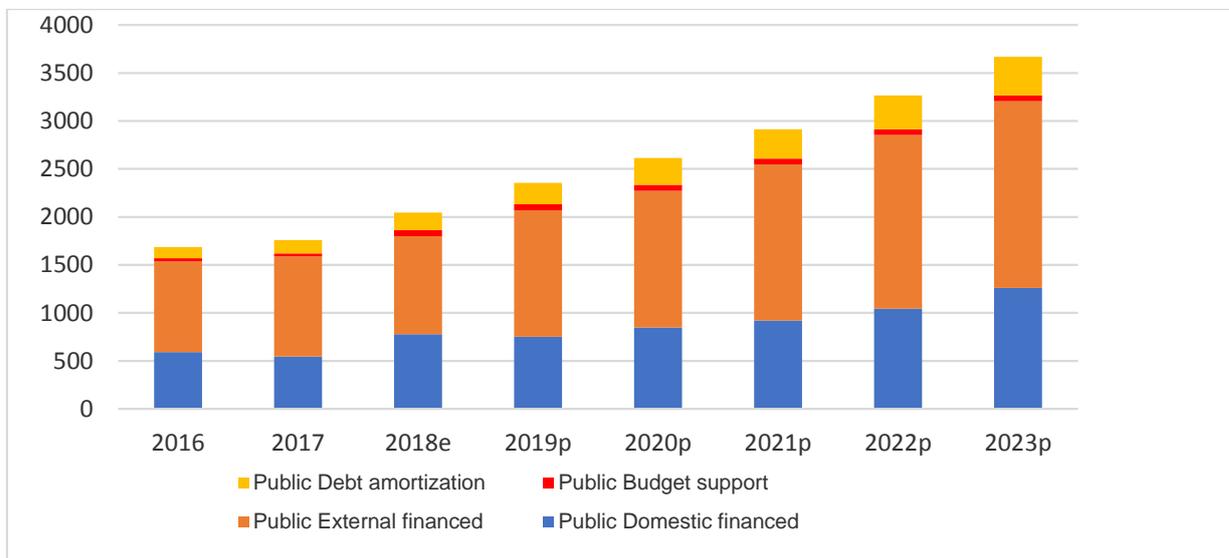
5.6 However, it is important to underline that these data are projections. They do not factor in, on the public sector side, new policy choices, and for both private and public sectors, exogenous events which might affect investment levels, and any variations in other macroeconomic variables within the framework. These are, nevertheless, an important starting point as set out in the table the base investment requirements for the **NSDP 2019-2023** are:

- Total capital investment for the full 2019-2023 period of KHR 245,574 billion (USD 59.8 billion):
  - Private sector investment of or KHR 178,096 billion (USD 43.4 billion) or 72.5% of the total;
  - Public sector investment of KHR 67,479 billion (USD 16.4 billion) or 27.5% of the total.

5.7 Recent past trend and future projections for both private and public sectors are illustrated in Figure 5.1 and 5.2 respectively. Key features are: *First*, the dominance of private over public investment levels; underlining the importance of private finance in driving the Cambodian economy. *Second*, the varying balance of external versus internal sourcing; while the private investment is funded jointly by domestic and foreign sources, public sector investment is dominated by external funds and continues to increase. *Third*, on the public sector side, is the growing importance of debt amortization as the debt stock grows. It is important to also note that these projections assume that the public domestic financing is met from the recurrent budget (i.e. sources from revenues) in the medium term. Additionally, it is assumed that the RGC will continue to rely on concessional borrowing alone to meet public financing requirements during the cycle.

**Figure 5.1: Composition of Private Sector Investment (USD millions)**

Source: MOP's calculations based on MEF data

**Figure 5.2: Composition of Public Sector Investment (USD millions)**

Source: MOP's calculations based on MEF data

## PUBLIC INVESTMENT REQUIREMENTS

**5.8** This Chapter now shifts to specifically considering the public investment to support the needs set out in the **NSDP 2019-2023**. Recalling the discussion above, the numbers presented thus far are *base* public investment figures - they do not include all of the requirements for public investment expenditures envisaged by the Government as set out in the RS IV and other policy commitments (including sectoral ones), which will be considered during the sixth mandate. Here we must turn to the second, *and bottom-up approach*, given by the future Public Investment Program (PIP), which will set out the full set desirable prioritized capital projects. While this process is still in progress we can still estimate the likely level of additional spending which will be sought by line ministries by looking at the previous NSDP cycle. This suggests growth of around a further 49% over and above the numbers given in the macro-economic framework.

**5.9** This approach specifically reflects new policy commitments for key priorities and policy changes (for example improved education and establishing a basic social protection system, and new spending to support improved administrative and technical capacities). If

this estimate is added to the MEF projection the *augmented* public investment total for the coming planning cycle is in the region of KHR 28,931 billion (USD 7.0 billion) as in Table 5.2.

**5.10** This augmented total offers more a realistic account of the likely total sums required for the RGC to meet its policy aims during the new NSDP cycle. It is however important to bear in mind that this is a crude estimate, and moreover, the PIP is based on a three, rather than a five-year cycle, and the sum could be still higher. Therefore, MOP will keep these sums under review therefore and make adjustments as new data become available. The RGC will also further strengthen and refine planning and resource allocation processes and the capacities of the governmental institutions. This will build on the harmonization of the PIP with development cooperation financing, and the schedule for the preparation of the National Budget.

**Table 5.2: Resource Mobilization Targets for Public Sector Investments 2019-2023**

Public Sector Investment Targets	2019-2023	
	Riels (billions)	USD (billions)
Public sector “capital” investments (as per Macroeconomic Projections)	67,479	16.5
Likely additional capital spending to be identified in the PIP	28,931	7.0
<b>TOTAL</b>	<b>96,410</b>	<b>23.5</b>

Source: Macro-economic Framework and proposals in PIP by LMs/LAs

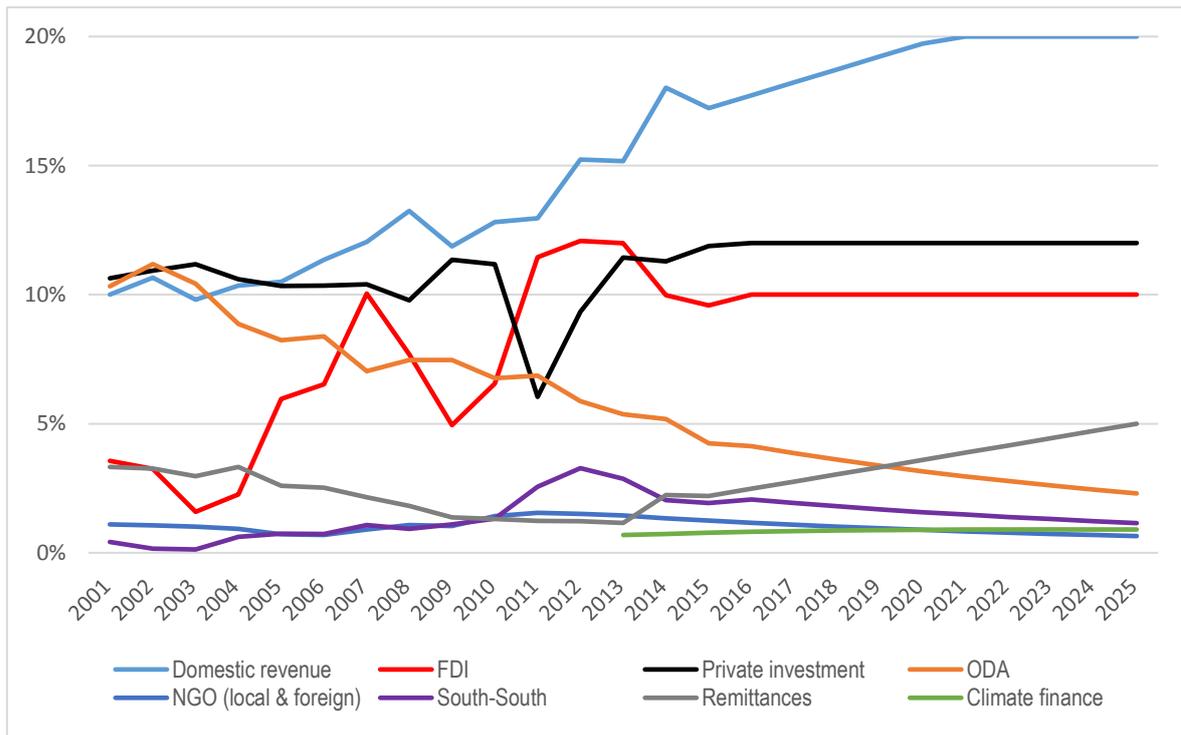
## POTENTIAL SOURCES FOR FUNDING TOTAL PUBLIC INVESTMENT REQUIREMENTS

**5.11** As in past cycles, the RGC faces a pressing challenge in meeting its ambitious public investment requirements, versus what can be raised domestically and borrowed externally. Going forward, there are a number of routes through which the financing gap can be met. Moreover, the RGC’s allocation for domestic financing from the recurrent budget and firm external commitments provide a strong base position which can be leveraged to attract new financing.

**5.12** Five channels are reviewed: (1) better management/ coordination of grant in aid from (traditional) donors and accessing new partners; (2) additional concessional loans from multilateral institutions, and increasingly bilateral partners; (3) new revenue sources—fees and charges, additional taxes, or improved collection performance; (4) greater use of Public Private Partnership (PPP) arrangements/modalities; and (5) new borrowing from domestic sources.

**5.13** Beginning with aid, we note drawing on analysis provided within the Development Finance Assessment (DFA) by the Council for Development of Cambodia, that ODA is subject to an ongoing long-term decline, from over 10% of the GDP in the early 2000s to around 3% of the GDP in recent years (see Figure 5.3). Additionally, a change of composition is taking place from grant to concessional loans, and these are on progressively less concessional terms. This contrasts with growth in domestic public (recurrent) resources and the flows of the domestic and foreign private sector capital.

Figure 5.3: Forward Finance Flow Projections to 2025



Source: CDC

5.14 In the light of this, the RGC will widen its capital investment mobilization efforts to address new opportunities (see below), but within ODA will seek: (1) to maximize the quality of donor assistance via better coordination and management; (2) to maximize the quality of grant aid by encouraging donors to move to budget support arrangements; and (3) by seeking increases in concessional finance by broadening those DPs engaged in concessional lending, and prioritizing high rates of return, typically focusing on infrastructure projects.

