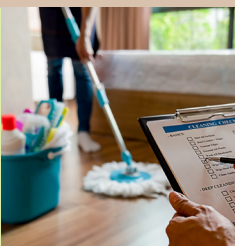


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# DETAILED ASSESSMENT OF SUSTAINABLE/GREEN PUBLIC PROCUREMENT IN CAMBODIA



## Acknowledgments

This Detailed Assessment Report on Cambodia's Sustainable Public Procurement (GPP) has been prepared for the EU SWITCH-Asia Policy Support Component (PSC) by Mr. Kuntheara Tep, Cambodia GPP Expert, under the supervision of Ms. Elodie Maria-Sube, Key Expert, Mr. Sanjay Kumar, GPP Expert, Ms. Sylvie Zaitra, Public Finance Management Expert, and Dr. Zinaida Fadeeva, Team Leader of the SWITCH-Asia Policy Support Component.

The expert team would like to express their sincere gratitude to the Ministry of Economy and Finance (MEF), the Ministry of Environment, the Ministry of Industry, Science, Technology & Innovation (MISTI), the World Bank (WB), the Asian Development Bank (ADB), GIZ Cambodia, EUROCHAM, and all other key stakeholders who actively participated in this assessment. Their valuable contributions in shaping the overall design of the assessment and their engagement throughout the process are deeply appreciated.

We extend our heartfelt thanks to all those who generously participated in the stock-taking exercise and provided their insights for this detailed assessment. Their willingness to share their experiences has played a crucial role in the development of this report. We recognize and acknowledge the time and effort they dedicated to enhancing our understanding of Sustainable Public Procurement (SPP) practices in Cambodia and the regions.

We believe that the Detailed Assessment Report accurately reflects the perspectives and insights of the stakeholders and that the primary findings of the study are aligned with their thoughts, impressions, engagement, and experiences in advancing and sustaining SPP practices in Cambodia, working closely with the Government, development partners, and the private sector. The consultants express special gratitude to the officials of the MEF and the MOE, particularly the European Union Delegation to Cambodia, for their exceptional support and input in coordinating this study.

The expert team has made every effort to ensure the quality of this report; however, any errors that may remain are the sole responsibility of the expert team.

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# Acronyms

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<b>ADB</b>	Asian Development Bank
<b>CCCSP</b>	Cambodian Climate Change Strategic Plan
<b>CE</b>	Circular Economy
<b>CSDGs</b>	Cambodia Sustainable Development Goals
<b>CSOs</b>	Civil Society Organizations
<b>DGE</b>	Department of Green Economy
<b>DPs</b>	Development Partners
<b>ENR Code</b>	2023 Environment and Natural Resources
<b>EU Delegation</b>	European Union (EU) Delegation to Cambodia
<b>EUROCHAM</b>	European Chamber of Commerce
<b>GDP</b>	Gross Domestic Product
<b>GDPP</b>	General Directorate of Public Procurement
<b>GIZ</b>	Deutsche Gesellschaft für Internationale Zusammenarbeit
<b>HEF</b>	Health Equity Fund
<b>IDP</b>	Cambodia's Industrial Development Policy (IDP), 2015-2025
<b>ID-Poor program</b>	Identification of the poor people program
<b>ISC</b>	Institute of Standards of Cambodia [MISTI]
<b>KII</b>	Key Informant Interview
<b>MAPS</b>	Assessing the Public Procurement System
<b>MEF</b>	Ministry of Economy and Finance
<b>MISTI</b>	Ministry of Industry, Science, Technology & Innovation
<b>MLMUPC</b>	Ministry of Land Management, Urban Planning & Construction
<b>MME</b>	Ministry of Mines and Energy
<b>MOC</b>	Ministry of Commerce
<b>MOE</b>	Ministry of Environment
<b>MoH</b>	Ministry of Health
<b>MoI</b>	Ministry of Interior
<b>MoLVT</b>	Ministry of Labour and Vocational Training
<b>MoWRAM</b>	Ministry of Water Resources & Meteorology
<b>MPWT</b>	Ministry of Public Works and Transport
<b>MRD</b>	Ministry of Rural Development (MRD)
<b>NCDD</b>	National Committee for Sub-national Democratic Development
<b>NCSD</b>	National Council for Sustainable Development
<b>NGGP</b>	National Green Growth Policy
<b>PEST</b>	Political, Economic, Social, and Technological (factors)

