
KINGDOM OF CAMBODIA

Multi-annual Indicative Programme 2021-2027

1. The overall lines of the EU international cooperation in Cambodia

1.1 Basis for programming

The basis for programming in Cambodia is a joint framework document between the European Union and its Member States built on an assessment by the EU concerning its policy towards this partner country for the period 2021-2027.

Cambodia, a member of ASEAN since 1999, continues to emerge as a middle-income country with a sustained economic growth of around 7% yearly from 2000 to 2018, and thus one of the fastest growing economies in the world. As a result, the country experienced an impressive reduction of poverty rates and inequality levels and did remarkably well with regard to achieving the Millennium Development Goals. However, since 2015, poverty levels seem to have stagnated (no updated official figures available) and Cambodia has made slow progress to improve human development, as witnessed by the Human Development Index. Likewise, the SDG Index shows that Cambodia is facing major or significant challenges to achieve a majority of the SDGs. While the country was spared from the COVID-19 outbreak with a relatively limited number of infected people until 2021, the socio-economic consequences of the pandemic are already causing a contraction. The recent outbreak have further exacerbated this trend and will diminish the capacity for recovery post-COVID19. The country's "economy first" approach for development and social stability, sometimes at the expense of human development, seems to be maintained in the priorities identified for economic recovery. In addition, Cambodian growth has led to biodiversity loss, including deforestation and pollution of air, water and soil with devastating effects of increasing flooding and erosion in the Mekong river basin, a situation which have deteriorated further during the COVID pandemic.

According to the constitution, Cambodia is a multi-party democracy with regular elections since 1993. However, the dissolution of the Cambodia National Reconciliation Party (CNRP) left the country without any credible opposition ahead of the 2018 national elections in which the ruling Cambodian People's Party (CPP), in power since 1985, won all seats in the National Assembly. For the first time since the UN-supervised election in 1993, there is thus no parliamentary opposition in Cambodia and the country has arguably become a de facto one-party state. During the same time period, since mid-2017, the international community has frequently raised concerns over the shrinking civic space in Cambodia and the growing number of repressive actions taken by the Cambodian authorities against Civil Society Organisations, human rights defenders, political activists and independent media. Lately, there has also been growing concerns that the authorities use the COVID-19 pandemic to carry out arbitrary arrests of opposition supporters and government critics. In February 2020, due to serious and systematic concerns related to human rights ascertained in the country, the European Commission took a decision to partially withdraw the trade preferences under the Everything But Arms (EBA) scheme for Cambodia, which had sustained growth and job creation during the past years. Enhanced engagement between the EU and the Cambodian government continues and in case of significant progress, particularly on civil and political rights, the EU may restore full preferential access to its market.

The Rectangular Strategy – Phase IV (RS-IV) represents the Royal Government of Cambodia's development vision for the period 2019-2023 and the themes are Growth, Employment, Equity and Efficiency. The RS-IV comprises a core of governance reform and four priority objectives ("rectangles") and aims to support Cambodia in its transition towards becoming an upper middle-income economy by 2030 and high-income by 2050. The National Strategic Development Plan (NSDP) 2019-2023, which integrates the Cambodian Sustainable Development Goals (CSDGs), operationalises the RS-IV agenda and provides indicative costings and a monitoring framework. Both documents, as well as Cambodia's medium-term strategies and policies to guide the country towards development and growth, have served as the basis for analysis and dialogue with the Royal Government and other stakeholders in preparing the Multi-annual Indicative Programme, and the Joint European Strategy.

As such, the MIP is aligned with the development agenda of the Cambodian government and respects the aid effectiveness principles. It remains guided by the 2030 Agenda and the SDGs, the Paris Agreement, the Addis Ababa Action Agenda, the Global Strategy for the European Union's Foreign and Security Policy and the new European Consensus on development. Through the MIP, the EU seeks a true partnership with the Royal Government of Cambodia, based on mutual interests and values, accountability and transparency, and building on converging Cambodian and EU priorities. The MIP has been adapted to respond to the impact of the COVID-19 pandemic and aims at supporting Cambodia to strengthen its connectivity with, and integration in, ASEAN, for a sustainable, inclusive and climate neutral socio-economic recovery, along the principle to "do no harm". The EU will aim at contributing to the country's endeavour by supporting ASEAN integration strategies and the ASEAN Economic Community (AEC) blueprint, and narrowing the development gap. A Cambodia better integrated in ASEAN, could leverage the regional economic community (AEC) and the ongoing digital transformation, to support a more resilient recovery and sustainable growth, not so reliant on FDI, which is a shared interest by both Cambodia and the EU. The EU will seek to support reforms in Cambodia that are not only in line with the national and regional development agenda, but also with international norms and standards across a range of social, economic and environmental areas, with the potential to open up new opportunities for an even closer partnership between Cambodia, the EU as well as ASEAN as a whole. Climate change mitigation and adaptation are a shared EU-Cambodia ambition, acknowledging that climate has no borders and can only be addressed together in partnership, while keeping in mind that Cambodia is one of the most disaster prone countries in the world with devastating effects for its people and economy, hence the need also to invest, as a priority, in strengthening local capacities regarding disaster risk reduction and disaster preparedness.

The EU will seek a partnership with Cambodia which is built on public and economic diplomacy and strong policy dialogue for mutual accountability and promotion of EU values and in support of the EU Strategy for cooperation with the Indo-Pacific, ASEAN integration and centrality. For a full realisation of the ambitious EU-ASEAN Strategic Partnership, a united and strong ASEAN is essential. The ultimate objective of the EU development cooperation policy in Cambodia is to contribute to the reduction of poverty and all inequalities, that will support narrowing the development gap within the region and promoting better integration of the country in ASEAN. In this endeavour, the MIP will contribute to addressing the identified challenges in Cambodia to meet the SDGs in those areas where the EU has an identified added value and can help having a transformative impact in the country and to the benefit of the ASEAN integration and stability. The MIP will put emphasis on human development, human rights and democracy, which are essential building blocks of the SDGs, and support multilateralism and the rules-based global order.

Against this backdrop, a number of Priority Areas have been selected for the EU-Cambodia MIP 2021-2027, backed up by EU and Cambodia mutual interests, and established in consultation with the Cambodian Government, European partners, other development partners and civil society (including the private sector). These Priority Areas focus on working with Cambodia on green growth and jobs, for which education and skills development are key, as well as an effective governance system. These priorities will contribute to a wide array of SDGs and are underpinned by a strong integrated narrative for a transformative impact, where synergies are found and activities closely interlinked and mutually reinforcing.

The first priority "**Green Growth and Decent Jobs**" aims at working in partnership with Cambodia for its post-COVID recovery, with a specific focus on sustainable food systems and selected value chains of the export industry, including agribusiness. Food insecurity, unsafe food and malnutrition put a significant strain on Cambodia's economy and human development, a situation which has worsened significantly with COVID-19 and risks undoing years of progress in the country. The second priority on **Education and Skills Development** is directly linked to green growth and decent jobs, as the weak education system and lack of skills have been identified as one of the major obstacles for the country to attract further investments, the private sector to

expand and the people to find (formal) decent employment opportunities. **Good Governance**, the third Priority Area, underpins the two other priorities; strong public financial management and strengthened rule of law including through a more conducive trade and business climate, are necessary to realise transformative results in the two first Priority Areas, achieve the SDGs in Cambodia and strengthen its integration in ASEAN.

All actions taken under this programming exercise shall comply with EU legislation, in particular EU restrictive measures (sanctions) adopted pursuant to Article 215 of the Treaty on the Functioning of the European Union.

1.2. Status of joint programming

The EU and several European Partners (Belgium, Czech Republic, EU, European Investment Bank, France (with AFD), Germany (with GIZ and KfW), Hungary, Ireland, Sweden and Switzerland), have agreed to continue working closely together in their development cooperation with Cambodia, taking a so-called Joint Programming approach. This collaboration relies on a jointly established multiannual programming document framing their partnership with Cambodia; the Joint European Strategy (i.e. a separate document from this MIP, being approved in parallel). The overarching objective of Joint Programming and the Joint Strategy is to promote European policy coherence, raise visibility and understanding of joint European commitments and seeks to ensure greater impact of European cooperation, in partnership with Cambodia.

The Joint Strategy 2014-2019 (extended de facto to 2020) has been successfully implemented by the European Partners. A new Joint Strategy 2021-2027 is currently being drafted, in consultation with the Cambodian government and concerned stakeholders, and will continue to provide effective support to a country-led sustainable development process that invests in a rights-based approach for the people, reduces poverty and promotes inclusion, equity, equality and resilience. Democratic values, transparency and mutual accountability underpin development effectiveness in line with Global Partnership norms.

To achieve its overall objective, the joint strategy will focus on six Priority Areas where there is momentum for reform, alignment with European and Cambodian mutual priorities and interests, and a clear role for the contribution of European partners together. These six areas are:

- (i) Strengthen democratic accountability, integrity and effectiveness of Cambodia's public institutions, systems and services at all levels ('supply side of governance') with particular focus on major governance reform programmes.
- (ii) Foster democratic participation, respect for human rights, gender equality, and support an enabling environment for civil society in Cambodia ('demand side of governance').
- (iii) Support quality, accessible and inclusive services to strengthen human development that contributes to sustainable socioeconomic development, and poverty alleviation, encompassing education, skills development and TVET (Technical and Vocational Education and Training), health, nutrition and social protection as well as social and rural infrastructure.
- (iv) Enhance competitiveness of Cambodia on the regional and global marketplaces through trade and private sector development, an enabling business environment and sustainable production as well as decent employment practices in line with international standards.
- (v) Sustainable green development, including management of Cambodia's natural resources, environmental protection and conservation and resilience to climate change, sustainable development of agriculture, aquaculture and fisheries, forestry and mine clearance.
- (vi) Active and coordinated support to the preservation of Cambodia's cultural heritage, with a particular but not exclusive focus on Angkor.

A sectoral division of labour by sector and by partner will guide implementation for the period of the strategy.

In comparison to the previous Joint European Strategy 2014 – 2020, focus remains on the governance reforms, the improvement of social services and framework conditions to strengthen the economy and for the integration of the Cambodian economy in the region and globally. The new strategy puts more emphasis on strengthening socio-economic resilience, especially related to health, social protection and livelihoods in response to the COVID-19 pandemic. Furthermore, greening Cambodia's growth and recovery is now becoming more prominent. This also reflects the shift from the rather social-oriented Millennium Development Goals during the first strategy cycle 2014-2020 to the now broader Agenda 2030 and SDGs and is in line with the European Green Deal. The post-COVID-19 principle to 'build back better' alludes to the need for a green recovery and alignment with international norms and standards, while remaining consistent with the Royal Government's wider vision. It also calls for the adoption of better standards at the regional level.

Crosscutting priorities, such as digitalisation, climate and environmental sustainability, gender equality and youth engagement are mainstreamed across the programme.