5.15 To strengthen the alignment and harmonization, the RGC urges development partners to support sector-wide or program-based approaches. This is key to achieving synergies and avoiding overlaps and duplication. In parallel, the RGC recognizes that the sectoral **Technical Working Groups (TWG)** should be further strengthened, and potentially reshaped, to draw linkages with other development resource flows and address the recently adopted CSDGs. The RGC will therefore work with partners to strengthen the TWG mechanism to enhance efficiency, build technical cooperation and human and institutional capacities. A number of options are under consideration:

- Reshaping the TWGs to cover sector or thematic issues (potentially to complement improved oversight as set out in the CSDG Framework Report);
- Adopting greater focus within the TWGs on technical and policy support. This might be delivered by limiting full membership to those partners delivering financial or technical support to the sector; and ensuring participation of qualified partner and government technical personnel.
- Further developing the professionalism of TWG administration, including ensuring agendas are better prepared (with specific items), their advanced circulation with fixed deadlines, and keeping and circulating official minutes.

5.16 In line with agreements between the RGC and DPs, the government will also encourage development partners to adopt 'budget support' modalities for delivery of remaining, particularly capital investment related ODA flows. This will help to boost national ownership, reduce transaction costs and provide certainty in a time when these resources are

becoming scarcer. The RGC recognizes this must be linked to the adoption of framework agreements with measurable performance targets and will make resources available for the implementation.

**5.17** Separately, the RGC will seek a wider arrange of development lending partners to support public capital investment, especially infrastructure projects. This will increasingly include bilateral and emerging multilateral *non-traditional* providers of capital finance. It is underlined however, that any new borrowings will be subject to high levels of financial scrutiny of financing proposals, alongside rigorous socioeconomic and environmental review of projects. This will be combined (as noted) with a stronger prioritization placed on high rate of return projects. this is likely to be focused on relieving key infrastructural bottlenecks to economic expansion. These will also be facilitated by new procedures within the **three-year rolling Public Investment Program** and capital budgeting within the **Budget Strategic Framework**.

**5.18** On the revenue side, the RGC will also continue to support the sourcing of new income streams, and via adoption of its new **Resource Mobilization Strategy 2019-2023 (RMS)**, will boost additional non-tax revenues in key sectors. This will specifically include: measures to complete the roll-out of the National Revenue Management Information System (NRMIS); build capacity in ministries and agencies responsible for setting and collecting fees and issuing licenses; and the enactment of any additional regulations and laws. This is vital and relevant, to the coming on line of new, natural resources, such as oil and gas, and to the growth in renewable energy sector.

**5.19** Additionally, as given in the draft new Revenue Mobilization Strategy, the Government will continue to support growth in the overall tax base. The total revenues grew year on year to some 20% of the GDP. This is one of the highest for developing countries within ASEAN, and well above the target growth rate specified in the previous strategy of 0.5% of the GDP per year.

**5.20** The tax revenues have made the greatest contribution, with the bulk coming from inland taxes administered by the General Department of Taxation (GDT) - up by almost 50% as a share of the GDP between 2013 and 2017. These increases have provided scope for additional revenue contributions to capital, and are a growing source of investment financing<sup>1</sup>.

**5.21** Going forward, the **RMS 2019-2023**, envisages further growth in revenues albeit at slower rate, targeting an increase of 0.3% of the GDP per annum. Moreover, the drivers of future expansion will emphasize better collection of existing taxes as opposed to setting higher rates of tax, and/ or mandating additional taxes. A series of supportive administrative and capacity building proposals will be set out in the final RMS. The RGC is also seeking to use tax as a policy instrument to influence consumer and producer behaviors. Examples include raising the price and reducing demand/ use of tobacco and potentially other harmful products; and conversely, boosting the adoption of new technologies, by reducing the effective rate of VAT and/or excise on qualifying imports. It is likely these efforts will, overall, also be public resource positive.

**5.22** Innovatively, the RGC will continue to expand the scope and use of Public Private Partnership (PPP) arrangements to deliver investment needs, again with a focus on key infrastructure needs. This will include policy and regulatory work given within current PPP

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<sup>1</sup> It is also worth recognizing that the definition of revenue versus capital is also becoming blurred, with several current expenditures, notably in education and health, effectively serving to accumulate human capital.

reforms but will later extend to the facilitation of individual projects. Noting the PPP Unit of the MEF envisages substantial growth in the number and value of these agreements. The use of the PPP modalities is advantageous in reducing pressure on capital resources and engaging the private sector in the delivery of public services, hence meeting key development objectives.

**5.23** Finally, in the light of falling ODA flows and reductions in the concession of official borrowing, the RGC is currently actively researching, and will bring forward proposals on the development of domestic sources of borrowing through the issuance of Riel dominated bonds. Cambodia currently has no recourse to these public debt instruments, yet these are an essential component of public financing in upper middle- and high-income countries. Domestic bonds also offer advantages by promoting development of the wider capital market and offer a tool for the longer-term de-dollarization of the Cambodian economy. The RGC will however exercise caution, keeping in mind the need to maintain prudent levels of borrowing and containing debt service costs.

## **DEVELOPING NEW SYNERGIES FOR CAPITAL INVESTMENT BETWEEN RS, NSDP, PIP AND THE BUDGET**

**5.24** Building on work initiated under the previous planning cycle, the RGC will accelerate efforts to deliver synergies between the PIP process and the development of capital budgets within Budget Strategic Plans (under the PFMRP). Under the Action Plan on Harmonization and Alignment, these works will aim to deliver an approach that is fully consistent across Government planning and budgeting, linking high level directions to delivery and execution.

**5.25** The MOP specifically, will strengthen the PIP to provide an investment resource envelope to serve as an operational and financing tool to implement the policy priorities identified in the NSDP. This will help ensure that: additional recurrent expenditure requirements of proposed projects are fully taken account of in annual budgets; and (as noted) projects included in the PIP are more clearly prioritized. This strengthening will be achieved via specification of a sequenced ranking, taking into account the macroeconomic environment and an ability to mobilize external resources. The MEF and LMs/LAs will ensure that only those programs and projects that are part of the PIP are considered for funding within Budget Strategic Plans. The RGC, via the CDC and LMs/LAs, will ensure that resource mobilization activities are also focused on seeking funding for these programs and projects.

**5.26** For the **NSDP 2019-2023**, the allocation of capital expenditure by sector and subsector is shown in Table 5.3 below:

**Table 5.3: Allocation by Sector and Sub-Sector of Public Investment in the NSDP 2019-2023**

Sectors and Sub-sectors	% of Total	Allocation for 2019-2023	
		Riels (billions)	USD (millions)
<b>Social Sectors</b>	<b>32</b>	<b>30.8</b>	<b>7.5</b>
Education	10	9.6	2.3
Technical and Vocational Training	8	7.8	1.8
Health	10	9.6	2.4
Social Protection/Poverty Reduction	4	3.8	1.0
<b>Economic Sectors</b>	<b>24</b>	<b>23.0</b>	<b>5.6</b>
Agriculture and Land Management	4	3.8	1.0
Seasonal Crops: Rice & others	4	3.8	1.0
Rural Development	12	11.6	2.7
Manufacturing, Mining and Trade	4	3.8	1.0
<b>Infrastructure</b>	<b>21</b>	<b>20.2</b>	<b>5.0</b>
Transportation (Roads, Ports, Railways., Civil Aviation)	12	11.6	2.7
Water and Sanitation (excluding rural)	4	3.8	1.0
Power and Electricity	4	3.8	1.0
Post and Telecommunications	1	1.0	0.2
<b>Services &amp; Cross Sectoral Programs</b>	<b>21</b>	<b>20.2</b>	<b>5.0</b>
Gender Mainstreaming	1.5	1.4	0.4
Tourism	2	2.0	0.5
Environment and Conservation	4	3.8	1.0
Community and Social Services	4	3.8	1.0
Culture and Arts	1.5	1.4	0.4
Governance and Administration	8	7.8	1.8
<b>Unallocated</b>	<b>2</b>	<b>2.0</b>	<b>0.5</b>
<b>Grand Total</b>	<b>100</b>	<b>96.4</b>	<b>23.5</b>

**CHAPTER VI**  
**MONITORING**  
**AND EVALUATION**

## CHAPTER VI

### MONITORING AND EVALUATION

#### I. INTRODUCTION

6.1 This Chapter presents the monitoring and evaluation (M&E) framework for the **National Strategic Development Plan (NSDP) 2019-2023**. The M&E is a central part of the NSDP implementation enabling the effective operationalization of the RGC's policies. It provides essential feedback to decision makers and encompasses both the framework and a set of systems and arrangements. In developing these, the MOP has focused on:

- Achieving the results articulated in the NSDP, and in turn, meeting the long term developmental objectives.
- Strengthening capacities within government agencies, specifically planning focal points within line ministries and agencies.
- Engaging all development constituencies (development partners, private sector, sub-national agencies, others) in an effective partnership, to secure national objectives.

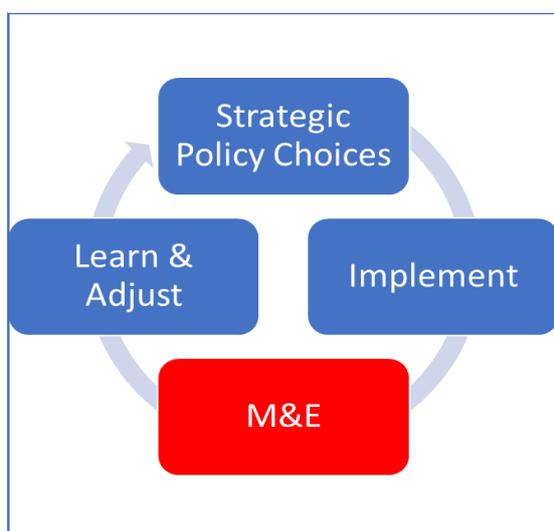
6.2 The M&E Framework aims to quantify progress against the plans by examining results-chains, contextual factors and causalities. The M&E processes are necessarily evidence-based and serve as important sources of data which are important for a variety of planning and programming purposes.

6.3 This Chapter has four sections, First, it discusses the roles of the M&E framework and the importance of the M&E within policymaking and implementation; Second, it sets out the M&E framework and arrangements for the new NSDP planning cycle; Third, it discusses the M&E at sectoral and subnational levels; Fourth, it raises the M&E challenges and how the RGC would address these.