<b>PFM/RP</b>	Public Financial Management (Reform Program)
<b>PIM</b>	Project Implementation Manual
<b>PP Law</b>	20023 Public Procurement Law
<b>PPP Law</b>	Public-Private Partnerships Law
<b>PSC</b>	Policy Support Component
<b>PS-PI</b>	Pentagonal Strategy-Phase I
<b>RGC</b>	Royal Government of Cambodia
<b>RS-IV</b>	Rectangular Strategy Phase IV
<b>SCP</b>	Sustainable Consumption and Production
<b>SNAs</b>	Sub-National Administrations
<b>SPP</b>	Sustainable Public Procurement
<b>TWG</b>	Technical Working Group
<b>USD</b>	US Dollar
<b>WB</b>	World Bank

# Executive Summary

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This executive summary provides a brief overview of Sustainable Consumption and Production (SCP) and Sustainable Public Procurement (SPP) in Cambodia. It highlights the greater efforts of integrating sustainability considerations into public procurement processes for promoting SCP and achieving broader national developmental objectives in Cambodia. The summary outlines the current status, key initiatives, challenges, and recommendations for advancing SPP and SCP as part of country detailed assessment.

Over the past recent decade, Cambodia has recognized the significance of SCP and SPP in achieving sustainable development goals. Efforts have been made to establish a legal and policy framework to support sustainable procurement practices. The Ministry of Environment (MoE) and the Ministry of Economy and Finance (MEF) are key responsible ministries for promoting SPP implementation, and collaborations with international partners, potentially GIZ, ADB, and WB, and European Union (EU) Delegation to Cambodia and its EU-SWITCH Asia Regional Program. Capacity building activities and pilot projects in specific sectors (e.g.; ecolabeling) have also been undertaken to sensitize stakeholders on the importance of supply side instrument to promote SCP/SPP in Cambodia along with approved SCP roadmap and a sub-decree.

Currently, there are some key initiatives being undertaken and/or planned to build partnerships among development partners and all relevant ministries in supporting SPP and SCP in Cambodia. Collaborative projects among partners such as GIZ, ADB, WB, and EU-SWITCH ASIA will perhaps focus on capacity building, institutional development, and the integration of environmental standards & innovative technologies into SCP, SPP and sustainable development policy and legal framework as a whole. The Methodology for Assessing the Public Procurement System (MAPS) has been initiated by ADB and WB, while WB continues to emphasize e-procurement and conducts readiness assessments.

Although some significant progress has been observed, several challenges hinder the progress of SPP and SCP in Cambodia. These include limited awareness and understanding of sustainable procurement practices, capacity constraints, and the need for comprehensive policy and legislative frameworks. Additionally, aligning SPP with Public Financial Management (PFM) and sustainable development goals across various sectors remains a challenge.

To advance SPP and SCP in Cambodia, the following recommended actions are proposed:

1. Support the development of rules, regulations, and guidelines for sustainable procurement, including a sub-decree as a prerequisite for SPP and detailed procedures linking SPP with the ongoing study and design of e-Government Public Procurement (e-GP) system as part of Financial Management Information System (FMIS) and sustainable development goals.
2. Arrange study visits to countries that share similarities with Cambodia's context to provide valuable insights and experiences in sustainable procurement. Enhance training programs and workshops for government officials and procurement practitioners to improve their knowledge and skills in sustainable procurement practices.
3. Establishing mandatory online training platforms specifically designed for decision-makers, policy-level officials, and procurement practitioners is crucial. These platforms should be aligned with Sustainable Consumption and Production (SCP) principles, as well as national and sub-national Sustainable Public Procurement (SPP) rules and regulations. By implementing these initiatives, we can effectively enhance capacity building and promote the widespread adoption of sustainable procurement practices across all levels of governance.
4. Develop a concise policy brief or concept notes that leverage the updated draft SPP roadmap, insights from other countries' experiences and the ongoing formulation of a sub-decree on SCP, highlighting the importance and need for SPP implementation in Cambodia.