The current EU programming exercise, to establish the MIP, builds on the Joint European Strategy for Cambodia 2014-2019 (de facto extended until 2020) as well as on the joint analysis which has been undertaken by the European Partners to establish the next Joint Strategy 2021-2027. Both the MIP, as well as the European Joint Strategy, also build on the Team Europe work undertaken since 2020, specifically in response to the COVID-19 pandemic and its impact in Cambodia.

1.3 Priority Areas of the EU's cooperation with Cambodia

Three Priority Areas have been identified for EU's cooperation in partnership with Cambodia:

- 1. Green Growth and Decent Jobs**
- 2. Education and Skills Development**
- 3. Good Governance**

The overarching objective, which underpins these three priorities, is to support Cambodia's connectivity and integration in ASEAN, as a way to achieve a sustainable, inclusive and climate neutral economic recovery post-Covid-19. The MIP will contribute to narrowing the development gap with other ASEAN countries and implementing the AEC blueprint while putting inclusive and sustainable human development at the core.

More specifically and building on the previous MIP, the priority Green Growth and Decent Jobs will support "sustainable food systems" as well as "sustainable value chains", including agribusiness, environmentally friendly and with enhanced resilience to climate change. The second priority on education and skills development is intrinsically linked to growth and jobs, as the still weak education system and lack of skills have been identified as one of the major obstacles for the private sector to develop, be more competitive and expand, and for the country to attract further investments. Good governance, the third priority, underpins the two other priorities; without a better functioning public financial management, rule of law, and a clear and predictable trade and business climate, the potential for a transformative impact of the interventions will be at risk. Fostering participation of civil society in policy decision making and democratic accountability in policy implementation will be an overarching effort across the three priorities.

Throughout these Priority Areas, human development and human rights will remain at the core of all EU interventions. An integrated approach will be taken at all times - to avoid silos and ensure synergies and mutual reinforcement between priorities and sectors to reach the mentioned goals. Climate change, environmental degradation, digitalisation, equality, women empowerment as well as youth engagement will be crosscutting sectors and key determinants for an inclusive, sustainable and green socio-economic recovery of Cambodia that places people at the centre of growth and prosperity and does no harm to the environment. Therefore, while listing the SDGs below for each Priority Area, the following SDGs will consistently be part of each area, even if not explicitly mentioned SDG 1, 5, 10, 13, 15, 16 and 17. The Priority Areas have

been agreed with EU partners in the context of the joint programming division of labour, while many of the selected sectors build upon the already well established EU cooperation activities, experience and lessons learned from the previous MIP.

1.4 Justification and context

- Green Growth and Decent Jobs

Cambodia's impressive growth rate (around 7% GDP growth/year for the last two decades) is severely affected by the COVID 19 pandemic and has come at the expense of significant environmental degradation. For the first time in decades, Cambodia faces an economic contraction and destruction of employment, especially in the informal sector where protection and social coverage is inexistent. As a result, the government has announced the need to focus on sectors, which can contribute significantly to growth and jobs in the country's path to economic recovery. Against this background, the MIP, building up on previous experience, will support two sectors under the priority Green Growth and Decent Jobs: sustainable food systems and sustainable value chains.

The importance of **sustainable food systems** has increasingly come to the forefront during the pandemic, as an effective food system addresses access to nutritious and safe food, sustainable food production, equitable livelihoods, responsible consumer behaviour and shock resilience. All these strands are essential for lasting and sustainable growth and jobs in Cambodia, and there are solid national policies and strategies in place underpinning such actions. Sustainable food systems is strongly promoted by the EU in its recently adopted Farm to Fork Strategy and the UN is organising a Food Systems summit in September 2021 highlighting its importance for a sustainable socio-economic recovery, which also offers the opportunity for a strong partnership around this priority. The EU will thus work in partnership with Cambodia to establish stronger and more sustainable food systems in the country, building on the previous MIP and its ongoing programme on fisheries and aquaculture. Focused support and, geographical concentration will be needed to ensure results and therefore EU contribution will be narrowed down to sustainable, deforestation-free **food production** and **food safety** in combination with a strong **climate** neutral component to build resilience to vulnerabilities, natural disasters and shocks, including strengthening local capacities for disaster risk reduction and disaster preparedness.

During the pandemic, Cambodia has become acutely aware of the importance of sustainable food systems to ensure access to sufficient, nutritious and safe food for its population, as well as sustainable livelihoods and jobs. Already before the pandemic, more than 30% of Cambodian children under 5 years old suffered from malnutrition, with a long-term adverse effect on human development and economic progress in the country. As the pandemic has led to increased poverty rates, food insecurity and levels of malnutrition are likely to rise further and could not only slow down, but also undo, progress achieved over the last years. Food systems remain fragile and food production through agriculture, fisheries and aquaculture is challenging, increasingly so during COVID. However, the agriculture sector remains one of the largest sectors in the country and has contributed significantly to economic growth and jobs to date - but challenges need to be addressed for the sector to contribute to the country's recovery to its full potential. The sector is characterised by low productivity, poor quality, high price of agricultural inputs, and lack of market information. The fisheries sector's potential for further growth and jobs remains high as well, in relation to the development of the national and regional markets and Cambodia accessing several regional and bilateral FTAs, increasing the potential for agricultural exports. The open access policy has resulted in a significant increase of fish catch although the overexploitation of several fish stocks has been aggravated by a steady degradation of its natural habitat and challenges remain for the sector to become more profitable and more resilient while at the same time promoting sustainable fishing practises. In 2014, the country received a red card by the EU for not cooperating in the area of Irregular, Unreported and Unregistered fisheries (IUU). Aquaculture, still small, is gaining increased attention from the national authorities for the country's recovery.

Food production goes hand in hand with food safety, also an integral part of the food systems. It is a complex challenge in Cambodia both for health reasons but also for the country's growth

potential. Adherence to international standards remains complicated; both imported and locally produced food have been found to be contaminated with pesticides or other pollutants. A Food Safety Law is expected to be enacted this year, with the aim of preventing, controlling and eliminating food-related pollution and hazards. The EU will partner with Cambodia in the implementation of this law and the adoption of international standards and in particular, for food producers to apply safe and sustainable practices which can attract more international investors and foster economic growth.

In this Priority Area on Green Growth and Decent Jobs, the support to sustainable food systems in the geographical area of intervention will be complemented by support to **sustainable agricultural value chains and selected value chains of the export industry** with a potential for growth and job creation. The core of this intervention will be to contribute to a stronger global and regional connectivity and a narrowing of the development gap with other ASEAN member states, in line with Cambodia's and EU's joint interests. Cambodia's industrial sector and agribusiness remain weak and narrow based, not providing enough adequate and decent employment for the growing population who urgently needs income opportunities, in particular in the aftermath of the COVID. The export-led industry continues to be dominated by foreign investors and other manufacturing activities are still family-based without the capacity to compete on the international or regional market. Cambodian industries are characterised by weak entrepreneurship, low value addition and low level of technology application, partly due to the lack of skills. Connection with the regional market is weak, in particular for the SMEs and small landholders, demonstrated by the low levels of trade with ASEAN, particularly exports compared to other Member States. There are significant environmental concerns related to issues such as solid waste and waste water, as well as energy inefficiency. Respect for labour rights and labour conditions are still weak, although efforts have been made, especially in the garment sector, in recent years.

Intervention in support of green growth and promotion of decent jobs will contribute to SDGs 1, 2, 5, 7, 8, 9, 12, 13, 14, 15, whilst providing support to other SDGs. Reference is also made to the SDGs related to the crosscutting sectors in section 3 above. Taking into account the strong female profile of export industry jobs, SDG 5 will be a robust driver in this priority.

Civil society, including trade unions, should play an important role in this priority by monitoring progress and advocating for policy changes and implementation. The private sector needs to be a strong partner as well at all levels.

- **Education and Skills development**

Human capacity is fundamental for the development of a country like Cambodia with its young population. The country is facing an acute challenge in term of quality of human resources which undermines its competitiveness and connectivity within ASEAN and globally and widens the development gap with the region. Despite the substantial progress achieved, Cambodia has still a long way to go to ensure equitable access to quality education to all its citizens. One out of four Cambodian children in Grade 3 cannot write a single word in a dictation test; less than 10% achieve the minimum proficiency in reading and maths; more than half have dropped out of school by the time they are 17.

The prolonged closure of schools in 2020 and again in 2021, due to the COVID-19 pandemic, has exacerbated pre-existing inequalities between those who have access to quality schools, educated parents and digital connectivity, and those who have not. While the full extent of the COVID-19 impact on learning still has to be assessed, the EU-cofounded COVID-19 Joint Education Needs assessment indicates that 16% of students have already dropped out or are at risk of dropping out of school. Despite the pro-active action of the Ministry of Education, Youth and Sports (MoEYS) in broadcasting lessons, introducing online learning possibilities and additional support to vulnerable pupils, a recent rapid assessment points to a learning crisis with an up to 33% drop in test pass rates. Children in remote rural areas and children living with disabilities have been particularly affected. There are clear indications that limited and unequal access to education further contributes to food insecurity and undernutrition (noting that undernutrition in the early years worsen cognitive skills, in a vicious cycle of undernutrition, poor

school outcomes and poverty), demonstrating the important link with Priority Area 1 on food systems.

Further to the COVID-19 outbreak, and as an integral part of the official education system, MoEYS has underlined the urgent need to further strengthen their non-formal education (NFE) system, including life skills aspects, possibly using digital technologies for leapfrogging the reach. NFE is acknowledged to have great impacts on promoting lifelong learning and could potentially target half of the Cambodians who leave school by 17 years old to go to (underqualified) work. Further to the pandemic effects on education, NFE can provide the possibility to re-enter the education system for those children and youth who have dropped out or missed learning during school closure. Early dropouts and poor learning outcomes are, among other, related to insufficient provision of Early Childhood Education (ECE) in Cambodia, with less than 40% of 3 to 5 year old children enrolled in ECE. And this, despite its proven importance to reduce dropouts, allow parents to work (especially women), address malnutrition and improve learning outcomes. While research shows that learning in preschool results in the highest return on investment in education, there are still limited Government investment and development partners supporting the area.

Low quality jobs and the underutilisation of the youth labour potential remain strong hindrances to Cambodia's transformation. Foreign investors and the national private sector quote lack of skilled labour as the greatest obstacle in making business in the country, before corruption. Cambodia has the lowest per-worker and per-hour productivity of all ASEAN countries, including Laos and Myanmar. Education and improved skills for increased (youth) employability are major priorities for the country, in particular to attract investments, maintain growth levels, and integrate regional and global value chains. For recovery in Cambodia, the Asian Development Bank singles out the need of skilling and re-skilling of workers in the fourth Industrial Revolution (4IR)-related occupations, including digital, for the revival of the economy in the heavily affected tourism and garment sectors. Awareness, knowledge and skills necessary to green industries and address urgent environmental challenges -e.g. Cambodia's high vulnerability to climate change- are weak or completely lacking (see link with Priority Area 1 above, on green growth and decent jobs). A comprehensive labour strategy is still missing in Cambodia and the quality of the TVET system (Technical and Vocational Education Training) remains weak and does not respond to labour demands.