#### II. ROLES AND IMPORTANCE OF M&E WITHIN POLICYMAKING AND PLANNING

6.4 The M&E enables the provision of useful information to decision makers at different levels and forms a key link within the policy cycle (see the figure 6.1 below). Within the context

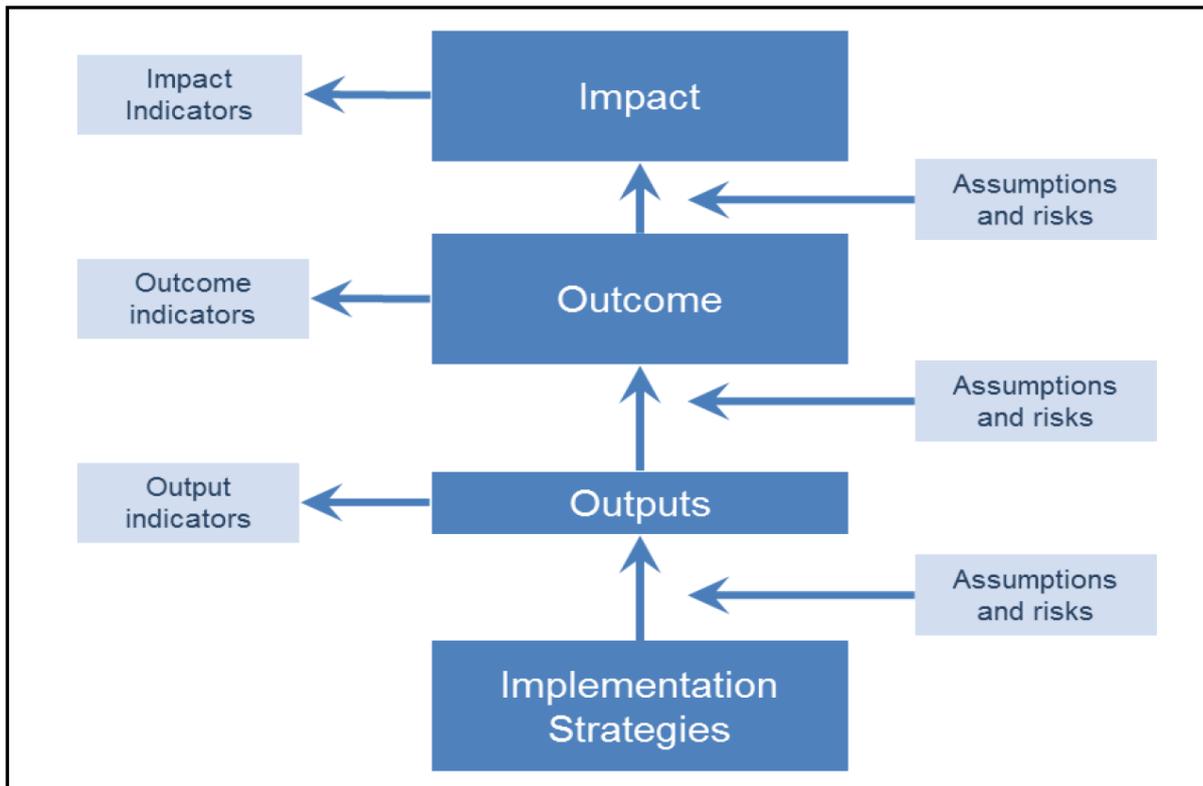
**Figure 6.1: M&E within the Policy Cycle**



of the NSDP, the M&E framework, and its supporting systems provide *feedback* on implementation of the RGC's policies; informing and enabling operational and management decisions to fine tune delivery; and at a higher level, the adjustment of policies. For policy adjusting, it requires reviewing of policy stance, and subsequent revision of end goals. The M&E also serves as an accountability check at different levels - ministries, agencies, departments, sections, and units. Therefore, the M&E can be served within performance management systems, providing delivery criteria to be matched with financial and human resource data.

6.5 It is best practice for an M&E Framework to follow the logic of a planning and implementation process – termed the “**Theory of Change**”. This can be depicted a results chain – a series of logical steps linking the current position to the desired end outcomes. This identifies actions and results at various levels – and hence specifies the inputs and processes, which contribute to outputs and ultimately drive outcomes and shape impacts. This describes the causal chain between the current and end desired states. A sample of the Theory of Change, and how this relates to M&E, is illustrated in Figure 6.2 below.

**Figure 6.2: Theory of Change and Results Chain**



6.6 A results chain can be developed at any level - the same approach can be used within sectors and subnational administrations and programs and projects, or as with the NSDP the economy-wide level. **Inputs** are direct resources and actions taken, monetary or physical, laws/regulations, or knowledge and know how (using infrastructure an example – the cement, qualified engineers). Next, **outputs** are derived from the application of these inputs, such as technical reports and infrastructures (e.g. technical capacity, roads, railways built). These in turn are expected to help advance economic progress as described in the plans - the ‘**outcomes**’ (here, better connectivity, lower logistical costs). Finally, these are expected to improve human well-being and secure the end policy objective or **impact** (in the example, prosperity and reduced spatial equality).

6.7 Underpinning any theory of change and results chain, again as shown in the diagram, are as a set of implicit assumptions about the relationship between links in the chain. These often require identification and then verification as part of the M&E process. Specifically: would it be possible to achieve an output, given a predetermined set of inputs; and would it be possible to achieve outcomes if all the outputs are in place. Maintaining our infrastructure example: would building of a cross-river bridge be necessary and sufficient to boost trade and higher value-added, and hence deliver prosperity? Testing of assumptions and hence, the

deliverability and consistency of the Theory of Change, involves identifying constraints and solutions, and requires evaluation techniques – via, for example, critical path and bottleneck analyses.

### III. M&E FRAMEWORK AND ARRANGEMENTS FOR THE NSDP 2019-2023

6.8 A results chain for the NSDP was introduced in the *Results Framework (RF)* provided in Chapter 3 (See Table 3.4); this is reshaped and summarized again in Table 6.1 below and offers an overview of the chain of results underpinning the NSDP. The hierarchy of indicators is anchored to RGC’s Visions 2030 and 2050 at longer term impact level, and to the Rectangular Strategy IV at the outcome level. The NSDP M&E framework specifically, links these high-level outcomes, to lower level outcomes and to outputs which can be influenced by policy choices and actions, so offering a mechanism for tracking and guiding implementation of policies at plan level. Following the results chain, inputs and process indicators will subsequently be provided in line ministry (i.e. sector) development plans and by subnational development plans.

**Table 6.1: Results Framework for Monitoring and Evaluation of the NSDP**

Long-term Impacts: Visions 2030 & 2050	Achievement of UMIC and HIC status by 2030 & 2050 respectively			
High level outcomes: RS objectives	Growth: Buoyant and resilient economy	Jobs: Full employment, with better-quality jobs.	Equity: lower poverty & vulnerability.	Efficiency: Higher capacity institutions & good governance
	Quality of the operating environment			
Outcomes: RS core & rectangles	Core: Accelerated governance reforms RGC Priority 1: Human resource development RGC Priority 2: Economic diversification RGC Priority 3: Private sector development and employment and employment RGC Priority 4: Inclusive and sustainable development			
Outputs of policies & actions	As given under each heading in the M&E Matrix of core indicators			
Actions, processes & Inputs	As given in LMs/LAs (sector) and subnational plans and given in list of core and additional indicators.			

6.9 As in the previous cycles of the NSDP, the primary mechanism for the M&E and tracking progress of the Plan is indicators. This is presented in the matrix provided in Appendix 6A. In line with the results chain, this is structured in line with the RGC’s priorities articulated in the RS IV, and these are also broadly consistent with the programs and activities of line ministries and agencies. It will also provide the basis of sectoral and subnational results chains and plans, linking desired outcomes, ultimately to service level delivery decisions and actions. The core indicators matrix is made up of two parts:

*First*, high level outcomes – judged *beyond the RGC’s direct influence or control* (based on the higher-level goals of the RS):

- 4 Strategic level summary goals – growth, employment, equity and efficiency.
- Overarching goals of delivering for the Plan.

*Second*, outcomes and outputs - which *can be influenced* by policy choices and actions. These are based on core plus RGC’s 4 primary objectives as follows:

- Core - Accelerate Governance Reform

- Priority 1 - Human Resource Development
- Priority 2 - Economic Diversification
- Priority 3 - Private Sector Development and Employment
- Priority 4 - Inclusive Sustainable Development

6.10 As given in the below table, there are 109 indicators have been selected across the 7 categories. The distribution does however vary owing to the availability of data sources. This compares to around 80 indicators included in the previous NSDP 2014-2018.

6.11 Indicators were taken from four sources: (1) the matrix given in the CSDG Framework approved by the Council of Ministers in November 2018; (2) the proposed Strategic Results Framework (SRF) being developed for the RS IV under the leadership of the MEF; (3) indicators given in the former NSDP cycle; and (4) new indicators developed based on the needs of the Plan. Indicator selection focused on government priorities, but with a preference for those sourced from the CSDGs framework; the likelihood that the underlying data could be collected; and that indicators met the SMART criteria,

6.12 Following completion of the draft set of indicators, the MOP in consultation with the **National Working Group on Monitoring and Evaluation NSDP implementation (NWGM&E)** and with Line Ministries and Agencies (LMs/LAs) has reviewed and made further revisions. Therefore, specification of targets has been informed by the RGC's long-term and medium-term policy objectives and consideration of the likely operating conditions.

6.13 The selection and refinement processes were challenging and required careful judgments, and some level of analysis of both internal and influenceable (endogenous) and versus the external and uninfluenceable (exogenous) factors. As in the previous cycles, the annual review process will include the review and revision of indicator targets if needed.

6.14 The selection and specification was particularly difficult for intangible objectives, for example within the core governance priority and for indicators reflecting the quality of the operating environment. These issues are resolved by using proxy measures for characteristics like institutional capacity and management performance (for example extent of the budget execution), and by relying on opinion and informed judgment-based data (for example, World Bank assessments of Cambodia's performance).

6.15 Additionally, as with past cycles, a list of secondary indicators was also compiled made up of any remaining CSDGs and NSDP indicators, supplemented with line ministry proposals. These indicators will not, as a rule be collected within the NSDP M&E process but will be available for LMs and LAs to specify within sector and subnational development plans, and to support wide M&E.

6.16 Examination of the final core indicators matrix shows that LMs/LAs have largely been able to populate the dataset. The majority of indicators are complete - having based and end lines, and annual milestones. The data availability was a key consideration, but a small number of incomplete indicators have retained due to their importance, particularly in covering dimensions of the plan where other proxies were not available. Work is now required to specify sources and collect these data. This will be undertaken within the first 6 months of 2019, and if not possible, these metrics will be deleted and replaced as part of the first regular review.

6.17 As in the past NSDP cycles, the review process will take place annually, and will be led by the MOP in consultation with LMs/LAs. During the process, *actual performance* will be

matched against *milestone target* values for the indicators. Significant variances will be analyzed and fed back to policymakers and operational managers. Review findings and recommendations will therefore drive remedial actions and revisions, as described in the opening sections of this chapter.

**6.18** Annual reviews will also include an assessment of the quality of indicators and the supporting data. The dataset and indicator choices may be revised as a result, and in extreme cases, target themselves may be recast for the remaining period of the plan. The M&E process is also flexible, to the extent that it will be open to introducing new indicators. Changes will be driven by the needs of policymakers within LMs/LAs. Proposals for change would however be reviewed by the MOP and a clear logic and case would have to be established, for additions to the NSDP targets and the core dataset.