5. Integrate procurement systems for both externally funded and government-funded projects into a cohesive and unified system. This integration should be carried out in a manner that incorporates sustainability criteria and requirements, aligning with the future full-scale implementation of the Financial Management Information System (FMIS).
6. Support a review of the Project Implementation Manual (PIM) to include sustainable public procurement principles and standards for sub-national procurement systems, engaging with relevant stakeholders and aligning with sustainable practices.
7. Foster partnerships with international organizations and stakeholders to facilitate knowledge sharing platforms and implement SCP and SPP effectively.
8. Emphasize the adoption of innovative technologies, such as e-procurement, to enhance transparency, efficiency, and sustainability in public procurement processes. Any revision or updating of e-procurement system must facilitate integration of sustainability criteria in purchasing decisions.
9. Implement monitoring and evaluation mechanisms to assess the effectiveness and impact of SPP and SCP initiatives, enabling continuous improvement and achievement of sustainable development objectives. The officials responsible for monitoring procurement outcomes need to be sensitised on the newer concept of achieving value for money by integrating horizontal objectives in public procurement.
10. Establish a strong point of entry, potentially through the inter-ministerial SCP Technical Working Group (SCP TWG), to facilitate collaboration with the Ministry of Economy and Finance (MEF), Ministry of Environment (MoE), and other competent ministries in Cambodia.
11. Considering that sustainable/green public procurement is a multidisciplinary strategic policy, its successful implementation demands a close coordination with various ministries. It would be good to constitute a high-level Steering Committee, jointly chaired by MoE and MEF, consisting of representative from various line ministries to coordinate and monitor S/GPP implementation in a timebound manner. Engage dedicated policy-makers and lawmakers within the MEF and MoE to drive the coordination and implementation of government's vision of greening public procurement into actual sustainable practices.



# Chapter 1. Introduction

---

## 1.1 Background

Globally, public procurement is recognized as a powerful tool that governments can continuously develop and utilize to effectively pursue their development objectives. Within the framework of the sustainable development agenda, Sustainable Public Procurement (SPP) is specifically emphasized as a target in Sustainable Development Goal 12 (SDG 12.7). However, despite its acknowledged significance, SPP is often disconnected from national development objectives and is not adequately integrated into the programming, financial planning, and budgeting processes of many governments for effective implementation.

One common limitation in the implementation of SPP is the traditional focus of public procurement on short term lowest price of itemized products and supplies, while overlooking the long-term impacts of procurement decisions on economy, environment and society, which might have higher upfront costs. Consequently, there is a lack of consideration for integrating environmental or social sustainability criteria and requirements into the tendering and contracting processes for procurement of goods, services and works, including large-scale construction projects and infrastructure development. However, it is crucial to address this limitation as it plays a vital role in promoting long-term socio-economic growth and mitigating environmental challenges such as climate change, biodiversity loss and pollution of all kinds.

To ensure the effective implementation of SPP and remain aligned with global [sustainability] trends, one important solution is to establish a strong connection between sustainable procurement and national development goals. This entails aligning SPP strategies with broader sustainable development plans and integrating sustainable criteria within existing country procurement systems. These systems should include detailed integrated operational manuals for (i) project design, (ii) financial planning and management, (iii) budgeting frameworks, and (iv) procurement processes and procedures. In addition, it is crucial to allocate adequate resources to support the implementation of SPP. This includes financial provisions, as well as providing ongoing capacity-building and training opportunities for staff involved in procurement processes. By doing so, governments can gradually adopt sustainable practices and drive positive changes in public procurement.

Through the EU Green Deal and Global Gateway, the EU is committed to supporting the transition of countries to a low-carbon, resource-efficient and circular economy while promoting sustainable consumption and production (SCP) practices and patterns. As part of this engagement, the SWITCH-Asia Policy Support Component (PSC) aims to enhance SCP progress through scaling up and mainstreaming SCP policy in 41 countries, spanning from the Middle East, to South Asia, Central Asia, Southeast Asia, East Asia and the Pacific (“target region”). With a duration of 48 months from 1<sup>st</sup> January 2023, the SWITCH ASIA PSC team collaborates with consortium partners (GOPA and NIRAS), EU Delegations, regional organizations, and networks to enhance sustainable consumption and production (SCP) policies in Cambodia, Vietnam, Bangladesh, and Malaysia. They provide technical advice, knowledge exchange, and capacity building to national governments, specifically focusing on environment and sustainable public procurement.