The EU has a long tradition in supporting education in Cambodia while skills development will be a new sector of support. EU investors in the country have a large stake in increasing the country competitiveness, making the youth ready for the 4IR. In a partnership of equals, the EU can share experience in creating conducive eco-systems for dialogue between civil society, including business, and promoting models of public-private partnerships for employability.

Against this background, and in line with the national priorities including the Framework of the Economic Recovery Plan 2021-2023, long-term investment in Education and Skills is a sine qua non condition, not only to support human development but also for the country to reach the status of an upper-middle income economy by 2030 and narrow its development gap with other ASEAN countries. Investing in education and skills (encompassing both "hard skills", such as digital and green innovation and "soft skills", such as critical thinking, problem solving and analysis) will also support the attainment of the EU political objectives underlying Priority Area 1 (for Green Growth and Decent Jobs, the country needs educated people and skills) and Priority Area 3 (Good Governance; objectives will only be reached with effective and efficient use of resources, accountability, and participation of people in decision-making) of the MIP. Intervention in support of education and skills will contribute to SDGs 4, 5, 8 and 10, whilst providing support to other SDGs (SDG 1, 9, 12, and 17). Reference is also made to the SDGs related to the crosscutting sectors in section 3 above.

- **Good Governance**

The Rectangular Strategy IV has at its core a comprehensive good governance reform programme. Improvements in governance is one of the most important factors for inclusive and

sustainable growth in Cambodia, as poverty, inequality and social exclusion are inextricably linked to weak governance. Despite some improvements in Public Finance Management, poor governance continues to be one of the most significant obstacles to Cambodia's efforts to achieve the Sustainable Development Goals, and foster sustainable growth, while promoting human rights. Strengthening efficiency in service delivery and accountability of the state through good governance reforms is key to the success of all reforms in Cambodia.

Improvement in governance will therefore help to foster better results in all the other priorities of the MIP. Building on the previous MIP, the implementation of the Public Financial Management (PFM) Reform Program will allow to enhance fiscal discipline, further increase domestic resource mobilisation and improve policy-based budgeting and allocation of financial resources for an improved service delivery to citizens. The Public Administration Reform is also important to foster accountability systems and improve efficiency of service delivery. Furthermore, efforts to strengthen a fair and effective legal and institutional environment that will promote the rule of law, access to justice and compliance with international human rights instruments and core labour standards will ensure better functioning of the currently weak legal and judicial framework, and help to increase confidence and engagement by the citizens and the private sector. This is a challenging area and Cambodia is still ranking very low in the Rule of Law index.

Lack of rule of law and weak law enforcement is also challenging for sustainable business to develop in Cambodia. Despite efforts by the government, there are still significant challenges related to non-transparent administrative practices, unfair competition and compliance issues. An improved trade and business climate has been identified as key in Cambodia's Recovery Plan, to allow the country to regain and sustain its pre-COVID growth levels and build up resilience. Cambodia has performed well in attracting foreign direct investment (FDI) compared to other countries in the region, due to the relocation of low-cost manufacturing, a low tax regime, sound macroeconomic policies and an open investment market. Besides, the country has benefited from a preferential access to the EU market via the Everything But Arms scheme which was partially withdrawn in 2020 (see above). Cambodia acknowledges the need to accelerate its efforts to address the identified hurdles and better take advantage of the benefits of regional integration, bearing in mind the country's meagre volume of intra-ASEAN trade, particularly Cambodian exports. The use of tariff preferences among Cambodian businesses is low and only relatively few Cambodian companies apply for preferential certificates of origin under ASEAN related (or other) Free Trade Agreements.

Civil society can play an important role to foster Good Governance by monitoring progress and public administration performance, contributing to promote higher accountability of the public and private sector, advocating for policy and legal changes, and even supporting capacity building and provision of services where needed. Following recent reforms, local communities and organisations, jointly with local administrations, have an increasingly important role to play in the management of natural resources. Intervention in support of improvement of good governance, will contribute to SDGs 16 and 17 as well as SDG 5, 8 and 9, whilst providing support to other SDGs. (Reference is also made to the SDGs related to the cross-cutting sectors in section 3 above).

1.5 Duration of the MIP and option for synchronisation

This MIP will have a duration of 7 years (2021-2027) with a review synchronised with the country cycle and a financial allocation for the period until the review. As the Rectangular Strategy IV has a duration of 2019-2023, the midterm review of the MIP should take place in 2024, to be in line with the updated national strategy.

The initial financial allocation covers the period 2021-2024, while a financial allocation for the period 2025-2027 will be established following a mid-term review in 2024.

2 EU support per Priority Area and proposals of Team Europe Initiatives¹

2.1. Priority Area 1: Green Growth and Decent Jobs

The MIP will have two sectors of intervention under this priority:

Sector 1: Sustainable Food Systems

In continuation of the MIP 2014-2020, and in line with its Farm to Fork Strategy, the EU will work in partnership with Cambodia for strengthened sustainable food systems, with emphasis on nature-positive food production and food safety, with a geographical concentration, including a robust component on climate mitigation and adaptation. Support to sustainable agriculture, sustainable fisheries and aquaculture will be provided to tackle the challenges and needs in these sectors, targeting those areas where EU added value and potential for transformative results are identified. A modernisation and diversification of Cambodia's agriculture will be supported, promoting green and sustainable models, including in fisheries and aquaculture, and a sustainable use of natural resources. Focus will be given to production where there is potential for a strengthened integration into global or regional value chains (link to sector 2) while promoting sustainable fisheries and aquaculture, and deforestation-free agriculture. Working closely with small and medium private sector operators, the EU will promote practices that can contribute to a climate resilient agriculture and fisheries, and optimise an environmental-friendly resource use in food production contributing to reduced biodiversity loss, and a sustainable and efficient use of the soils and water.

The MIP will contribute to Cambodia's efforts to set up a sustainable model for national food production by putting emphasis on higher value products and increased productivity through the introduction of green technology and digital solutions. Activities should be designed with the aim to improve price and quality competitiveness, while ensuring equity and inclusivity and maintaining a balance between conservation and development to foster sustainable impacts. This involves promoting equal access to land, fish, water and markets and requires investment in targeted infrastructure for support to the food sector, in the geographical area of intervention.

EU actions will mainly continue to target inland fisheries and smallholder farmers, who form the majority of the production units and for whom employment opportunities outside the sector have plummeted. Medium and large farms may be included through a geographical concentration and a landscape approach, as long as their investments comply with the ASEAN guidelines on promoting responsible investment in food, agriculture and forestry. Attention will be provided to farmers' and fisheries' organisations and partnerships with the private sector will be sought, to promote enhanced inclusiveness and social and environmental due diligence practices.

While all activities will be climate sensitive, targeted support will be provided to address the high vulnerability of the Cambodian food systems to climate change and environmental degradation by strengthening the national climate change response, and promoting implementation of related areas in the National Determined Contribution (NDC), or by addressing local capacity for disaster risk management. This may include the promotion of nature-based solutions to maximize benefits for climate action. In support to the activities undertaken and to ensure sustainability, and in case of need, the EU may provide support to spatial planning and land/water management monitoring tools and systems (including Copernicus) to support effective landscape (including ocean)

¹ The main DAC codes related to the sectors are to be found in the Annex

management – without an effective landscape approach, determining the use of land and water, sustainable food systems will remain challenging to achieve.

In terms of food safety more particularly, a key aspect of food systems, the EU will support an increased availability of, and access to, safe and nutritious food to the benefit of people's health and economic growth (including exports and trade, see link with sector 2 and Priority Area 3). The MIP will contribute to Cambodia's efforts for enhanced performance and adherence to international standards, and for food producers to apply safe and sustainable practices, through certification schemes. Contributions will be made to digital solutions, such as precision agriculture and market information, to ensure that farmers and the fish producers can access the information necessary to tailor their decisions and enhance their capacity to increase productivity of nutritious food and timely reach the markets.

This sector could include a mechanism to facilitate access to finance for farmers and fisheries communities to support the development of viable business models with a positive impact contributing to transforming food systems for improved nutrition, sustainability, resilience, and equity.

Sector 2: Sustainable Value Chains

In its support to sustainable value chains, the EU will take initiatives contributing to Cambodia's efforts to foster the country's industrialisation, including in agribusiness, with higher value products, enhanced productivity and increased competitiveness capabilities, with the ultimate objective to integrate regional and global value chains. Our intervention will build on our ongoing activities with the garment sector in Cambodia as well as the integrated fisheries programme, and could, as the model unfolds, gradually expand to other specific products and selected value chains as well as promoting deforestation-free supply chains.

The sector will focus on the exporting industry, with a specific emphasis on SMEs and smallholders, in support of Cambodia's endeavour for enhanced connectivity and regional integration. To this end, the EU will contribute to areas which have been identified as the biggest hurdles for the exporting industry in Cambodia and where the EU has potential to contribute to transformative results, while having due regard to climate and environmental aspects. First and foremost, as more accessible, affordable and clean energy will be key for industry productivity and competitiveness, the MIP will promote the use of renewable energy (including rooftop solar, where feasible) and contribute to solutions on energy efficiency; the latter being an area where high impact potential has been identified and where the EU is already involved through its current MIP. It would be combined with mechanisms, if possible, to facilitate access to financing for the industry, aiming at promoting private investment for enhanced productivity and a cleaner industry.

In partnership with the Cambodian authorities and the private sector, the MIP will also focus on green innovations and clean technologies, as well as digital solutions, to increase efficiency, value addition, enhance competitiveness and attract new investors, including European. This will contribute to the creation of more technology and digital-based jobs and higher income levels, and will be combined with skills development for workers and food producers (through Priority Area 2). Social and environmental due diligence will be at the core of the intervention, including labour rights and working conditions, where positive incentives will be used to enhance compliance by the private sector. Efforts will be made to ensure that this intervention helps to promote a more inclusive growth and contributes to reducing the inequality gap. Diversified market access and effective regional and global value chains will require trade related assistance, including improved logistics and fast, reliable and clear customs procedures, which are areas to be supported under Priority Area 3.

Cross-cutting for *both* sectors: A rights-based approach will be at the core, with a focus on rights related to food and livelihoods (access to safe and nutritious food, land, resources) of rural populations, smallholders, subsistence farmers, actors throughout the supply chain, returning migrants and indigenous people. Furthermore, a rights based approach will promote adoption of international standards, labour rights and working conditions as well as an improved and expanded social protection system for enhanced resilience. Particular focus will be provided to

youth and vulnerable groups, as well as women empowerment. Collaboration with civil society organisations will be ensured to promote accountability and transparency in economic governance, strengthen regulatory frameworks and sustainable use of natural resources and advocate for human rights and social dialogue.