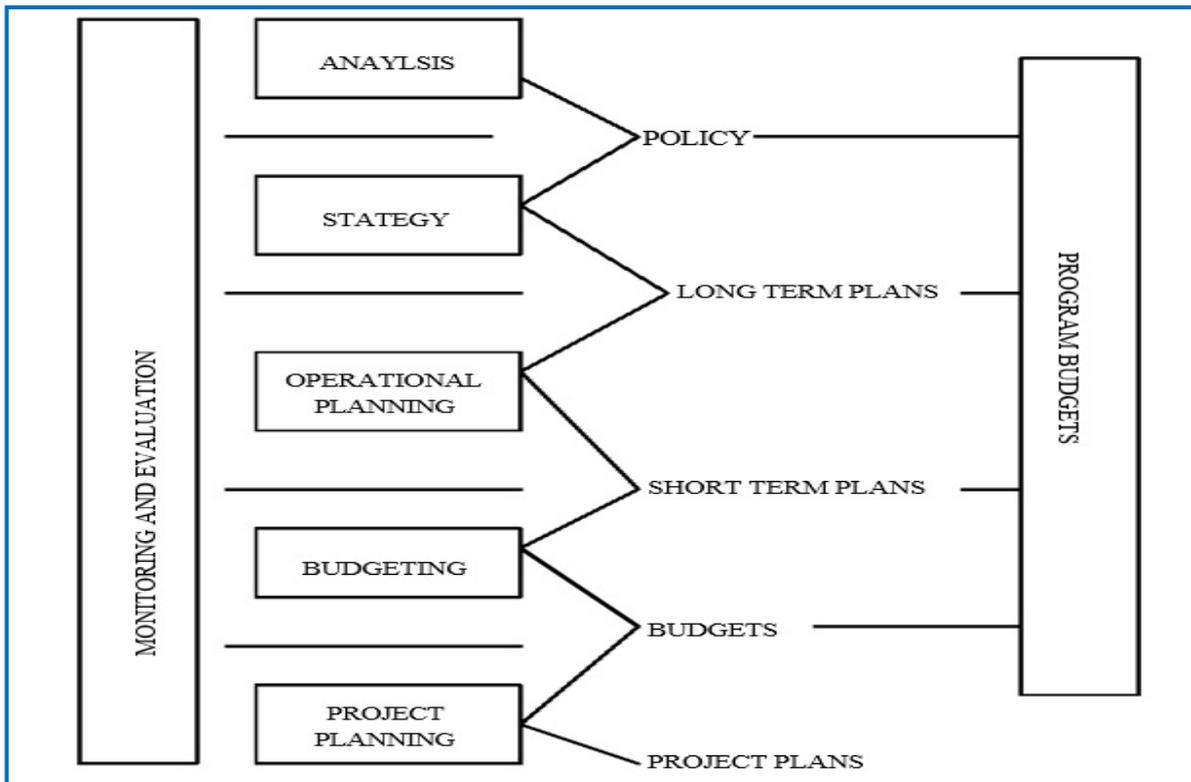
#### **IV. PLANNING AND M&E AT DIFFERENT LEVELS**

**6.19** Again, as in the previous cycles, implementing ministries and agencies, and subnational administrations will continue to develop their own result frameworks to support their development plans. These will follow two hierarchies – national/sectoral/program and sub-national level. Yet it is important that consistency is maintained throughout, between all levels, with a cascading approach adopted – with each subsidiary plan looking to its “*parent plan*” to define its scope and matching policies to results. It is also vital that the M&E frameworks are fully aligned, where possible, adopting common indicators, and the various matrixes set out at the end of this chapter aim to facilitate this.

**6.20** As such, it is the responsibility of each of LMs/LAs to carry out the M&E at output and input levels - that is for, the projects and services, and the expenditures and actions, to deliver the corresponding sectoral results. The end results of subsidiary plans are defined by the outcomes specified in the NSDP and should be specified in the results chains and hence M&E (reflecting the lower part of the structure given in Figure 6.2 above). Again, all results chains should identify underlying assumptions and be informed by a theory of change and be supported by preliminary analyses of the critical paths and constraints, noting that for the NSDP these are articulated in Chapters 3 and 4.

**6.21** In line with the ongoing roll-out of performance-based budgeting under the phases 3 and 4 of RGC’s PFMRP reforms<sup>1</sup>, the LMs/LAs are expected to plan and implement projects and programs following a standard Programmatic Structure (PS). The PS, the budget and the M&E framework should be synchronized to ensure full harmony between these three. Figure 6.3 provides a graphic depicting the ideal alignment of the PS, the budget, and the M&E framework for a sectoral or subnational activity. It illustrates how a policy, being a broad statement of intent, can be translated into strategies, reflected in the budget, and by actionable programs and sub-programs. The PS is given at the center, the assigned budget at the right-hand side, these are closely matched with the M&E indicators (given on the left).

<sup>1</sup> Public Financial Management Reform Program see link: <http://www.pfm.gov.kh/index.php/en/>

**Figure 6.3: Alignment of the Program Structure, Budget, and M&E Framework**

**6.22** The M&E merits a special mention, as it is more challenging than the sectoral, given the limited data, institutional and analytical capacities and resources. However, with ongoing improvements in data collection, greater disaggregation of administrative and statistical data is now possible. This will permit subnational authorities over the course of the cycle, to generate data profiles at different levels. Statistical datasets which can already be provided at province level include the Cambodia Demographic and Health Survey (CDHS), a major source of data. Additionally, the NIS/MOP has provided estimated poverty rates based on the Cambodia Socio-economic Survey (CSES) and continues to pilot the generation of the GDP estimates at province level.

**6.23** On the administrative side, the data on many economic/social indicators can be constructed using data that the LMs/LAs generate, for example, on crops, educational enrolment rates and health coverage. Equally, the Commune Database (CDB) provides opportunities to develop profiles at all levels – provincial, district and commune. However, the CDB data should be used selectively, given the level of judgment used in their generation, and the lower level of scrutiny by statistical authorities (given the CDB remains outside the scope of official statistics).

## **V. M&E CHALLENGES AND ISSUES**

**6.24** Establishment of the Indicator Framework and delivery of effective and comprehensive M&E faces several challenges, and the MOP will make efforts to mitigate these over the course of the NSDP cycle. The MOP will also assist LMs/LAs and subnational administrations, to also address the issues they face in developing and implementing their own M&E arrangements. Three sets of problems can be identified:

**6.25** *First* is the need to ensure indicator choices and M&E processes remain relevant to policy feedback or management requirements. This is particularly important in the rapidly changing policy context of Cambodia – and with specific regard to the NSDP, this is seen by the level of evolution between the RS III to the RS IV, and the adoption and adaptation of the CSDGs as a primary long-term M&E framework. This has been achieved within the NSDP through reshaping the frame to reflect the new structure of Government priorities in the RS and revising the core indicator choices to draw predominately on the CSDG dataset. In addition, this has required judicious selection of indicator data from the proposed RS Strategic Results Framework (SRF) and crafting new ones based on the needs of decision makers. This will also need to be looked at again during annual reviews, and ongoing efforts will be needed to ensure indicators and frameworks (the NSDP, the CSDGs and the SRF) are synergized and kept up to date.

**6.26** The MOP will also prioritize efforts to improve coordination between the producers and users of indicator data to ensure needs are met. There are multiple agencies requiring data on diverse issues (finances, agriculture, industry, labor to name a few), and in turn, supply is also diverse with several agencies collecting and compiling both statistical and administrative data. This is appropriate and efficient; a single agency cannot undertake all these tasks and some datasets are highly technical in nature. This shows that there is a de facto *market place* for data within public policy management, yet it is important this market is managed. The MOP aims to do this by coordinating via the work of General Directorate of Planning (GDP), and the output of National Institute of Statistics (NIS) as a monopoly provider of statistical data.

**6.27** *Second*, are the questions of completeness and quality of data – i.e. securing enough data at the right time, with the appropriate level of reliability, relevance and disaggregation. Several considerations are relevant here, first is the need to ensure that all selected indicators can be collected, have accurate sourcing details and specification (termed the meta data) and that baselines, end lines and milestones are given. Additionally, tests are needed to ensure that target-based indicators meet the minimum SMART (Specific, Measurable, Achievable, Realistic and Time-bound) requirements. Any issues can be identified by testing of the data and relating indicators back to the policy and management objectives they aim to track.

**6.28** Resolving issues revealed however, extends well-beyond effective design of the framework, to management and governance of the M&E processes. As noted, there are multiple agencies collecting/collating data and effective coordination is limited. Efforts are needed to ensure that as far as possible definitions and data generation processes are comparable, and where possible agencies should be engaged to follow international, or at least nationally accepted definitions and practices.

**6.29** As in previous cycles, three strategies will be pursued by the MOP to deliver this: (1) increased data standardization - building on the National Strategy for Development Statistics (NSDS) which provides quality standards for statistical data, the MOP will extend this to administrative datasets and compilation processes; (2) specification of common sources and definitions within national data frameworks (the NSDP, the CSDGs and the SRF) to encourage consolidation; and (3) recognizing that standardization is not deliverable overnight, inform the users of the differences and discourage the comparison of incomparable variables.

**6.30** Extension of the NIS's efforts (via the NSDS) to reshape the statistical system, including administrative data is a priority as these policies relevant and readily available. The MOP through

its ongoing partnership with LMs/LAs will work to improve the two most prominent databases, which are available in public domain: the Education Management Information System (EMIS); and the Health Information System (HIS).

**6.31** *The third* group of challenges refer to a series of technical and especially analytical, capacity gaps. Staff are often unable to formulate SMART indicators for their sectors, nor do they have adequate capacity to collate and analyze data for policy and decision making. Some gaps also have institutional dimensions, with some agencies eschewing an evidence-based approach. Moreover, efforts underway within the PFMRP led by the MEF, to link budgets to delivery performance, via the use of output indicators within Budget Strategic Plans (BSPs), will heighten the importance of these challenges.

**6.32** In response, and building on efforts in past cycles, the MOP, with other ministries agencies, will undertake a series of measures to develop key capacities:

- Set up a national system for the M&E of the result of the NSDP implementation and the CSDGs achievement.
- Prepare, with closely cooperation with the LMs/LAs and other stake holders, Annual Progress Report (APR), the Mid-term Review (MTR) and the Final Report of the NSDP implementation, and Progress Report on the CSDGs achievement.
- Formulate new technical guidelines and a National M&E Strategy, and disseminate these widely, and support with familiarization training.
- Strengthen systems for major projects tracking (delivered by the three-year rolling Public Investment Plan).
- Link and synergize the NSDP M&E with indicators and data used to monitor budgeting via the Budget Strategic Plan (BSP) process.
- Provide training packages for officials-in-charge of planning and statistics; and ad hoc training on the basics of the M&E, data collection, analysis for other focal points in the line ministries and agencies.
- Establish a one-stop technical assistance service for ministries and agencies on indicator selection, data collection, data analysis/interpretation, formulation of results framework and so forth (as requested).

**6.33** LMs/LAs need to provide inputs in close cooperation with the MOP requirement for preparing the APR, the MTR, and the end report of the NSDP implementation and for preparing the CSDG achievement progress report.

**6.34** The NSDS will provide a roadmap to support the sustainable data production. The NSDS will also support the additional statistics production as needed to ensure the objectives of statistic system are achieved for the effectiveness and efficiency of the M&E, policies implementation, and statistical programs.

