CAMBODIA
POLICY ALIGNMENT FOR GREEN GROWTH

OVERVIEW

<table>
<thead>
<tr>
<th>Country / Global implementation</th>
<th>Cambodia Lower Middle Income Country (LMIC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thematic area</td>
<td>Multi-sectoral</td>
</tr>
<tr>
<td>Project start date</td>
<td>Q1 2017</td>
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<tr>
<td>Funding source</td>
<td>Core</td>
</tr>
<tr>
<td>2017 budget</td>
<td>USD 660,706</td>
</tr>
<tr>
<td>% of budget disbursed</td>
<td>69%</td>
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</tbody>
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RELEVANT SDGs

13.2. Integrate climate change measures into national policies, strategies, and planning.

13.a. Implement the commitment undertaken by developed-country parties to the United Nations Framework Convention on Climate change to a goal of mobilizing jointly USD 100 billion annually by 2020 from all sources to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation and fully operationalize the Green Climate Fund through its capitalization as soon as possible.


OVERALL OBJECTIVE

- Strengthen national planning processes through prioritizing and integrating green growth priorities towards the achievement of Cambodia’s Sustainable Development Goals (SDGs) and Nationally Determined Contribution.

HIGHLIGHTS

- A national-level green growth potential assessment (GGPA) was conducted in consultation with sector-wide stakeholders identified 4 pertinent areas for green growth: adaptive capacity, renewable energy, natural capital management, industrial productivity.

- Evidence-based policy priorities, instruments and investment requirements in greening the industrial sector were underpinned by an integrated cost benefit analysis utilizing system dynamic modeling.

- Indicators to track green growth performance in the industrial sector were proposed to strengthen the localization and implementation of relevant SDGs in Cambodia in the NSDP.
### OUTCOME 1

**STATUS**: ON TRACK

Government incorporates recommended policy priorities that support commitments (e.g., CSDG, NDC) relevant to green growth in the next phase of the Rectangular Strategy and National Strategic Development Plan (NSDP) 2019–2023.

In 2017, GGGI conducted the Green Growth Potential Assessment (GGPA), which helped pave the way for further analysis to identify relevant green growth interventions in the industrial sector. Both contribute to the shaping of the green growth elements for the next phase of the Rectangular Strategy and NSDP.

### OUTPUT 1.1

**STATUS**: DELAYED

Assessment of the green growth potential of Cambodia undertaken and submitted to the Government.

- The Green Growth Potential Assessment (GGPA) is a diagnostic tool consisting of a combination of data analysis and stakeholder consultation, to identify and prioritize a country’s opportunities for green growth.
- A preliminary assessment for Cambodia was carried out, highlighting several areas where green growth interventions can support development in Cambodia, including using renewable energy for improving rural livelihoods and competitiveness, addressing deforestation, increasing agricultural productivity, strengthening adaptive capacity to the adverse impacts of climate change, and improving waste management. On July 27, the results of the preliminary assessment were presented and confirmed at a consultation workshop.
- During the consultation workshop, stakeholders identified five green growth priorities. These are: (1) improve productivity and resource efficiency, (2) increase adoption of renewable energy to improve competitiveness and rural livelihoods, and (3) strengthen adaptive capacity to increase economic resilience. The remaining priorities are (4) good governance and (5) education which were regarded as cross-cutting and enablers for advancement in the first three areas.

### OUTPUT 1.2

**STATUS**: DELAYED

Develop recommended policy priorities for the successor documents to the ‘Rectangular Strategy 2014-18’ and ‘National Strategic Development Plan 2014-18’.

- Following the GGPA-identified priorities highlighted above, the industrial sector was selected for a deep dive to determine how a green growth approach could contribute to more inclusive and sustainable industrial development. The RGC regards it as a priority sector in achieving Cambodia’s economic vision to become an upper-middle income country by 2030.
- In order to develop a robust economic case for the integration of green growth priorities and targets in relevant sector plan(s) and the NSDP, the approach entailed a mix of quantitative and qualitative analysis that utilized system dynamic modeling and cost-benefit analyses tools.
- Through extensive consultations including the program working group meetings, two national-level workshops, focus group and bilateral discussions, scenarios have been developed to quantify cross-sector impacts of greening the sector in relation to economic, social and environmental performance. Special consideration was also given to important variables including material intensity, energy and water efficiency, labor productivity, environmental pollution, and GHG emissions.
- The report, scheduled for May 2018, will highlight evidence-based policy priorities and instruments and potential investment requirements, with the aim of supporting policymakers in rationalizing the transition towards green growth pathways and informing further regulatory and incentive policies.
PARTNERS

LOCAL

- National Council for Sustainable Development (NCSD)
- Supreme National Economic Council (SNEC)
- Ministry of Economic and Finance (MEF)
- Ministry of Planning (MoP)
- Ministry of Industry and Handicraft (MIH)
- Ministry of Environment (MoE)
- Ministry of Mines and Energy (MME)
- Council for the Development of Cambodia (CDC)
- Royal University of Phnom Penh (RUPP)
- Cambodia Development Resource Institute (CDRI)
- The NGO Forum on Cambodia (NGOF)

INTERNATIONAL

- UNDP
- UNIDO
- GERES
- IFC

LESSONS LEARNED

- The establishment of the Program Working Group (PWG), consisting of members from GGGI (country team) and representatives from the program partners i.e. NCSD, SNEC, MEF, and MoP formalizes cooperation and secures commitment from counterparts. The PWG is a mechanism for receiving overall guidance and feedback on the program approach, reviewing technical deliverables, facilitating communication and ensuring ownership in respective ministries.

- Understanding the political economy and its influence on policy development is critical in shaping approaches for technical assistance in policy-focused projects. In the case of Cambodia, policy development (including dialogue) is driven primarily by sectoral priorities and ministries and is a time-intensive process.