In terms of risks related to *both* sectors 1 and 2 above: the COVID-19 pandemic has and will continue to have severe socio-economic impacts on the country and could create a risk for the EU to achieve the objectives. Flexibility will be necessary to ensure operations are adapted to the evolving context. Furthermore, if the country does not engage further in renewable energy and energy efficiency measures, it could have a negative effect on the exporting industry, including the agribusiness, its price competitiveness and international image of Cambodia. To mitigate such a risk to not achieve the MIP's objective, engagement and dialogue with the authorities will continue and direct engagement with the private sector will be key. Main risks associated in particular to the first section on food systems are linked to the limited price competitiveness of Cambodian agricultural products and land management issues, with the risk of expansion of agriculture land use to Economic Land Concessions (ELC) and to the detriment of the forest. A landscape approach, ASEAN guidelines for responsible investment in agriculture, a continued dialogue with the authorities and close coordination with Development Partners and civil society will be instrumental to promoting a development model aligned with key sustainability principles, including land ownership security for smallholders. Collaboration with CSOs to promote social accountability (ISAF or similar approaches) could also contribute to increase accountability in that sensitive area. Finally, while digitalisation presents obvious advantages for development, the risks related to the political context, the implementation of a national internet gateway, the limited capacities in the Ministries as well as an inadequate regulatory framework (such as on data protection) should not be underestimated.

2.1.1. Specific objectives related to the Priority Area

Specific objective 1 (Sustainable Food Systems) is to contribute to the development of a model of sustainable food systems of higher quality, and enhanced and equal access to sufficient, safe and nutritious food.

Specific objective 2 (Sustainable value chains) is to contribute to the development of a greener, more competitive and connected export industry with enhanced regard to due diligence practices.

2.1.2. Expected results per specific objective

Expected results related to the Specific Objective 1 Sustainable Food Systems:

- a) Better integration, overview and respect of land use and territorial development
- b) Improved performance of food producers, including in agriculture, fisheries and aquaculture

Expected results related to the Specific Objective 2 Sustainable Value Chains:

- c) Increased productivity and added value of the targeted industry
- d) Increased number of the targeted industry having taken measures for improved working conditions such as reduced heat stress, further to EU support

2.1.3. Indicators (including baseline and targets), per expected result

Indicator related to Expected result a: Better integration, overview and respect of land use and territorial development

Indicator a1) Number of multi-stakeholder platforms established with EU support to support landscape management or similar initiatives Baseline (2020): 0; Target: 10 at various levels

Indicators related to Expected result b: Improved capacity of producers including in agriculture, fisheries and aquaculture.

Indicator b1) Number of producers reached with EU supported interventions aimed to increase their sustainable production, adoption of international standards, access to market and/or security of land² Baseline (2020): 0; Target: 50,000

Indicator b2) Number of initiatives supported by the EU having a digital solution in food systems Baseline (2020): 0; Target 30% of total.

Indicators related to Expected result c: Increased productivity, and added value of the targeted industry

Indicator c1) Productivity and added value of the industry enhanced (based on USD/worker) Baseline (2018): 6.83 (thousands of USD – output of worker)³; Target: 30% increase⁴

Indicator c2) Number of factories having taken Energy Efficiency measures supported by the EU-Cambodia MIP 2021-2027 Baseline (2020): 0; Target 50% (or 300 factories)

Indicator related to Expected result d: Increased number of garment factories having taken measures for improved working conditions such as reduced heat stress, further to EU support.

Indicator d1) Number of factories having taken measures for improved working conditions further to support by the EU Baseline (2020): 0; Target: 50% (or 300 factories)

2.1.4. Possible use of blending and guarantees for investment under EFSD+

There is in particular a need for commercial loans, guarantees and diversified financial products (such as equities, quasi-equities and subordinated debts such as the ones offered by AgriFi) to support private sector's investment in agro-processing and the greening of existing industrial value chains. There will also be consideration for blending grants with loans from European and International Financial Institutions where there is demand from the government to invest in areas such as: sustainable agriculture, cooperatives, rural infrastructure, as well as renewable and green energy infrastructure for industries.

Subject to its confirmation through the implementation phase, it is expected that an indicative amount of EUR 5 million may be used (between 2021 and 2024) to provision EFSD+ guarantee operations under this priority area.

2.2. Priority Area 2: Education and Skills Development

Sector 1: Education

Based on the under-performance in education, the focus of the Cambodian Education Strategic Plan (ESP) 2019-2023 (to undergo a mid-term review in 2021) is prioritising investment and quality improvement. Further to the COVID-19 crisis, the government is giving increased attention to the digital divide and life-skills education, acutely aware of the urgent need for innovative solutions in education (including re-entry of the increased levels of dropouts) and skills for the country to recover.

In Education, the EU will engage mostly with the Government, strong of a long-standing and privileged working relationship with the Ministry of Education, Youth and Sports (MoEYS). The use of country systems and innovative financing instrument (blending our grants with loans) will be encouraged in shaping a partnership of equals within the education sector.

² EURF 2.3.

³ <https://asean.org/storage/Regional-Study-Report-on-Labour-Productivity-in-ASEAN-endorsed-ad-referendum-by-SLOM-on-31-December-2020-with-further-amendment-on-4-January-2021.pdf>

⁴ Rational: Assuming total output (or GDP) growth by 6-7% and population growth of 1.5-2%, the output per worker should roughly grow by 5% per annum, totally around 30% over the MIP period.

Taking stock of the ongoing engagement in the sector, the EU will refocus its partnership with MoEYS on crucial education reforms, where the EU has an identified added value and where there is less support by other development partners. To this end, the EU will promote better planning and traceability of public expenditures as well as evidence-based decision making and reporting in the education sector. To do this, the EU will build on its already solid experience in Cambodia on Public Financial Management (PFM) (Priority Area 3), essential to ensure that funds are used efficiently and effectively, and to enhance transparency and accountability.

Given in particular the increased challenges of dropouts during the COVID pandemic, the EU will also contribute to the implementation of the non-formal education reform under the leadership of MoEYS to encourage re-entry to school of those who have dropped out or missed learning for long periods of time due to school closures. In addition, given the direct link between dropouts and learning outcomes, lack of women empowerment and malnutrition, as explained in Section 1, an expansion of the Early Childhood Education programme of MoEYS could be envisaged contribute to equitable access and improved quality in education. Throughout, both “hard” and “soft” skills will be the target of our intervention and digital education will be promoted wherever feasible. Crosscutting linkages with the EU youth- and gender- promotion agenda, including the dialogue with CSOs, are self-evident.

Sector 2: Skills Development

In Technical and Vocational Education and Training (TVET), the EU will engage with the government to improve governance and improve the quality of the TVET system, to meet national and international labour demand. In the areas of intervention and programmes developed under Priority 1, we will also engage directly with the private sector, in particular in support of skills’ development in the garment sector (including literacy skills for illiterate factory workers, mainly female), and agribusiness where enhanced use of green technology will require an upgrading of skills (see link to Priority Area 1). Collaboration with European/International Development Finance institutions will be sought, possibly using grants as a leverage for additional financing (blending, co-financing, guarantees) to boost the employability of the Cambodian youth, within the framework of the 4th Industrial revolution.

Working directly with both the government and the private sector, including with other parts of civil society, will help close the gap between the supply and demand of skilled labour more efficiently and will increase burden sharing in technical training and re-skilling of workers. Civil society may be involved in both the operational aspects of need assessment, skill creation and the advocacy side of corporate social responsibility by the private sector in the country. The aim is to increase the sustainability of the investment in skills development, in the promotion of full and productive employment as well as decent work for all. Actions under this sector will also strongly complement the attainment of the EU political objectives underlying Priority Area 3, especially related to Business Climate and trade where skills development is a key challenge, as explained above. Again, crosscutting linkages with the EU youth- and gender- promotion agenda are self-evident.

The major risk, that may have an adverse effect on the achievement of results in the education sector, is overly protracted school closures due to COVID-19. The EU already works with the Government to reduce the impact and allow for online or distance learning. Further to the pandemic, there is also a risk of reduced private sector willingness and capacity to contribute to technical training and re-skilling of (perspective) workers. Finally, while digitalisation presents obvious advantages for development, the risks related to the political context, the implementation of a national internet gateway, the limited capacities in the Ministries as well as an inadequate regulatory framework (such as on data protection) should not be underestimated.

2.2.1. Specific objectives related to the Priority Area

Specific objective 1: In line with JES priority 3 (“Support quality, accessible and inclusive services to strengthen human capital that contributes to sustainable socioeconomic development and poverty alleviation”), ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Specific objective 2: In line with SDG 4.4 (“Increase the number of people with relevant skills for financial success) and the JES priority 3 (“Support quality, accessible and inclusive services to strengthen human capital that contributes to sustainable socioeconomic development and poverty alleviation”), substantially increase the number of Cambodian youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

2.2.2 Expected results per specific objective

Expected result related to the Specific Objective 1 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all:

- a) More Cambodian youth and adults, both men and women, achieve literacy and numeracy skills.

Expected result related to the Specific Objective 2 Substantially increase the number of Cambodian youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship:

- b) Learning opportunities in Cambodia are increased and diversified.

2.2.3 Indicators (including baseline and targets), per expected result

Indicators related to Expected result a: All Cambodian youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy skills.

Indicator a1) Literacy rate of 15-24 year-olds⁵ Baseline (2015): 92.2%; Target: 100%

Indicator a2) Level of attainment of the JMIs⁶ indicators whenever possible disaggregated by sex and age JMI baselines, targeting and reporting

Indicators related to Expected result b: Learning opportunities in Cambodia are increased and diversified, using a wide range of education and training modalities, so that all youth and adults, especially girls and women, can acquire relevant knowledge, skills and competencies for decent work and life.

Indicator b1) Proportion of youth (aged 15-24 years) not in education, employment or training (NEET)⁷ Baseline (2017): 6.09%, Target: At least sustain current level

Indicator b2) Level of attainment of the JMIs indicators whenever possible disaggregated by sex and age JMIs baselines, targeting and reporting.

Indicator b3) Number of people who have benefitted from institution or workplace based VET/skills development intervention supported by the EU, disaggregated for digital skills⁸ Baseline (2020): 0; Target: 10.000 people

⁵ EU RF 1.7.

⁶ See Annex: list of JMIs in education and skills sectors

⁷ EU Result Framework 1.17 (SDG Indicator 8.6.1)

⁸ NDICI ID 15.