**6.35** The NSDS is an effective tool to identify the statistic operation situation, human development, and data quality improvement at sectoral level for planning, policy formulation, and decision making.

**6.36** Moreover, the NIS/MOP continues to implement the NSDS 2019-2023 with the 8 strategic objectives as follows:

- **Strategic Objective 1:** Develop, implement, and maintain a core data set of high quality, by all institutions of the National Statistics System (NSS), under the leadership

of the NIS, to adequately respond to the statistical requirements to support development processes arising from the NSDP, the SDGs, and the ASEAN commitments and the needs of other users. To achieve these strategic objectives, there are 4 priority activities: (1) link the operation of national statistical system to development policies; (2) improve data policy and statistical infrastructure; (3) support for data compilation for CSDGs; and (4) continue to improve socio-economic statistics.

- **Strategic Objective 2:** Strengthen further statistical legislation, institutional infrastructure, organization structures, independence of the NIS & operational, financial & administrative management systems of the NSS to support statistical production & development which focus on priority activities as follow: (1) organize national statistical system as articulated in the Statistical Law and Sub-Decree; (2) provide more autonomy and accountability to the NIS; (3) identify mandate of statistical organization which set up in the LMs/LAs.
- **Strategic Objective 3:** Develop and implement human capacity building in an organized recruitment, training and employee motivation program in the NSS. To achieve these strategic objective there are 2 priority activities: (1) introduce human resource management and policy; (2) develop and continue widely training program with national statistical system.
- **Strategic Objective 4:** Develop & implement the ICT Strategy & Plan to provide state-of-the-art ICT capacity to support all aspects of statistical collection, processing, analysis, maintenance & dissemination by focusing on strategic use of the ICT with minimum reduction of labor.
- **Strategic Objective 5:** Develop and implement a Dissemination Strategy & an Advocacy and Literacy Strategy to provide improved access to all users & increased demand for statistics through the priority activities as follows: (1) support using data for policies and plans preparation and (2) promote and interact effectively with consumers across the country.
- **Strategic Objective 6:** Improve coordination of the NSS to eliminate data conflicts and produce comparable, timely statistics in the NSS as efficiently as possible by focusing on extending the scope and mechanism of coordination in the national statistical system.
- **Strategic Objective 7:** Improve the working relationship and coordination with Development Partners to ensure predictable, continuing, integrated support to the priority activities of the NSS and ensure full transfer of skills and know-how by balancing the need of country with requirement of development partners.
- **Strategic Objective 8:** Promote stability and growth of budget support for the NSS from both domestic and international sources to allow effective planning and implementation of priority statistical programs through the implementation of the provisions of the Law on the Statistics concerning the revised procedure for financing.

Table 6.2: Core Indicators for Monitoring and Evaluation NSDP 2019-2023

No.	Indicators	Unit	2018	2019	2020	2021	2022	2023	References	Data Source
<b>Impact Level: Government Policy Goals</b>										
<b>Strategy: Growth, Employment, Equity, and Efficiency</b>										
<b>Growth of +7%, Wider Economic Base, Competitiveness, and Macroeconomic Stability</b>										
1	Real GDP	Million USD	24,374	26,786	29,362	32,293	35,562	41,621	NSDP14/18	MEF
2	Per Capita GDP	USD	1,548	1,679	1,816	1,972	2,144	2,480	NSDP14/18	MEF
3	Real GDP Growth Rate	%	7.5	7.1	6.5	7.0	7.0	7.0	NSDP14/18 and RSF	MEF
4	Share GDP by Sector	Agriculture	18.0	17.1	16.4	15.6	14.8	14.1	NSDP14/18	MEF
		Industry	35.6	36.8	37.6	38.7	39.9	41.0	NSDP14/18	MEF
		Service	39.1	39.0	38.9	38.7	38.4	38.1	NSDP14/18	MEF
5	Inflation year on year (December)	%	1.6	3.0	3.0	3.0	3.0	3.0	NSDP14/18 and RSF	MEF
<b>Employment: Jobs, youth, skills, market information and working conditions</b>										
6	Employment rate	%	84.2 (2017)	86.0	88.0	90.0	92.0	94.0	RSF	MEF/CSES/ LFS
7	Sector employment shares	Agriculture	37.0 (2017)	37.0	37.0	38.0	38.0	38.0	NSDP14/18	MEF/CSES/ LFS
		Industry	26.2 (2017)	27.2	27.2	27.2	27.2	27.2	NSDP14/18	MEF/CSES/ LFS
		Service	36.8 (2017)	36.0	36.0	35.0	35.0	35.0	NSDP14/18	MEF/CSES/ LFS
<b>Equity: Poverty below 10%, reduce vulnerability (via job creation, social protection, quality public services)</b>										
8	Proportion of population living below the national poverty line (consumption based)	%	13.5 (2014)	9.5		7.5		5.5	CSDG; NSDP14/18, & RSF	MEF/CSES/ LFS
9	Proportion of urban population living below the national poverty line (consumption based)	%	12.5 (2014)	11.5		10.5		9.6	CSDG; NSDP14/18, & RSF	MEF/CSES/ LFS
10	Proportion of Children living below the national poverty line (consumption based)	%	16.0	12.0		11.0		10.0	CSDG	NIS/CDHS
11	Proportion of Children living below the national poverty line (multidimensional based)	%	49.0	41.0		33.0		25.0	CSDG	NIS/CDHS
12	Life Expectancy at Birth	Year	70.6	71.0	72.0	73.0	73.0	74.0	NSDP14/18, & RSF	NIS

	Male	Year	68.1	69.0	70.0	71.0	71.0	72.0	NSDP14/18, & RSF	NIS
	Female	Year	71.9	73.0	74.0	75.0	76.0	76.0	NIS	NIS
13	Adult literacy rate (15+ years)	%	82.5	83.0	85.0	86.0	88.0	90.0	CSDG	CSES/NIS
<b>Higher capacity and governance of public institutions</b>										
14	Government budget balance (surplus/deficit) as % of GDP	%	-5.4	-5.2	-4.9	-4.6	-4.3	-4.0	RSF	MEF
<b>Overarching: Favourable operating environment</b>										
<b>Peace, Political, &amp; Public Order</b>										
15	Reported perception of safety & security	%	84.2 (2017)	86.0	90.0	92.0	94.0	95.0	NSDP14/18	CSES/NIS
<b>Favourable Environment for Business, Investment &amp; Development</b>										
<b>Strengthening Ownership &amp; Partnership in Development &amp; International</b>										
16	The financing in national budget	%	83					95	New	CDC
17	Using national system by DPs	%	61.0					72.5	New	CDC
18	Using result framework by DPs	%	64					80	New	CDC
19	Number of Trade Related Agreements with other countries	Agreements	21	22	23	24	24	25	CSDG	MOC
<b>Outcomes level - Government policy priorities</b>										
<b>Core: Accelerate Governance reform</b>										
<b>Institutional reform &amp; capacity building</b>										
20	Percentage of public institutions implementing BSPs	%	100	100	100	100	100	100	RSF	MEF
21	Number of institutions with a system align with decentralization	Institution	1	2	3	4	5	6	New	MOI/NCDD
22	Annual National budget support core reform activities	Million USD	9.0	9.5	10.0	10.5	11.0	11.0	New	MOI/NCDD
<b>Cleanliness &amp; integrity in public admin</b>										
23	Percentage of targeted city, district, and Khan using Information management system	%	60	70	80	90	100	100	New	MOI/NCDD
24	Percentage of women in city, district, and Khan management position.	%	25	27	28	29	30	31	New	MOI/NCDD
25	Percentage of city, district, and Khan development fund versus current national budget	%	0.37	0.50	0.50	1.00	1.00	1.00	New	MOI/NCDD

<b>Work efficiency</b>										
26	Domestic revenue as % of GDP	%	19.3	19.6	20.2	20.7	21.0	21.3	RSF	MEF
<b>Private sector governance</b>										
<b>RGC Priority 1: Human resource development</b>										
<b>Education, science and technology</b>										
27	Net Enrolment Rate in Primary Education	%	97.8	98.0	98.1	98.2	98.3	98.5	NSDP2019/23	MOEYS
28	Completion Rate in Primary Education (revised target)	%	82.7	83.3	83.7	84.0	84.3	85.0	NSDP2019/23	MOEYS
29	Gross Enrolment Rate in Lower Secondary Education	%	59.2	61.1	62.5	63.5	64.3	66.7	NSDP2019/23	MOEYS
30	Completion Rate in Lower Secondary Education (revised target)	%	46.5	48.9	50.7	52.0	53.0	56.0	CSDG NSDP2019/23	MOEYS
31	Gross Enrolment Rate in Upper Secondary Education	%	28.5	30.9	32.7	34.0	35.0	38.0	NSDP2019/23	MOEYS
32	Completion Rate in Upper Secondary Education	%	23.6	25.2	26.4	27.3	28.0	30.0	NSDP2019/23	MOEYS
33	Gender Parity Index (GPI) of Gross Enrolment Rate in Upper Secondary Education (revised target)	Index	1.18	1.14	1.11	1.09	1.08	1.03	CSDG	MOEYS/MOWA
34	Gross Enrolment Rate in higher education (18-22 years old – total)	%	11.57	11.93	12.20	12.40	12.55	13.00	CSDG និង NSDP2019/23	MOEYS
35	Gross Enrolment Rate in higher education (18-22 years old – female)	%	11.05	11.29	11.47	11.60	11.70	12.00	CSDG	MOEYS
36	Percentage of students study in Science, Technology, Engineering, Art, and Mathematic (STEAM) Fields	%	26.8	27.6	28.2	28.7	29.0	30.0	MAIS	MOEYS
37	Percentage of Female students study in Science, Technology, Engineering, Art, and Mathematic (STEAM) Fields	%	29.8	30.4	30.8	31.1	31.3	32.0	MAIS	MOEYS
<b>Vocational training</b>										
38	Gross enrolment rate in technical-vocational education programmes (15- to 24-year-olds)	%	44	50	50	60	60	60	CSDG	MLVT/CSES
<b>Public healthcare and nutrition</b>										
39	Proportion of births delivery by skilled health personnel	%	89	89	90	91	92	93	NSDP2014/18	MOH
40	Malaria case fatality rate reported by public health facilities per 100 000 populations	Fatality Cases	0.35	0.15	0.00	0.00	0.00	0.00	NSDP2014/18	MOH
41	Maternal Mortality Ratio per 100 000 live birth	Per 100 000 lives birth	75 (2014)		65			55	NSDP2014/18	CDHS/NIS/ MOH

42	Infant Mortality Rate (IMR)	Per 1000 lives birth	28 (2014)		20			15	NSDP2014/18	CDHS/NIS/ MOH
43	Under-5 Mortality Rate	Per 1000 lives birth	35(2014)		25			10	NSDP2014/18	CDHS/NIS/ MOH
44	New HIV infection per 1000 uninfected population	per 1000 uninfected population	0.03	0.03	0.03	0.03	0.03	0.03	NSDP2014/18	MOH
45	Tuberculosis incidence (revised targets)	Per 100 000 Populations	326	323	310	261	243	226	CSDG	MOH
46	consultation for new disease per person	Times	0.72	0.80	0.85	0.86	0.87	0.89	MAIS	MOH
<b>Gender equality &amp; social protection</b>										
47	Numbers of mixed-service centre for women and girls affected by all forms of violence in order to facilitate legal services, social services, health services, and other services to the victims	Centres	0	1	2	3	4	5	MAIS	MOH/MOWA
48	Proportion of women who serves as public governing managers at both national and sub-national level (Director General, Director of Department, office manager, Director)	%	13	14	15	16	17	18	MAIS	MCS/MOWA
49	Percentage of employed women are 15-65 years-old	%	79.9 (2017)	82.0	84.0	85.0	87.0	90.0	CSDG	CSES/NIS/MOP
50	The share of 15-64 years-old women in paid work								CSDG	CSES/NIS/MOP
	Agriculture	%	35.0 (2017)	37.0	39.0	41.0	43.0	45.0	CSDG	CSES/NIS/MOP
	Industry	%	27.3 (2017)	29.0	30.0	31.0	33.0	35.0	CSDG	CSES/NIS/MOP
	Service	%	37.6 (2017)	38.0	39.0	41.0	43.0	45.0	CSDG	CSES/NIS/MOP
<b>RGC Priority 2: Economic Diversification</b>										
<b>Logistics, transport, energy &amp; digital connectivity</b>										
51	Annual freight volumes at Sihanoukville and Phnom Penh Autonomous Ports. (Revised targets)	000 tonnes	8,095	9,026	10,262	11,106	12,124	13,205	CSDG	MPWT
		000 TEUs	742	824	918	1,105	1,110	1,284	New	MPWT
52	Numbers of air passengers - Domestic	person	442,316	453,047	461,992	472,156	483,543	493,159	CSDG	SSCA
53	Numbers of air passengers - International	000 person	7,627	8,458	9,380	10,403	11,537	12,794	CSDG	SSCA
54	Length of paved and concreted roads (in 16,292 km)	Km	579.35	555.57	474.55	627.00	694.93	675.58	New	MPWT
55	Percentage of climate-change-adapted National and Provincial roads	%	52.67	55.30	58.07	60.97	64.02	67.22	New	MPWT
56	Length Rural Roads (in total length of 45,000km)	Km	29,172	30,740	32,935	36,008	39,609	43,570	New	MPWT

57	Length of climate-change-adapted Rural roads (in total length 2,251km)	Km	310	640	991	1,373	1,790	2,251	New	MPWT
58	Railways rehabilitated and constructed, km	Km	652	652	652	652	652	652	NSDP2014/18	MPWT
59	Tourism (number of International tourist arrivals)	Nos (million)	6.20	6.64	7.15	7.87	8.65	9.30	NSDP2014/18	MOT
60	Electricity supply	M kWh	9,307	10,808	12,969	15,304	17,599	20,063	New	MME
61	Proportion of Cambodian population in urban areas with access to safely managed and clean water supply services (Revised target).	%	45.71	53.71	61.71	69.71	77.71	90.00	NSDP2014/18	MIH
62	Proportion of Cambodian population in rural with access to safely and clean water supply services.	%	60	65	72	79	84	90	NSDP2014/18	MRD
63	Proportion of Cambodian population in rural with access to sanitation services.	%	60	70	75	80	85	90	MAIS	MRD
<b>New sources of economic growth</b>										
64	Cambodians employed in manufacturing sector as a % of total employment (Revised targets).	%	23.91	24.40	25.48	26.36	27.10	28.07	CSDG	MIH/NIS
65	Non-tax revenue gathered and estimate collecting for next year in mine and energy sectors.	Million USD	18.0	18.9	22.0	23.0	23.0	23.0	New	MME
66	Crude oil production in block A	000 Barrels	-	-	2,365.52	2,365.2	6,873.32	6,867.48	New	MME
<b>Digital economy, industry 4.0</b>										
67	Growth rate of online company registration	%	32	33	36	40	50	78	CSDG	MOC
68	Growth rate of online trade mark registration	%	12	13	15	17	20	21	CSDG	MOC
69	Growth rate of certificate of origin registration	%	24	25	27	29	32	36	CSDG	MOC
70	Proportion of individuals using phone								RSF	MPTC
	Mobile	Per 100 Persons	120.11	121.15	124.20	127.70	130.70	134.17	RSF	MPTC
	fixed	Per 100 Persons	0.57	0.55	0.53	0.52	0.51	0.50	RSF	MPTC
71	Proportion of individuals using the Internet (revised targets).								CSDG and RSF	MPTC
	Mobile	Per 100 Persons	80.70	84.57	90.03	95.89	102.17	108.92	CSDG and RSF	MPTC
	fixed	Per 100 Persons	0.92	1.10	1.35	1.65	2.02	2.47	CSDG and RSF	MPTC

<b>Financial and banking sector</b>										
72	% of adult population with a bank account including microfinance institutions.	%	69.00	74.00	79.00	83.00	86.00	89.00	New	NBC
73	Riel deposits as % of the money supply M2.	%	5.00	7.00	10.00	11.00	12.00	13.00	New	NBC
74	Non-performing loans (in total loans).								RSF	NBC
	Bank institutions	%	2.67	2.80	2.80	2.90	2.90	3.00	RSF	NBC
	Microfinance institutions	%	1.58	1.35	1.25	1.20	1.22	1.23	RSF	NBC
<b>RGC Priority 3: Private Sector development and employment</b>										
<b>Job market development</b>										
75	Value of minimum monthly salary (in textile, garments and footwear manufacturing).	USD	170	182					New	MLVT
76	% formal (i.e. employee status) jobs as % total employment	%	65	65	70	75	75	80	New	MLVT
77	Percentage of (major) labour disputes.	%	32	45	55	65	70	80	RSF	MLVT
<b>SME and entrepreneurship</b>										
78	Total salary in sectors.	Million USD	2.194	2.302	2.516	2.729	2.942	3.156	NSDP2014/18	
<b>Public Private Partnerships</b>										
<b>Enhanced competitiveness.</b>										
79	Research and development expenditure (Public and private) as a proportion of GDP	%	0.14	0.17	0.20	0.23	0.30	0.44	CSDG	GS-NCST/MOP
80	Number of researchers as proportion to full time employed in million persons	Persons	75	108	152	220	287	377	CSDG	GS-NCST/MOP
<b>RGC Priority 4: Inclusive sustainable development</b>										
<b>Agricultural and rural development</b>										
81	Paddy yield per hectare	Tonnes	3.33	3.35	3.37	3.39	3.41	3.44	NSDP2014/18	MAFF
82	Annual value added in agricultural sector	Billion Riels	21.71	22.61	23.52	24.22	24.94	25.69	NSDP2014/18	MAFF
83	Total annual agricultural product	Million tonnes	28.47	29.93	31.48	33.14	34.90	36.77	NSDP2014/18	MAFF
84	Total annual export value of agricultural product	Million tonnes	5.49	5.87	6.29	6.73	7.20	7.70	NSDP2014/18	MAFF
85	Total meet product	Million tonnes	307	316	325	335	345	356	NSDP2014/18	MAFF
86	Annual rubber product	000 Tonnes	207.00	292.00	353.00	395.00	412.00	417.00	NSDP2014/18	MAFF
87	Total annual fish catch (from natural and aquaculture)	000 Tonnes	848.0	898.7	958.5	1,030.1	1,116.2	1,219.4	NSDP2014/18	MAFF

88	Reforested production	000 m <sup>3</sup>	175	200	225	250	275	300		MAFF
89	Total landmine and ERW contaminated land areas cleared/ released (revised targets)	Ha	21,400	21,400	21,400	21,400	21,400	21,400	CSDG	CMAA
<b>Water resources development and management including the practice of hydraulic irrigation</b>										
90	total rice cultivated areas (dry and rainy seasons) access to irrigation system by year.	000 Ha	1,802.36	1,832.35	1,862.35	1,892.35	1,922.35	1,952.35	NSDP2019/23	MOWRAM
<b>Flood and drought disaster management</b>										
91	Rice cultivated areas are rescued from drought and lack of annual water	Ha	93,287	90,000	90,000	90,000	90,000	90,000	NSDP2019/23	MOWRAM
<b>Information management on water resources and meteorology</b>										
92	Water Quality Assurance Station set up	Station	19	20	21	22	23	24	NSDP2019/23	MOWRAM
93	Number of meteorological stations set up	Station	65	70	75	80	85	90	NSDP2019/23	MOWRAM
<b>Preserve sustainable natural and cultural resources</b>										
94	Number of protected areas is bordered, Identify the area of public administration of the public property and have a clear management plan.	Nosr of areas	3	7	7	7	7	6	MAIS	MOE
95	The friendly environmental operated program	Person	0	100	100	150	200	300	MAIS	MOE
<b>Management of urbanization</b>										
96	Property Registration Rate (Issue of land Title)	%	72.5	78.0	84.0	90.0	96.0	100	NSDP2019/23	MLMUC
97	Indigenous Community property registered	Community	24	34	44	54	-	-	NSDP2019/23	MLMUC
98	Social land concessions for citizen families	Households	78,545	79,045	79,545	80,045	80,545	81,045	NSDP2019/23	MLMUC
99	Houses built to army, national police family and veterans and their families	House	6,699	7,199	7,699	8,199	8,699	9,199	NSDP2019/23	MLMUC
100	Amount of urban solid waste regularly collected and with adequate final discharge ( revised targets )	000 Tonnes	1,079	1,230	2,182	2,466	2,787	3,150	CSDG	MOE
<b>Environmental sustainability &amp; Climate Change</b>										
101	Annual average change of the parameters of CO, NO2, SO2, TSP, PM2.5 and PM10	%	4.0	4.0	5.0	5.0	5.0	5.0	CSDG	MOE
102	Percentage of release reduction of Persistent Organic Pollutants (POPs) to the environment	%	1.0	2.0	4.0	8.0	10.0	14.0	MAIS	MOE

103	Number of registered greenhouse gas deduction projects	Projects	1	2	4	7	10	14	CSDG	MOE/GS-NCSD
104	Percentage of GDP expense of weather	%	1.2	1.4	1.5	1.5	1.5	1.6	CSDG	MOE/GS-NCSD
105	Reduced greenhouse gas emissions compared to the base year data	000 Gg CO2 equivalent	2,497	2,799	2,836	2,887	2,917	3,018	CSDG	MOE/GS-NCSD
106	The institutional level of responding to climate change (Revised targets)	%	49	53	57	60	63	65	CSDG	MOE/GS-NCSD
107	The number of ministries / institutions that integrates biodiversity issues into relevant sector plans	plans	2	3	4	5	6	7	CSDG	MOE/GS-NCSD
108	Proportion of renewable energy in total use power	Mtoe	2,750.1	2,885.5	3,031.2	3,184.5	3,346.1	3,516.3	CSDG	MME
109	Percentage of Renewable Energy Sources (Installation Power)	%	52.63	51.13	52.14	54.04	55.22	49.23	New	MME

**Notes:**

1. Sources of indicators and data has identified respectively NSDP 2014-2018, CSDG, Ministries/Agencies, and the last is new indicators (the indicators has more than one sources i.e. NSDP 2014-2018, and CSDG has identify source from NSDP 2014-2018);
2. New indicators are RSF indicators, NSDP 2019-2023 indicators, and new indicators.