Indicator b4) Number of individuals directly benefiting from EU supported interventions that aim to reduce social and economic inequality⁹. Baseline (2020): 0; Target: 10.000 people

2.2.4 Possible use of blending and guarantees for investment under EFSD+

This Sector could partly be implemented through blending or guarantees for skills' development. (e.g. access to finance for industry, energy infrastructure in the sector and skills investment by Government or private sector).

There is a need for commercial loans, guarantees and diversified financial products to support private sector's investment in Technical and Vocational Schools, preparing youth to access decent jobs in important or promising economic sectors (services, industry or modern agriculture) in the form of pilot projects, possibly involving partnerships with European TVET institutions.

There will also be consideration for blending grants with loans from European and International Financial Institutions where there is demand from the government to invest in skills development and TVET programmes in particular for youth, industry workers as well as entrepreneurship promotion; this includes digital industries and green jobs.

Subject to its confirmation through the implementation phase, it is expected that an indicative amount of EUR 3 million may be used (between 2021 and 2024) to provision EFSD+ guarantee operations under this priority area.

2.3. Priority Area 3: Good Governance

Sector 1: Government and Civil Society

Under this sector, the EU will continue to contribute to some of the key aspects to strengthen the governance sector and democracy in Cambodia. As a priority, the EU will continue to work with Cambodia in support of the **Public Finance Management (PFM)** reform (SDGs 16 and 17), that, since the launch of Stage 1 of the PFM reform in 2005, has led to significant improvement in revenue mobilisation, better alignment of expenditure with national priorities, availability of financial information for timely decisions and increasing accountability and transparency. Moreover, PFM improvements have led to increased budget credibility and predictability, which has been instrumental to restore macroeconomic stability and resilience to external economic shocks, which in turn has greatly supported economic growth and enabled a rapid response by the government to the COVID-19 crisis. Future priorities under PFM will include revenue administration, streamlining and standardization of internal controls, strengthening public procurement and public investment management, as well as the development of accountability systems. An effective PFM Reform Programme is also key for the EU continuing sector budget programmes. To ensure that the progress in PFM is further strengthened, it is important to improve efficiency of the public administration.

Another key aspect of improving the governance is strengthening the **Rule of Law** which, together with an adequate justice system which enforces it, is a key pre-condition for equitable and just economic and social development. The EU will work with Cambodia to strengthen the justice system where opportunities are identified and results can be achieved and in direct relation to the areas of intervention in the other priorities of the MIP. In particular, focus would be provided to areas such as support to commercial and labour courts as well as mediation centres to further strengthen the business climate and help to foster improved labour conditions, or law and regulation drafting. Strengthening compliance with international UN and ILO instruments and conventions will be promoted through dedicated EU instruments and facilities.

⁹ NDICI ID 33.

Sector 2: Trade and Business Climate

Major bottlenecks to the business and trade-enabling environment remain, which will be of increasing concern for the Cambodian economy if not addressed. Therefore, in direct support to Green Growth and Decent Jobs (Priority Area 1), and in continuation of its current partnership with Cambodia in the sector, the EU will support Cambodia's Trade and Investment climate, for the country to be able to adjust to a "new normal" post-COVID. Capacity building initiatives for the Government will be envisaged to promote reforms for an improved business climate, including IPR (Intellectual Property Rights) compliance, and strengthen the authorities' understanding and implementation of Cambodia's international commitments.

To realise the AEC, trade facilitation will continue to be supported with the aim to streamline customs procedures, address inefficient trade logistics, weaknesses on standards (e.g. Sanitary and Phyto-Sanitary, Geographic Indicators) and certification as well as non-tariff measures (e.g. complicated and non-transparent regulations). This will include capacity in the preparation, negotiation and implementation of free trade agreements as well as supporting the private sector to take full advantage of the related opportunities, with focus on the industrial and agriculture value chains selected under Priority Area 1. These are all areas where the EU can provide expertise, building on its own trade experience, including the establishment of the EU single market. There will be a strong digital component, in line with the authorities' reform agenda, to accelerate trade facilitation measures, including improved efficiency of revenue collection through automated customs procedures (see link with PFM above).

Strong advocacy work with the government will be needed in liaison with the European Chamber of Commerce (EuroCham) and other relevant agencies to promote EU values and interests. To be noted that other major obstacles for investors are the limited supply of skilled labour, which is the focus of Priority Area 2, as well as high-energy costs, which are being addressed in Priority Area 1, demonstrating the strong interlinkages between the sectors of the MIP to optimise results. All mentioned priorities focus on meeting EU-ASEAN connectivity objectives, building on the implementation of the AEC, supporting relevant regional strategies, and strengthening the exports capacity of the private sector with ASEAN and globally.

For both sectors in Priority Area 3, civil society can play a significant role through advocacy and by providing oversight of the implementation of relevant reforms as well as monitoring Cambodia's compliance with international obligations. The civil society in this sector should be broadly understood and include non-governmental organisations, business associations and trade unions amongst others.

The biggest risks for *both* sectors: low political will to implement some of the needed reforms. As much as commitment to PFM reform is strong and there is a strong push to improve trade policies and standards as well business environment, the rule of law objective might prove to be more challenging depending on the evolution of the political situation in the country. Moreover, another risk is that the government might not allocate the necessary funds and human resources for the implementation of the reforms deemed necessary in trade, business environment and justice. Finally, while digitalisation presents obvious advantages for development, the risks related to the political context, the implementation of a national internet gateway, the limited capacities in the Ministries as well as a weak and inadequate regulatory framework (such as on data protection) should not be underestimated.

2.3.1 Specific objectives related to the Priority Area

Specific objective 1 related to the **Public Finance Management Reform (PFMR)** is to improve efficiency, transparency and accountability in management of public funds to improve public service delivery

Specific objective 2 is to strengthen **Rule of Law** by contributing to more effective, transparent and fair legal environment.

Specific objective 3 To improve business climate and trade facilitation, including customs and standards.

2.3.2. Expected results per specific objective

Expected results related to the Specific Objective 1 Public Finance Management Reform:

- a) Enhanced National Capacities in PFM
- b) Strengthened domestic revenue mobilisation
- c) Increased efficiency of public expenditure management
- d) Increased transparency and public participation

Expected results related to the Specific Objective 2 Rule of Law:

- e) Improved efficiency and quality of justice
- f) Improved access to justice for all (in particular the poor and persons in vulnerable situations)
- g) Improved compliance with core international human rights instruments, core labour standards and follow-up of treaty body recommendations

Expected results related to the Specific Objective 3 Trade and Business Climate

- h) Cambodia will have implemented the major recommendations of the AEC blueprint linked to Trade and Business climate

2.3.3. Indicators (including baseline and targets), per expected result

Indicator related to Expected result a: Enhanced National Capacities in PFM

Indicator a1) Performance in Public Expenditure and Financial Accountability Framework (PEFA) assessment. Baseline: PEFA 2021 (to be completed in the first half of 2021); Target: Overall improvements in the PEFA 2026 assessment

Indicator related to Expected result b: Strengthened domestic revenue mobilisation

Indicator b1) Domestic revenues as a percentage point of GDP. Baseline: To be defined at the end of 2021; Target: Increase an average of 0.3 percentage points during implementation of the MIP

Indicator related to Expected result c: Increased efficiency of public expenditure management

Indicator c1) Coverage and functionality of the Financial Management Information System (FMIS). Baseline: FMIS is operational in all Line Ministries but with limited number of users and functionality (budget preparation and procurement modules not operational); Target: FMIS enlarged number of users and functionality (budget preparation and procurement modules operational in all Line Ministries).

Indicator related to Expected result d: Increased transparency and public participation

Indicator d1) Performance of Cambodia in the Open Budget Survey. Baseline (2019): 32/100; Target (2027): Above 50 points

Indicator related to Expected result e: Improved efficiency and quality of justice

Indicator e1) Establishment of performance indicators for all courts Baseline (2020): 0; Target 1

Indicator related to result f: Improved access to justice for all (in particular the poor and persons in vulnerable situations)

Indicator f1) Number of people benefiting from legal aid interventions supported via EU funding (disaggregated, to the extent possible). Baseline: 0, target: 3000

Indicator related to result g: Improved compliance with core international human rights instruments, core labour standards and follow-up of treaty body recommendations

Indicator g1) Level of adherence to and compliance with Human Rights Conventions. Baseline: 198 Recommendations Target: 20% of recommendation implemented

Indicators related to result h: Cambodia will have implemented the major recommendations of the AEC blueprint linked to Trade and Business climate

Indicator h1) Increased number of WTO Trade facilitation requirements implemented from category C, Baseline (2019): 2; Target: 9

Indicator h2) Business environment ranking, Baseline 2020 level, Target: improved ranking, at least 5 points globally.

2.3.4. Possible use of blending and guarantees for investment under EFSD+

Whereas this Priority Area will contribute to the implementation of blending programmes in general by strengthening Public Investment Management and Business environment, it is unlikely that it will use blending as an aid modality unless the government decides to fund governance reforms through loans.

Subject to its confirmation through the implementation phase, it is therefore expected that no funds will be used (between 2021 and 2024) to provision EFSD+ guarantee operations under this priority area.

2.4. Proposals of country Team Europe Initiatives

Suggested Team Europe Initiative 1: Sustainable landscapes, forests and agriculture

Enhanced connectivity and integration in ASEAN is a priority for Cambodia to recover from the consequences of the COVID19 pandemic. Cambodia is making agriculture the main driver for economic recovery, as a strong contributor to growth and jobs. This could be an opportunity for the EU and its Member States to build a solid integrated approach, that can produce sustainable growth and job creation for the rural population and small landholders, and at the same time generate incentives to prevent the growing trend of unsustainable exploitation of Cambodia's natural resources. This TEI no. 1 could support a better integration in regional and international value chains, a human development and rights-based approach focused on livelihoods, job creation and environment/climate related challenges.

This TEI can have a transformative impact in Cambodia if taking a strong integrated approach with a geographical concentration and selected value chains, using specialised European expertise, tools, loans, grants and projects in a coordinated way. The TEI will foster sustainable and productive use of land and water resources (agriculture, fisheries and aquaculture), to generate income, create jobs and protect livelihoods. Such an approach, if successful, should encourage and prevent exploitation of natural resources, by developing a more sustainable approach to its productive use, respect protected areas (through e.g. emphasis on due diligence and targeted interventions) avoiding an expansion of farmland but rather focusing on added value products, global and regional value chains, as well as trade related assistance. Support to green technology and skills development will be necessary. This would be a new approach, or a "game changer", in the country's approach to growth and trade. Until now, most partners approach food security, rural development and natural resources protection in a separate way.

TEI1 partners identified to date are the EU, France/AFD/ FFEM grant (Fonds Français pour l'Environnement Mondial) , EIB, Czech Republic, and Belgium. Switzerland is part of Joint

Programming in Cambodia and will be closely involved in the implementation phase where feasible and appropriate, to enhance synergies, complementarities and impact.