### 6.3: Additional Indicators for Monitoring and Evaluation NSDP 2019-2023

No.	Indicators	Unit	2018	2019	2020	2021	2022	2023	References	Data Source
1	Percentage of SNA's staff recruited in accordance with the procedures for SNA staff management.	%	0	40	60	80	100	100	new	MOI/NCDD
2	Percentage of Capital, Province, Municipalities, District, and Khans administrations evaluated by their board of directors.	%	0	20	40	60	80	100	New	MOI/NCDD
3	The total number of ministries/agencies finalized the functional transfer letters	Ministry/agency	5	7	9	11	13	14	New	MOI/NCDD
4	Total number of functional transfer plans implemented	Plans	2	4	6	8	10	12	New	MOI/NCDD
5	The number of Municipalities, Districts, and Khan got conditional funding	%	0	15	40	50	60	70	New	MOI/NCDD
6	The percentage of capital and provincial tax revenues shared to municipalities, districts, and Khans.	%	3	3	3	5	5	5	New	MOI/NCDD
7	Mortality rate attributed to cardiovascular disease, cancer, diabetes or chronic respiratory disease among peoples aged 30-70 years old	%			34				CSDG	MOH
8	Percentage of teenage pregnancy 15 -19 years	%			8				CSDG	MOH
9	Consultation new diseases for one person per year	Case	0.72	0.80	0.85	0.86	0.87	0.89		MOH
10	Coverage Rate of Regular Vaccination for Children Under one Year by type of Vaccine									
	- Coverage rate of Tetanus - Staphylococcus - Cough - Hepatitis B - and pneumonia vaccines 3times	%	98	>95	>95	>95	>95	>95		MOH
	- Measles - Rubella in September		103	>95	>95	>95	>95	>95		MOH
11	Percentage of Fishery and Forestry community members registered who are eligible for the Extraction of Fishery and Non Timber Forest Products through Effective Registration and Development	%	45.0	48.0	50.0	53.0	55.0	58.0	CSDG	MAFF
12	Annual freight volumes at Sihanoukville Autonomous Ports.	000 Tonnes	5,196	5,908	6,747	7,421	8,164	8,980		MPWT
		000 TEU	537	590	668	745	810	945		MPWT
13	Annual freight volumes at Phnom Penh Autonomous Ports.	000 Tonnes	2,899	3,118	3,515	3,685	3,960	4,225		MPWT
		000 TEU	205	234	250	270	300	330		MPWT

No.	Indicators	Unit	2018	2019	2020	2021	2022	2023	References	Data Source
14	Number of National Visitors	Person	11.00	11.30	11.50	11.85	12.13	12.50	NSDP14/18	MOT
15	Accommodation services	Room	81,536	88,700	97,900	106,500	115,400	125,000	NSDP14/18	MOT
16	Labor force in tourist sector	000 Person	620	635	650	680	720	750	NSDP14/18	MOT
17	Income from foreign tourist	million USD	4,375	4,600	5,000	5,500	6,100	6,700	NSDP14/18	MOT
18	Proportion of population access to electricity	%	9.77	10.06	10.35	10.63	10.92	11.21	CSES	CSES/Cesus
19	The amount of electricity consumed per capita per year	KWh/person	579	664	786	9,151	1,037	1,165	New	MME
20	Number of Registered SMEs	Enterprise	156,853	160,755	172,000	180,605	187,530	197,221	RSF	MIH
21	Number new SMEs Cluster	Clusters	00	02	07	13	17	27	RSF	MIH/ CDC
22	Number of factories registered under the preferential trading system	Factories	1,445	1,632	1,746	1,860	1,974	2,089	NSDP14/18	MOC
23	Number of workers (male and Female) in factories registered under the preferential trading system	Workers	988,856	1,100,498	1,162,565	1,224,632	1,286,699	1,348,766	NSDP14/18	MOC
24	Number of business associations.	Association	32	37	41	45	49	52	NSDP14/18	MOC
25	Number of Chamber of Commerce	Chamber	15	20	24	24	29	33	NSDP14/18	MOC
26	Ratio % of crop diversification compared to rice area	%	62.32	63.44	64.55	65.65	66.73	67.79	NSDP14/18	MAFF
27	Total annual fish catch from natural	1000 Tonnes	600	600	600	600	600	600	NSDP14/18	MAFF
28	Total annual fish catch from aquaculture	1000 Tonnes	248.0	298.7	358.5	430.1	516.2	619.4	NSDP14/18	MAFF
29	Total annual fishery and aquaculture products export	1000 Tonnes	20	20	20	30	50	50	NSDP14/18	MAFF
30	Cultivated area of weather resistant rice crops	Ha	1.10	1.20	1.23	1.26	1.29	1.32		MAFF
31	Annual potential irrigated additive crops	Ha	4,413	4,913	5,413	5,913	6,413	6,913	Draft NSDP19/23	MOWRAM
32	Total used water famer communities in the year	Community	544	551	558	565	572	579	Draft NSDP19/23	MOWRAM
33	Number of pumping stations constructed	Station	31	36	41	46	51	56	Draft NSDP19/23	MOWRAM
34	Number of pumping stations repaired	Station	0	9	18	27	36	40	Draft NSDP19/23	MOWRAM
35	Number of pumping machines repaired	Unit	0	18	36	54	72	90	Draft NSDP19/23	MOWRAM
36	The number of water stations installed to measure water level	Station	44	61	78	95	112	129	Draft NSDP19/23	MOWRAM
37	The number of water stations repaired	Station	0	12	12	12	12	12	Draft NSDP19/23	MOWRAM
38	Number of meteorological stations repaired	Station	0	12	24	36	48	60	Draft NSDP19/23	MOWRAM
39	Number of natural protected area communities developed	Community	153	12	12	12	12	12	MOE	MOE
40	Environment friendly school program	School	0	100	150	200	250	300	MOE	MOE

No.	Indicators	Unit	2018	2019	2020	2021	2022	2023	References	Data Source
41	Environment friendly pagoda program	Temple	0	0	50	100	150	200	MOE	MOE
42	Commune Sangkat land sued plans	Plan	80	179	199	219	239	259	NSDP19/23	MLMUPC
43	Land Used Master Plan	Plan	9	42	50	56	61	69	NSDP19/23	MLMUPC
	Land Used Plan in Khan/District Levels	Plan	-	19	25	29	34	38	NSDP19/23	MLMUPC
	Land Used Plan in city and Urban levels	Plan	9	23	25	27	29	31	NSDP19/23	MLMUPC
44	Land management plans	Plan	3	8	10	13	15	18	NSDP19/23	MLMUPC
	Provincial land management plans	Plan	3	7	9	11	13	15	NSDP19/23	MLMUPC
	Regional land management plans	Plan	-	1	1	2	2	3	NSDP19/23	MLMUPC
	National land management plans	Plan	-	0	0	0	0	1	NSDP19/23	MLMUPC
45	Percentage of vulnerable commune/Sangkat from climate change	%	40	39	38	37	36	35	CSDG	MoE/GSSD
46	Numbers of Policies, regulations, guidance, strategic plans, MOU, and agreements on Sustainable development (biodiversity and bio-Climate Change, Green Economy, Science, Technology, and Innovation	Number	25	5	5	5	5	5		NCSD/MoE
47	Numbers of cities and urban areas adapted and implemented sustainable city strategy plan 2018-2030	Urban and City	8	8	12	12	12	12		NCSD/MoE
48	Number of Stations for Annual Monitoring Quality of Water and Waste Water based on parameters of pH DO BOD COD TSS TN TP NH3 Oil and Grease Coliform	Place	45	52	61	71	81	91	MOE	MOE
49	Number of Places for annual monitoring Air Quarlity based on parameters of CO NO2 SO2 O3 PM2.5 and PM10	Place	4	5	6	7	8	9	MOE	MOE

**CHAPTER VII**  
**CONCLUSION**

## CHAPTER VII

### CONCLUSION

**7.1** Through planning and investment in physical structures, human capital, and institutional capacity, the Kingdom of Cambodia has transformed itself from a war-torn country into a vibrant economy and a desirable destination for investment and reached lower-middle income country status. Entrepreneurship and private investment have grown progressively, resulting in a healthy GDP growth of 7% on average per year; capita GDP in 2018 exceeding USD 1,500; and the poverty rate has declined to lower than 10% during the **NSDP 2014-2018**. Moreover, private investment now enjoys a larger share in total investments than public investment. Within more than 2 decades of the successful implementation of the NSDP, Cambodia has also emerged as one of the 10 largest rice-exporting nations and among the 15 largest producers in the world, and hence it ceased to be a net rice importer. In addition, it is now an important garment producer and exporter, a notable tourist destination and a full member of the ASEAN, WTO and several regional and international communities. Cambodia also boasts some 7,200 primary schools and over 120 tertiary institutions and continues to further strengthen the education quality.

**7.2** As the nation embarks upon the next phase of its development of the **National Strategic Development Plan “NSDP” 2019-2023**, the RGC will continue to implement its work to achieve more new achievements as well as to complete the unfinished policies, programs and activities and to be ready to face and reduce the future challenges, including facing global and regional challenges and the reduced concessional assistance. In the next cycle of planning, the 3 main processes that will need promoting are:

1. Raising budget revenues collection from both taxes and non-tax sources significantly and sustainably beyond present levels.
2. Scaling-up the quality of human capital both for industrialisation and human wellbeing, and both within and outside the government.
3. Improving capacities within the government (both at the national and sub-national levels) to deliver quality services through better inter-ministry/agency communication and sharing of information, improved (vertical) integration between the sub-national levels and the apex ministries/agencies, and promoting e-governance in the context of Industrial Revolution 4.0.

**7.3** The **NSDP 2019-2023** presents a roadmap for the implementation of the RGC's priority policies of the Sixth Legislature as articulated in the Rectangular Strategy Phase IV. The NSDP's purpose is to ensure that the actions, programs and projects of all ministries, agencies and sub-national authorities are aligned to implement the RGC's prioritised policies outlined in the **Rectangular Strategy IV**. While doing so, the **NSDP 2019-2023** also aims to ensure that the strategies to implement these prioritised policies (by the ministries, agencies and sub-national authorities) take into account the potential impact of Cambodia graduating from the

lower middle income country to the upper middle income country status and the reduced ODA grants and technical assistance. Additionally, the NSDP 2019-2023 aims to ensure that policies are geared to manage and compete in the region and the world. Finally, the RGC is taking systematic and sequenced measures to mitigate the adverse impacts of the continued slowdown in advanced economies and many other emerging economies on Cambodia's financial and economic system and to protect its hard-earned achievements. In terms of macro-economic indicator, the **NSDP 2019-2023** aims to achieve at least 7% growth in GDP per year and reduce the poverty rate by at least one percentage point each year.