Suggested Team Europe Initiative 2: Build back better – green energy and industrial value chains

Economic recovery will require stronger connectivity and integration of Cambodia's export industries in international and regional (ASEAN) value chains. Enhanced integration in the ASEAN region and the need to reduce the development gap with the other ASEAN nations will be key for Cambodia to regain and sustain its growth rates pre-COVID. The Initiative for ASEAN Integration (Narrowing the Development Gap) and ASEAN Economic Community (AEC) blueprint aim at achieving an integrated economic community by 2025 and set out concrete measures to reach this goal. A midterm review of the blueprint shows that Cambodia needs to accelerate its efforts to achieve the objectives. The Cambodian Industrial Development Policy (IDP) for the period 2015 to 2025 seeks to contribute to the country's integration in AEC, sustainable economic growth and reduced poverty, through increased economic diversification, integrating into regional production networks, while strengthening competitiveness and improving productivity. This policy has gained new impetus in the context of COVID-19 and the socio-economic recovery of the country. TEI 1 (explained above) is directly related to the IDP and AEC Blueprint, focusing on green agribusiness and green value chains. TEI 2 will replicate these by fostering development of a more sustainable, inclusive and integrated industry and value chains (with a focus on SMEs and higher added value creation), with a strong focus on clean energy, labour conditions and labour rights, as well as women empowerment. Given the EU's stricter requirements for environmental and social due diligence throughout the supply chain, there is a true momentum to build on.

Through this TEI, we will promote green energy as well as energy efficiency. Trade facilitation measures and international market access, and improved business and investment climate will be at the core. Specific attention will be given to SMEs, green technology and digital solutions for business and cross-border trade. We will ensure a strong policy dialogue with the authorities and work with Chambers of Commerce (including EuroCham) for advocacy and outreach activities. Skills development will be supported and attention should be given to ensure adaptation to evolving markets and technological needs in the 4.0 industry era. Social Protection, labour standards and labour conditions will be promoted throughout. Work with the private sector will be given priority to promote social and environmental due diligence throughout the supply chain.

TEI2 partners identified to date are the EU, Germany, Sweden, EIB, and the Czech Republic.

TEIs' implementation:

A lot of EU's added value lies in the expertise we can provide. Therefore, direct support to the authorities and the private sector via a significant EU Technical Assistance Facility will be considered. Twinning/TAIEX, as well as people-to-people initiatives will also be excellent tools for the same reasons. Budget support will be used where we see potential and added value, both in terms of performance and EU interest. Guarantees for private investments will be used where possible (e.g. agriculture, forests, energy, skills). Blending will be a useful instrument to leverage additional funds for infrastructure in the sector, if used strategically in synergy with our other operations. Political and Policy dialogue, as well as public and economic diplomacy are instruments which will be used strategically (involving all relevant stakeholders, including ASEAN countries and other non-traditional partners) and be guided by EU interest, core values and principles.

Both TEIs are linked to regional initiatives such as ASEAN economic integration and connectivity for agriculture value-chains (mainly Vietnam and Thailand); regional electricity grid (Vietnam, Thailand and Lao PDR); cross-border (illegal) timber trade (more with Vietnam); FELGT-I (Vietnam) and IUU (Thailand and Vietnam); regional management of water resources (Mekong

River basin: Lao PDR up to China); regional policy dialogue platform (E-READI); Trade with ASEAN and support to private sector (ARISE plus ongoing).

The EU's indicative contribution to these TEIs (EUR 79 million) is subject to the confirmation of the Team Europe partners' indicative meaningful contribution as early as possible. In the absence thereof, the EU's indicative contribution may be redirected in accordance with the priority areas of the MIP and their allocations. The obligation of the Union and the Member States to coordinate their development policies following initiatives by the Commission to this effect, as per article 210 TFEU, always applies.

In terms of financing, the indicative amount and corresponding percentage from the 2021-2024 MIP financial allocation is for TEI 1 EUR 53 million and for TEI 2 EUR 26 million, corresponding in total to 51% of the MIP.

3. Support measures

3.1. Measures in favour of civil society

In line with the EU's commitment to support civil society, part of the MIP allocation will be made available to support civil society in Cambodia, on top of what has already been included under each Priority Area above.

EU has a very vibrant cooperation with civil society in Cambodia not only via funding through its financing instruments but also through a regular dialogue on development issues and civil society space. Cambodia's civil society has played an important role in the development of the country since 1991, focusing mainly on service delivery by non-governmental organizations and advocacy.

Despite the rich experience and role that civil society organisations have played in the development of Cambodia, local civil society still needs support to allow them to better engage in policy research, dialogue and advocacy, and to promote social accountability at local level. There is also a need to continue supporting an enabling environment for civil society and ensure space for them to operate freely. The planned measures should support a wide range of civil society including non-governmental organisations, foundations, associations of private sector and labour organisations. It should also ensure strong focus on youth and women's organisations.

The proposed support measures would promote responsive, inclusive participatory and representative decision-making (e.g. addressing women's and youth representation, shrinking civil society space, citizens' engagement, and building capacity for data collection and statistics) as well as promote the role of civil society in oversight and accountability over both public and private sector. It would enhance the role of civil society organisations in policy dialogue, policy implementation, advocacy, research as well as monitoring of policies and programmes. It will also support inclusive and sustainable growth by ensuring participation of women, youth, persons with disabilities and other underrepresented groups in development processes. Actions in favour of civil society will also be embedded in the 3 priorities of the MIP, ensuring their participation and engaging them in implementation when appropriate. Moreover, thematic instruments can be used to support civil society on issues that are not embedded in the MIP or on emerging topics.

Capacity building for fruitful social dialogue between employers' organisations and trade unions will be explored.

3.2. Cooperation facility

The Facility will support the implementation of the MIP by:

Providing a public diplomacy and communication window that will promote EU and European policies and programmes in Cambodia, including the implementation of the EU strategy for cooperation in the Indo-Pacific; facilitate dialogue with Government, civil society and other stakeholders; the inclusion of a diversity of actors in these actions and ensure financial resources are available to plan and implement relevant follow up actions.

More specifically, the Facility will:

Support policy dialogues via means such as events, conferences, studies, fellowships, exchange platforms to support policy reforms and engagement with governments and other stakeholders.

Enable the EU to undertake, jointly conduct or contribute to partners' initiatives (studies, events, conferences, exchanges etc.) to inform policy dialogue and support policy advocacy and implementation in areas relevant to the scope of the MIP. Important interlocutors in this undertaking will be multilateral agencies, the private sector, academia as well as key civil society structures.

Enable the EU to support or contribute to initiative required to promote the Team Europe approach and the Joint Strategy, i.e. joint analyses, joint implementation, joint advocacy, joint M&E; enhance the engagement with government, civil society and the private sector, as well as other key stakeholder, such as the youth, women, returning migrants, people with disability amongst other; monitor and report on strategy implementation; support dedicated communication and visibility actions as well as dialogue and dissemination of relevant outcomes. Provide assistance to the EU to ensure implementation of human rights-based approach and gender equality and women empowerment across the development programmes and interventions.

Promote multilateralism further, in its heightened relevance in the Covid-19 context and with a view to Building Back Better, with the human development and rights based agenda at the centred stage of country-based actions. Enable the EU to mobilise youth, women and other relevant stakeholders in multilateral diplomacy and country level initiatives.

Echoing the point already made earlier in the MIP, significant EU's added value lies in the expertise the EU can provide to Cambodia and ASEAN. Resources should be envisaged for the EU to rapidly mobilise qualified technical assistance and facilitate people-to-people engagement based on demand; support political and policy dialogue, as well as public and economic diplomacy guided by EU interest, core values and principles. Exchange of public expertise, such as TAIEX and Twinning will also be considered.

Support the EU in conducting monitoring and evaluations of programmes and projects to ensure that these are carried out properly and according to schedule, as well as to ensure that opportunities, challenges and lessons learnt are taken into account for ongoing and new activities.

An EU Visibility & Communication Strategy is in place since mid-2020 aimed to promote EU engagement with Cambodia, in Cambodia, Europe and the region. The multiannual visibility and communication strategy will cover the entire duration of the MIP (even though the service contract will only be in place until mid-2023). Additional financing will be required to finance complementary actions specific to the Priority Areas of the MIP but also to support the implementation of the Visibility & Communication strategy beyond mid-2023.

4. Financial overview (indicative) for the initial period 2021-2024

Although the duration of this MIP is seven years, the indicative allocations for Cambodia and for each of the priority areas and support measures laid down in the table below are provided for the 2021-2024 period only. The indicative allocations for 2025-2027, as well as the possible modification of other substantial elements of this MIP, will be subject to a decision by the EU. This decision should be preceded by a review of the implementation of this MIP, which should include a dialogue with the authorities and other stakeholders of Cambodia.

	Indicative amount (million EUR)	Indicative % of total
Priority area 1: Green Growth and Decent	62	40%
Priority area 2: Education and Skills	48	31%
Priority area 3: Good Governance	37	24%
Support measures	8	5%
TOTAL for initial period 2021-2024	155	100%

Attachments

1. Intervention framework
2. Donor matrix showing the current indicative allocations per sector

Attachment 1. Intervention framework

<p>Priority area 1: Green growth and decent jobs</p> <p>Specific objective 1 (on Sustainable Food Systems) is to contribute to the development of a model of sustainable food systems of higher quality, and enhanced and equal access to sufficient, safe and nutritious food.</p>		
Expected Results	Indicators	Baseline & targets
a) Better integration, overview and respect of land use and territorial development	a1) Number of multi-stakeholder platforms established with EU support to support landscape management or similar initiatives	Baseline (2020): 0; Target: 10 at various levels Means of verification: EU contract monitoring/verification
b) Improved performance of food producers, including in agriculture, fisheries and aquaculture	b1) Number of producers reached with EU supported interventions aimed to increase their sustainable production, adoption of international standards, access to market and/or security of land b2) Number of initiatives supported by the EU having a digital solution in food systems	Baseline (2020): 0; Target: 50,000 Means of verification: EU contract monitoring/verification Baseline (2020): 0 Target: 30% of total. Means of verification: EU contract monitoring/verification
<p>Specific objective 2: (on Sustainable Valuechains) is to contribute to the development of a greener, more competitive and connected export industry with enhanced regard to due diligence practices.</p>		
Expected Results	Indicators	Means of verification

<p>c) Increased productivity and added value of the targeted industry</p>	<p>c1) Productivity and added value of the industry enhanced (based on USD/worker)</p> <p>c2) Number of factories having taken EE measures supported by the EU-Cambodia MIP 2021-2027</p>	<p>Baseline (2018): 6.83 (thousands of USD – output of worker) Target: 30% increase Means of verification: WB economic reports. Baseline (2020): 0; Target 50% (or 300 factories) Means of verification: EU contract monitoring/verification</p>
<p>d) Increased number of targeted industries having taken measures for improved working conditions such as reduced heat stress, further to EU support.</p>	<p>d1) Number of factories having taken measures for improved working conditions further to support by the EU.</p>	<p>Baseline (2020): 0 Target: 50% (or 300 factories) Means of verification: ILO reports</p>

Priority area 2: Education and Skills development

Specific objective 1: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Expected Results	Indicators	Baseline & targets
<p>a) More Cambodian youth and adults, both men and women, achieve literacy and numeracy skills</p>	<p>a1) Literacy rate of 15-24 year-olds</p> <p>a2) Level of attainment of the Joint Monitoring Indicators (JMI)¹⁰ indicators whenever possible disaggregated by sex and age</p>	<p>Baseline (2015): 92.2% Target: 100% Means of verification: UNESCO Education Sector Reporting</p> <p>JMIs baselines, targeting and reporting Means of verifications: JMI report by year, RGC Education Sector Reporting</p>

Specific objective 2: Substantially increase the number of Cambodian youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

Expected Results	Indicators	Means of verification
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¹⁰ See Annex a list of the JMIs

<p>b) Learning opportunities in Cambodia are increased and diversified</p>	<p>b1) Proportion of youth (aged 15-24 years) not in education, employment or training (NEET)</p> <p>b2) Level of attainment of the JMIs indicators whenever possible disaggregated by sex and age</p> <p>b3) Number of people who have benefitted from institution or workplace based VET/skills development intervention supported by the EU, disaggregated for digital skills</p> <p>b4) Number of individuals directly benefiting from EU supported interventions that aim to reduce social and economic inequality</p>	<p>Baseline (2017): 6.09% Target: maintain or decrease the low rate of NEET Means of verification: ILOJMIs baseline, targeting and reporting Means of verifications: JMI report by year, RGC</p> <p>Baseline (2020): 0 Target: 1000 people Means of verification: JMI reporting and EU contract monitoring</p> <p>Baseline (2020): 0 Target: 1000 people Means of verifications: JMI report by year, RGC;</p>
<p>Priority area 3: Good governance</p> <p>Specific objective 1: (Public Finance Management Reform) to increase efficiency, transparency and accountability in management of public funds to Public service delivery.</p>		
<p>Expected Results</p>	<p>Indicators</p>	<p>Baseline & targets</p>
<p>a) Enhanced National Capacities in PFM</p>	<p>a1) Performance in Public Expenditure and Financial Accountability Framework (PEFA) assessment</p>	<p>Baseline: PEFA 2021 (to be completed in the first half of 2021). Target: Overall improvements in the PEFA 2026 Means of Verification: PEFA Assessments</p>
<p>b) Strengthened domestic revenue mobilisation</p>	<p>b1) Domestic revenues as a percentage point of GDP</p>	<p>Baseline: Domestic Revenue/GDP for fiscal year 2021 Target: Increase an average of 0.3 percentage points during implementation of the MIP. Means of Verification: National Accounts</p>

<p>c) Increased efficiency of public expenditure management</p>	<p>c1) Coverage and functionality of the Financial Management Information System</p>	<p>Baseline: FMIS is operational in all Line Ministries but with limited number of users and functionality (budget preparation and procurement modules not operational). Target: FMIS enlarged number of users and functionality (budget preparation and procurement modules operational in all Line Ministries). Means of Verification: IMF/WB/EU FMIS monitoring missions.</p>
<p>d) Increased transparency and public participation</p>	<p>d1) Performance of Cambodia in the Open Budget Survey.</p>	<p>Baseline (2019): 32/100 (OBS). Target: Scoring Above 50 points (OBS 2027) Means of Verification: Open Budget Index</p>
<p>Specific objective 2: To strengthen Rule of law by contributing to more effective, transparent and fair legal environment..</p>		
<p>Expected Results</p>	<p>Indicators</p>	<p>Means of verification</p>
<p>e) Improved efficiency and quality of justice</p>	<p>e1) Establishment of performance indicators for all courts</p>	<p>Baseline 0 Target 1 set of indicators Means of verification: JMI reporting</p>
<p>f) Improved access to justice for all (in particular the poor and persons in vulnerable situations)</p>	<p>f1) Number of people benefiting from legal aid interventions (disaggregated, to the extent possible)</p>	<p>Baseline 0. Target 3000 Means of verification: JMI reporting</p>
<p>g) Improved compliance with core international human rights instruments, core labour standards and follow-up of treaty body recommendations</p>	<p>g1) Level of adherence to and compliance with Human Rights Conventions.</p>	<p>Baseline:198 recommendations Target 20 % of recommendations implemented Means of verification: OHCHR and CSOs reports</p>
<p>Specific objective 3: (Trade and Business climate) To improve business climate and trade facilitation, including customs and standards</p>		
<p>Expected Results</p>	<p>Indicators</p>	<p>Baseline & targets</p>

h) Cambodia will have implemented the major recommendations of the AEC blueprint linked to Trade and Business climate

h1) Increased number of WTO Trade facilitation requirements implemented from category C

h2) Business environment ranking

Baseline 2019: 2
Target: 9
Means of verification: JMI and WTO reporting

Baseline: 2020 level
Target: improved ranking, at least 5 points globally.
Means of verification: WB Doing Business index

Attachment 2. Donor Matrix

Cambodia - ODA disbursements 2020 and planned disbursements 2021-2023 (USD million)*

Sector	CZ	EU	FR	DE	IE	SE	EIB	Sum Team Europe*	AfDB	AUS	CAN	China	GAVI	GF	Japan	NZ	Korea	CH	UK	USA	UN	WB	Sum non-EU	Grand Total	
Agriculture	0.13	77.99	169.94	18.27	0.28	-	30.00	296.61	122.81	17.15	-	92.08	-	-	56.19	4.49	128.15	12.62	-	20.95	75.77	103.20	632.42	929.03	
2020 (disbursements)	0.04	11.40	3.04	4.39	0.26	-	-	19.16	37.14	5.69	-	49.06	-	-	18.29	1.35	16.37	4.44	-	6.76	14.32	20.16	173.61	192.77	
2021-2023 (planned)	0.09	66.59	166.90	13.88	-	-	30.00	277.45	85.67	11.46	-	43.02	-	-	36.90	3.14	111.78	8.18	-	14.19	61.45	83.02	458.81	736.26	
Budget & BoP Support	-	-	33.06	120.77	-	-	-	153.85	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	464.62	637.87
2020 (disbursements)	-	-	11.34	40.77	-	-	-	52.11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	142.51	142.51
2021-2023 (planned)	-	-	21.74	79.77	-	-	-	101.74	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	464.62	637.87
Business & Financial Services	-	13.34	0.30	-	-	-	-	13.64	0.16	0.81	-	-	-	-	-	-	-	0.01	0.00	0.95	0.37	-	2.29	15.93	
2020 (disbursements)	-	13.34	0.30	-	-	-	-	13.64	0.16	0.25	-	-	-	-	-	-	-	0.01	0.00	0.50	0.37	-	1.28	1.28	
2021-2023 (planned)	-	13.34	0.30	-	-	-	-	13.64	0.16	0.25	-	-	-	-	-	-	-	0.01	0.00	0.45	0.37	-	1.01	14.65	
Climate Change	0.30	4.89	30.19	4.27	-	3.71	-	44.33	-	-	-	-	-	-	3.92	2.61	-	-	0.01	-	-	-	53.92	20.36	64.69
2020 (disbursements)	0.17	1.25	-	-	-	3.23	-	4.66	-	-	-	-	-	-	1.13	-	-	-	-	-	-	-	4.50	5.63	10.29
2021-2023 (planned)	0.09	4.63	30.19	4.27	-	0.48	-	39.67	-	-	-	-	-	-	2.69	2.61	-	-	0.01	-	-	9.42	5.63	14.73	54.40
Community Development	-	3.05	-	-	-	-	-	3.05	-	17.35	-	-	-	-	-	-	-	6.72	0.06	-	8.93	24.62	-	57.67	60.72
2020 (disbursements)	-	1.24	-	-	-	-	-	1.24	-	4.67	-	-	-	-	-	-	-	0.03	0.03	-	4.13	6.69	-	15.51	16.76
2021-2023 (planned)	-	1.80	-	-	-	-	-	1.80	-	12.68	-	-	-	-	-	-	-	6.72	0.03	-	4.80	17.93	-	42.15	43.96
Culture, Arts & Sports	-	-	2.57	-	-	-	-	2.57	-	-	-	49.64	-	-	-	-	-	6.23	-	0.01	-	1.21	-	57.09	59.65
2020 (disbursements)	-	-	2.57	-	-	-	-	2.57	-	-	-	30.43	-	-	-	-	-	2.32	-	0.01	-	0.82	-	33.58	36.15
2021-2023 (planned)	-	-	2.57	-	-	-	-	2.57	-	-	-	19.21	-	-	-	-	-	3.91	-	-	0.38	-	23.50	23.50	
Education	2.15	68.73	20.09	-	0.02	19.38	-	110.37	79.33	5.50	0.78	16.15	-	-	37.75	2.10	16.98	13.96	0.01	31.15	62.79	92.60	349.09	459.46	
2020 (disbursements)	0.65	25.33	20.03	-	0.02	9.90	-	56.58	16.51	4.80	0.31	4.82	-	-	13.19	1.96	3.56	3.31	0.01	8.61	8.07	17.14	82.28	138.87	
2021-2023 (planned)	1.50	42.80	-	-	-	9.48	-	53.79	62.82	0.70	0.48	11.33	-	-	24.56	0.14	13.42	10.65	0.01	22.54	44.71	75.46	266.81	320.59	
Emergency & Food Aid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.54	-	5.40	1.56	-	7.51	7.51	
2020 (disbursements)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.21	-	0.46	0.46	-	1.13	1.13	
2021-2023 (planned)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.33	-	4.94	1.11	-	6.37	6.37	
Energy, Power & Electricity	0.30	7.14	147.73	7.07	-	-	-	162.24	16.55	14.99	-	244.21	-	-	182.85	0.72	6.01	-	-	0.02	-	-	465.34	627.57	
2020 (disbursements)	0.05	1.89	50.73	-	-	-	-	52.67	1.30	5.90	-	131.57	-	-	52.32	0.72	3.42	-	-	-	-	-	194.52	247.19	
2021-2023 (planned)	0.25	5.25	97.00	7.07	-	-	-	109.57	15.25	9.09	-	112.63	-	-	130.53	0.72	2.58	-	-	0.02	-	-	270.82	380.38	
Environment and Sustainability	-	7.83	3.11	4.65	-	1.08	-	16.46	3.33	-	-	-	-	-	4.45	-	4.76	0.03	0.00	25.92	10.95	23.45	72.90	89.36	
2020 (disbursements)	-	1.83	0.81	0.34	-	1.08	-	4.05	3.33	-	-	-	-	-	3.66	-	1.55	0.02	0.00	9.27	4.34	2.45	24.62	28.67	
2021-2023 (planned)	-	5.80	2.30	4.30	-	-	-	12.40	-	-	-	-	-	-	0.79	-	3.21	0.01	-	16.65	6.60	21.00	48.28	60.68	
Environment and Sustainability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020 (disbursements)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021-2023 (planned)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gender	-	2.91	-	-	-	0.24	-	3.15	-	-	-	-	-	-	0.60	-	-	-	0.01	0.01	0.47	1.02	-	4.58	6.56
2020 (disbursements)	-	0.71	-	-	-	0.24	-	0.95	-	-	-	-	-	-	0.60	-	-	-	0.01	0.01	0.47	1.02	-	2.10	3.05
2021-2023 (planned)	-	1.33	-	-	-	-	-	1.33	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.48	3.80
Governance & Administration	-	33.64	3.26	20.56	-	23.59	-	81.05	33.56	14.70	1.20	-	-	-	11.74	-	0.27	6.27	0.03	64.34	13.97	5.99	152.06	233.11	
2020 (disbursements)	-	15.64	0.20	4.17	-	7.01	-	27.62	21.25	4.30	0.26	-	-	-	-	-	-	0.18	2.93	0.03	21.93	3.97	63.61	91.23	
2021-2023 (planned)	-	18.00	3.06	16.39	-	15.98	-	53.43	12.31	10.34	0.94	-	-	-	11.74	-	0.27	6.27	0.03	42.41	9.99	5.99	88.45	141.88	
Health	1.80	6.67	17.47	0.42	0.90	-	-	27.25	13.38	13.46	0.99	73.58	17.98	141.42	49.73	-	56.82	9.04	0.09	75.68	20.81	73.86	546.62	573.87	
2020 (disbursements)	0.39	5.67	8.54	0.30	0.90	-	-	15.80	5.86	4.13	0.53	35.55	8.67	39.70	24.41	-	7.89	4.39	0.04	21.44	7.17	12.76	172.74	188.54	
2021-2023 (planned)	1.41	0.99	8.93	0.12	-	-	-	11.45	7.50	9.32	0.46	38.03	9.11	101.72	25.32	-	48.93	4.65	0.05	54.24	13.65	61.10	373.88	385.33	
HIV/AIDS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.97	0.47	-	1.45	1.45	
2020 (disbursements)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.97	0.47	-	1.05	1.05	
2021-2023 (planned)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.40	0.40	
Industrialisation & Trade	-	6.85	-	14.99	-	-	-	21.85	-	-	0.18	-	-	-	-	-	-	0.33	-	9.81	1.54	-	11.86	33.71	
2020 (disbursements)	-	1.74	-	2.67	-	-	-	4.41	-	-	0.18	-	-	-	-	-	-	0.11	-	8.41	0.70	-	9.40	13.81	
2021-2023 (planned)	-	5.12	-	12.32	-	-	-	17.44	-	-	-	-	-	-	-	-	-	0.22	-	1.40	0.84	-	2.46	19.90	
Other	-	0.48	1.12	3.53	-	-	-	5.13	-	0.99	0.13	-	-	-	3.81	1.81	-	-	0.01	4.68	1.08	-	12.52	17.65	
2020 (disbursements)	-	0.08	1.12	0.69	-	-	-	1.89	-	0.99	0.01	-	-	-	-	-	-	-	0.01	1.53	0.08	-	3.92	5.81	
2021-2023 (planned)	-	0.40	-	2.84	-	-	-	3.24	-	-	0.12	-	-	-	3.81	1.81	-	-	-	3.15	1.00	-	8.60	11.84	
Rural Development	-	7.14	34.07	54.34	1.17	-	60.00	156.72	48.49	-	-	-	-	-	11.59	-	48.20	0.06	-	14.00	19.12	89.43	230.88	387.60	
2020 (disbursements)	-	0.25	3.55	5.57	-	-	60.00	4.37	11.72	-	-	-	-	-	3.96	-	1.56	0.06	-	7.00	4.09	3.23	37.21	41.58	
2021-2023 (planned)	-	7.14	33.82	50.79	0.60	-	60.00	152.35	36.77	-	-	-	-	-	7.63	-	46.64	-	-	7.00	15.02	86.20	193.67	346.02	
Social Protection	-	10.21	-	-	-	2.05	-	12.25																	