**7.4** The **NSDP 2019-2023** proposes a substantial quantum of funding, and a requirement higher than expected in the past NSDP. However, the RGC believes that the funding from DPs remain the main driver to accelerate investments, activities, capacities and institutional structures. This driver is essential since the country has yet to develop some critical capacities and institutional flexibilities, especially within the government.

**7.5** The process of formulating this **NSDP 2019-2023** brings key innovations such as compiling factual information through a bottom-up process to address issues of *who* is responsible, *what* actions will be taken, and *how* much it will cost to implement the proposed actions; this is as well as a top-down perspective, obtained through a quantitative analysis of the current economic trends. Additionally, the **Ministry of Planning (MOP)** has taken concrete steps to ensure active participation from the line ministries and agencies as well as sub-national authorities in the planning process. At the same time, MOP has also ensured that development partners, NGOs, and other civil society stakeholders were provided with opportunities to actively participate in defining the results (i.e. the impacts of the policies, programs and projects) during the process of preparation of inputs and targets.

**7.6** The M&E Process in this plan proposes a **Results Framework**, so that the inputs are *a priority* matched with activities/outputs then outcomes, and finally impacts. To refine the core indicators/targets for monitoring and reporting the progress on the implementation of **NSDP 2019-2023**, MOP is set to continue to support the roles of the **National Working Group on Monitoring and Evaluation (NWGM&E)**, serving as its chair. As mentioned in Chapter VI, the NWGM&E has worked diligently to complete the task of standardising the definitions of variables/indicators and defining new indicators to enable a better monitoring of the outcomes of plan expenditures. The **NWGM&E** is a standing committee and it will therefore continuously review M&E progress throughout the period of the implementation of the **NSDP 2019-2023**. Its terms of reference also include improving the M&E process mid-way if deemed necessary. Therefore, the NSDP ensures the flexibility within the M&E Framework. The NWGM&E has developed a hierarchy of indicators, arranged from the highest (i.e. economy-level and cross-sectoral), to the next level (sectoral outcomes/outputs), then sub-sectoral outputs, and finally to the inputs level.

# **ANNEXES**

## ANNEX I

### ABBREVIATIONS & ACRONYMS

ACU	Anti-Corruption Unit
AIDS	Acquired Immune Deficiency Syndrome
ASEAN	Association of South-East Asian Nations
ASEM	Asia-Europe Meeting
ASYCUDA	Automated System for Customs Data
BSST	Basic Social Services Training
BLO's	Border Liaison Offices
BLS	Baseline Survey
BLO	Border Liaison Offices
CAR	Council for Administrative Reform
CARD	Council for Agricultural and Rural Development
CARDI	Cambodia Agricultural Research and Development Institute
CBDRM	Community Based Disaster Risk Management
CCCSP	Cambodia Climate Change Strategic Plan
CDB	Commune Database
CDC	Council for the Development of Cambodia
CDCF	Cambodia Development Cooperation Forum
CDHS	Cambodia Demographic Health Survey
CDHS	Cambodia Demographic and Health Survey
CDM	Clean Development Mechanism (Forestry)
CDRI	Cambodia Development Research Institute
CEDAW	Convention on Elimination of all forms of Discrimination Against Women
CF	Community Forestry (Forests)
CHDR	Cambodia Human Development Report
CIB	Cambodia Investment Board
CIPS	Cambodia Inter-Censal Population Survey
CLJR	Council for Legal and Judicial Reform
CMAA	Cambodia Mine Action and Victim Assistant Authority
CMDGs	Cambodia Millennium Development Goals
CNM	Cambodia National Malaria Centre
CNMC	Cambodia National Mekong Committee
COJ	Council of Jurists
COM	Council of Minister
CPA	Complementary Package of Activities (Health)
CR	Cambodian Riel (Currency)
CSES	Cambodian Socio-Economic Survey
CRDB	Cambodia Rehabilitation and Development Board
CSF	Commune/Sangkat Fund
DOD	Department of Development
D & D	Decentralisation and De-concentration
DPs	Development Partners (internal and external, including NGOs)
Decr.	Decrease
DM	District/Municipality
EBA	Everything But Arms
EMIS	Education Management Information System
ERW	Explosive Remnants of War
ESP	Education Sector Plan
FDI	Foreign Direct Investment
FWUC	Farmer Water Users Communities
GDP	Gross Domestic Product
GER	Gross Enrolment Rate

GMS	Greater Mekong Sub-Region
GSP	Generalised System of Preferences
GPCC	General Population Census of Cambodia
GWH	Giga Watt Hour
Ha	Hectare(s)
HIS	Health Information System
HIV	Human Immunodeficiency Virus
HSP	Health Sector Strategic Plan
HSS	HIV Sentinel Surveillance
IPM	Integrated Pest Management
ICT	Information Communication Technology
IDP	Industrial Communication Technology
IMR	Infant Mortality Rate
IP	Implementation Plan
IAIS	International Association of Insurance Supervisors
IWRM	Integrated Water Resources Management
KWH	Kilo Watt Hour
M	Metre
M2	Money Supply
MAFF	Ministry of Agriculture, Forestry and Fisheries
MCS	Ministry of Civil Service
MCFA	Ministry of Culture and Fine Arts
MEF	Ministry of Economy and Finance
METF	Medium-Term Expenditure Framework
MOLVT	Ministry of Labour and Vocational Training
MIC	Middle Income Country
MIH	Ministry of Industry and Handicraft
MLMPUC	Ministry of Land Management, Urban Planning and Construction
MME	Ministry of Mine and Energy
MMR	Maternal Mortality Ratio
MND	Ministry of National Defence
MOC	Ministry of Commerce
MOEYS	Ministry of Education, Youth and Sports
MOH	Ministry of Health
MOI	Ministry of Interior
MOIn	Ministry of Information
MOJ	Ministry of Justice
MOP	Ministry of Planning
MOSVY	Ministry of Social Affair, Veterans, and Youth Rehabilitation
MOT	Ministry of Tourism
MOE	Ministry of Environment
MOME	Ministry of Mines and Energy
MOWA	Ministry of Women's Affairs
MPA	Minimum Package of Activities (in health sector)
MRD	Ministry of Rural Development
MSM	Men who has Sex with Men
MTR	Mid-Term Review
NACD	National Authority for Combating Drugs
NBC	National Bank of Cambodia
NCDD	National Committee for Democratic Development at Sub-National Level
NCPD	National Committee for Population and Development
NER	Net Enrolment Rate (schools)
NGO	Non-Government Organisation
NSDP	National Strategic Development Plan
NSPS	National Social Protection Strategy

NSSF	National Social Security Fund
ODA	Official Development Assistance
OVOP	One Village One Product
PFMRP	Public Finance Management Reform Programme
PIP	Public Investment Programme
RGC	Royal Government of Cambodia
RS	Rectangular Strategy
SEZ	Special Economic Zone
SFFSN	Strategic Framework for Food Security and Nutrition
SME	Small and Medium Enterprise
SNA	Sub-national Administration
SNIF	Sub-national Investment Facility
SNEC	Supreme National Economic Council
SOA	Special Operating Agency
SSCA	State Secretariat of Civil Aviation
SY	School Year
UNDP	United Nations Development Programme
USD	US Dollar
VDC	Village Development Committee
WTO	World Trade Organisation

## ANNEX II

**Royal Government of Cambodia  
Websites of Ministries and Agencies**

<b>Short Title</b>	<b>Full Title of Ministry/Organisation</b>	<b>Website (www)</b>
CARD	Council for Agricultural and Rural Development	card.gov.kh
CRDB/CDC	Cambodia Rehabilitation and Development Board	cdc-crdb.gov.kh
CIB/CDC	Cambodia Investment Board	cib-cdc.gov.kh
CMAA	Cambodia Mine Action and Victim Assistance Authority	cmaa.gov.kh
CNM	National Malaria Centre	cnm.gov.kh
CNMC	Cambodia National Mekong Committee	cnmc.gov.kh
OCM	Office of Council of Ministers	pressocm.gov.kh
MAFF	Ministry of Agriculture, Forestry and Fisheries	maff.gov.kh
MCFA	Ministry of Culture and Fine Art	mcfa.gov.kh
MIH	Ministry of Industry and Handicraft	mih.gov.kh
MOCAR	Ministry of Cult and Religion	mocar.gov.kh
MEF	Ministry of Economy and Finance	mef.gov.kh
MOIn	Ministry of Information	information.gov.kh
MLMUPC	Ministry of Land Management, Urban Planning & Construction	mlmupc.gov.kh
MLVT	Ministry of Labour and Vocational Training	novctf.gov.kh
MME	Ministry of Mine and Energy	mme.gov.kh
MOC	Ministry of Commerce	moc.gov.kh
MND	Ministry of National Defence	mod.gov.kh
MOE	Ministry of Environment	moe.gov.kh
MOEYS	Ministry of Education, Youth and Sports	moeys.gov.kh
MOFA & IC	Ministry of Foreign Affairs & International Cooperation	mfaic.gov.kh
MOH	Ministry of Health	moh.gov.kh
MOI	Ministry of Interior	moi.gov.kh
MOJ	Ministry of Justice	moj.gov.kh
MOP	Ministry of Planning	mop.gov.kh
MOSVY	Ministry of Social Affairs, Veterans and Youth Rehabilitation	mosvy.gov.kh
MOT	Ministry of Tourism	mot.gov.kh
MOWA	Ministry of Women's Affairs	mowa.gov.kh
MPAI	Ministry of Parliament Affairs and Inspection	monasri.gov.kh
MPT	Ministry of Post and Telecommunication	mptc.gov.kh
MPWT	Ministry of Public Works and Transport	mpwt.gov.kh
MCR	Ministry of Cult and Religion	mocar.gov.kh
MRD	Ministry of Rural Development	mrd.gov.kh
MWRM	Ministry of Water Resources & Meteorology	mowram.gov.kh
NAA	National AIDS Authority of Cambodia	naa.org.kh
NACD	National Authority for Combating Drugs	nacd.gov.kh
NBC	National Bank of Cambodia	nbc.org.kh
NCDD	National Council for Decentralisation and De-concentration	ncdd.gov.kh
NCDM	National Committee for Disaster Management	ncdm.gov.kh
NIS	National Institute of Statistics (MOP)	nis.gov.kh
SSCA	State Secretariat of Civil Aviation	civilaviation.gov.kh
SNEC	Supreme National Economic Council	sneec.gov.kh