Cambodia - ODA disbursements 2020 and planned disbursements 2021-2023 by term of assistance (USD million)*

Donor	Grant		Concessional Loan		Non-Concessional Loan		Total 2020	Total 2021-2023	Grand total
	2020 (disbursements)	2021-2023 (plans)	2020 (disbursements)	2021-2023 (plans)	2020 (disbursements)	2021-2023 (plans)			
Czech Republic	1.55	4.77	-	-	-	-	1.55	4.77	6.32
EU/EC	87.54	210.63	-	-	-	-	87.54	210.63	298.17
EIB			50.00	213.00	-	-	50.00	213.00	263.00
France	16.81	57.28	68.47	727.05	-	-	85.29	784.34	869.62
Germany	24.35	81.98	-	38.80	-	-	24.35	120.78	145.14
Ireland	1.17	0.72	-	-	-	-	1.17	0.72	1.90
Sweden	25.00	25.94	-	-	-	-	25.00	25.94	50.94
Sum EU**	156.43	381.32	118.47	978.86	-	-	274.90	1,360.18	1,635.09
Australia	30.53	53.59	-	-	-	-	30.53	53.59	84.12
Canada	1.54	2.55	-	-	-	-	1.54	2.55	4.08
China	93.51	117.88	363.50	423.82	6.13	2.18	463.14	543.88	1,007.02
Japan	99.61	159.26	475.50	824.16	-	-	575.11	983.42	1,558.53
New Zealand	5.74	9.21	-	-	-	-	5.74	9.21	14.94
Republic of Korea	27.06	79.52	17.55	281.31	-	-	44.61	360.83	405.44
Switzerland	15.57	27.28	-	-	-	-	15.57	27.28	42.85
UK	0.43	0.06	-	-	-	-	0.43	0.06	0.50
USA	96.39	180.07	-	-	-	-	96.39	180.07	276.46
Sum bilaterals	370.38	629.42	856.55	1,529.29	6.13	2.18	1,233.05	2,160.89	3,393.94
ADB	23.49	30.66	412.41	387.51	-	-	435.90	418.18	854.08
GAVI	8.87	9.11	-	-	-	-	8.87	9.11	17.98
Global Fund	39.70	101.72	-	-	-	-	39.70	101.72	141.42
World Bank	0.50	35.43	75.98	430.10	-	-	76.48	465.53	542.01
United Nations	47.91	136.54	9.60	50.46	0.00	0.73	57.51	187.72	245.24
Sum multilaterals	120.47	313.46	497.98	868.07	0.00	0.73	618.46	1,182.26	1,800.72
Grand Total	647.28	1,324.20	1,423.00	3,163.21	6.13	2.91	2,076.41	4,490.33	6,829.74

* Official ODA database from the Council for the Development of Cambodia (CDC): effective disbursements for year 2020 and donors' forecasts for 2021, 2022 and 2023

**EIB disbursement to Cambodia are not reported to CDC. EIB is a very new partner in Cambodia. Figures were provided by EIB and inserted.

Annex – DAC codes

Priority area 1 – Green growth and decent jobs

Sector 1 – Sustainable Food Systems

DAC codes: 430 (Multi sectoral, including Food Security and administrative management, as well as Food safety and quality)

Sector 2 – Sustainable Value Chains

DAC codes: 321 (Industry), 232 (Energy generation, renewable sources)

Priority area 2 – Education and skills development

Sector 1 – Education

DAC codes: 111 (Education), 11230/31 (Basic Life skills for adults/youth)

Sector 2 – Skills Development

DAC code: 11330 (Vocational training)

Priority area 3 – Good Governance

Sector 1 - Government and Civil Society

DAC codes: 151 (Government and Civil Society)

Sector 2 – Trade and Business Climate

DAC code: 331 (Trade policies and regulations), 250 (Business & Other Services)

Annex

The 2021-2023 Education Joint Monitoring Indicators are:

“Decreased student repetition rate in primary education, particularly in early grades”: baseline SY 2019/2020 to be confirmed in the Annual Congress Report to be released in April 2021, target for SY 2021/22 is 4.9% (Male 5.6%, Female 3.4%); “Increased students learning achievements in primary and lower secondary education (writing and math in grade 6, writing and math in grade 8”): baselines: students achieving at the “below basic” proficiency level in grade 6: writing 39.6% in SY 2017/2018, target in SY 2020/21 is 33.6%; math: baseline 53.% in SY 2015/2016, target in SY 2020/2021 is 47.2%; baseline: students achieving at the “below basic” proficiency level for grade 8: writing 71% in SY2017/2018, target in SY2021/22 is 65%; math: baseline 36.3% in 2017/2018, target in SY 2021/22 is 30.3%; “Student enrolment in Lower secondary increased and dropout rate reduced”: baseline of gross enrolment rate to be confirmed in the Annual Congress Report to be released in April 2021, target in SY 2022/23 is 66.7%, baseline of dropout rate in Lower secondary education to be confirmed in the Annual Congress Report to be released in April 2021, target in SY 2021/2022 is 10.3% (Male 10.9%, Female 9.2%).

EU Result Framework 1.17 (SDG Indicator 8.6.1)

The 2021-2023 TVET Joint Monitoring Indicators are:

“Percentage (%) of graduates’ access to employment and self-employment”: baseline 73% (2020) target by 2023 is 75%; “% of satisfaction of employers and trainees in TVET”: baseline 82% (2020) target by 2023 is 85%; “Number of TVET instructors trained to enhance the quality of training”: baseline 572 (of which 98 female) in 2020, target by 2023 is 2 000 (of which at least 400 female); “Number of students trained in short courses”: baseline 37 333 of which 18 334 female (2020) target in 2021-23 is 117 000 (of which at least 58 500 female); “Number of students’ enrolment for TVET programme at CQF level 1-5 increased at least 20% per year (for female, at least 25%)”: baseline 12 193 (of which 3 451 female) (2020) target in 2021-2023 is 62 000 (of which at least 15 500 female); “Number of enrolment for qualification assessments by Recognition of Prior Learning/Recognition of Current Competence in priority skills areas, with annual increase of 10% (for female, at least 15%)”: baseline 2 276 (of which 305 female) (2020) target by 2021-2023 is 6 000 (of which at least 900 female); “Number of MoUs signed between TVET institutions and industries/private institutions”: baseline 63 (2020) target in 2021-2023 is 200; “ Number of TVET students who participate in internship at the industry” baseline 4 233 (of which female 784) (2020) target in 2021-2023 is 15 000 (of which at least 3 750 female); “Number of students who participate in the Public Private Partnership programme”: baseline 572 (of which 32 female) (2020) target 2021-2023 is 1 800 (of which at least 450 female)