In Cambodia, the expert team of SWITCH ASIA works closely in collaboration with the European Union Delegation (EU Delegation) and key partners such as GIZ, World Bank, Asian Development Bank (ADB), and civil society organizations like Transparency International Cambodia (TIC). Our collective aim is to provide technical assistance and support to the Royal Government of Cambodia (RGC), specifically the Ministry of Economy and Finance (MEF) and the Ministry of Environment (MoE), in aligning legal and institutional public procurement policy framework with Sustainable Development Goal 12 (SDG #12) and elevating Sustainable Public Procurement (SPP) as a key strategic instrument to support Cambodia’s transition on low carbon, resource efficient and circular economy path.

To build upon the findings of the recent rapid assessment, which was presented at the SWITCH-Asia Annual Meeting in 2023, SWITCH ASIA is undertaking a more comprehensive assessment known as “the detailed assessment.” This involves consulting with the MEF, MoE, and engaging with select private sector stakeholders. Through this consultation process, we aim to identify the specific needs and challenges for promoting SPP in Cambodia. These findings will facilitate the development of targeted interventions and support the creation of a national roadmap for SPP.

## 1.2 Objectives

The objectives of the detailed assessment are derived from the initial stock-taking exercise and aim to document best practices in the responsible environmental and procurement sectors. The revised objectives for the detailed assessment are as follows:

1. To review Cambodia’s broader policies, legal documents, and regulations pertaining to the Sustainable Development Goals (SDGs) and Sustainable Consumption and Production (SCP) issues that support integrating sustainability in public procurement decisions. This review aims to identify critical gaps and specific areas for improvement, with the ultimate goal of informing and enhancing Sustainable Public Procurement (SPP) practices within the country.
2. To conduct an institutional mapping exercise focused on the formulation and implementation of Sustainable Consumption and Production (SCP) and Sustainable Public Procurement (SPP) in Cambodia. This exercise will involve analysing the public procurement landscape, identifying inter-ministerial mechanisms, and understanding the roles of key stakeholders that influence SPP practices within the country.
3. Compile a comprehensive collection of exemplary case studies that highlight successful Sustainable Public Procurement (SPP) practices in sectors suitable for piloting and potential scalability.
4. Develop specific and actionable recommendations for partners and relevant government ministries to collaborate on promoting SPP in Cambodia. These recommendations should align with strategic entry points to advance SCP and SPP within the country, providing a national roadmap for effective implementation.

## 1.3 Approaches and Methodology

To effectively address these objectives, the experts implemented a comprehensive approach to data collection, interpretation, and reporting, which involved the following steps:

1. **Development of Well-Crafted Master Questions:** The Team designed a set of master questions specifically tailored to three stakeholder groups: (i) Government, (ii) Development Partners and Civil Society Organizations (CSOs), and (iii) Private Sector.
2. **Data Collection through Desk Reviews and Consultations:** The Team conducted thorough desk reviews, examining relevant documents, reports, and literature related to SPP. Additionally, consultations with key stakeholders, including government ministries, donors, private companies, and the Secretariat of the National Committee responsible for Sub-National Democratic Development were held.
3. **Interpretation and Analysis:** The collected data underwent a rigorous process of interpretation and analysis. The consultants employed a triangulation approach, meticulously cross-referencing and validating the data from multiple sources.
4. **Engagement with Key Stakeholders:** The consultant teams actively engaged with key stakeholders throughout the data collection process. This included government ministries, donors, private companies, and the Secretariat of the National Committee responsible for Sub-National Democratic Development. The primary objective was to gain a deep understanding of their respective roles, influence, and support concerning the Sustainable Development Goals (SDGs), Sustainable Consumption and Production (SCP), and Sustainable Public Procurement (SPP) at both the national and sub-national levels.

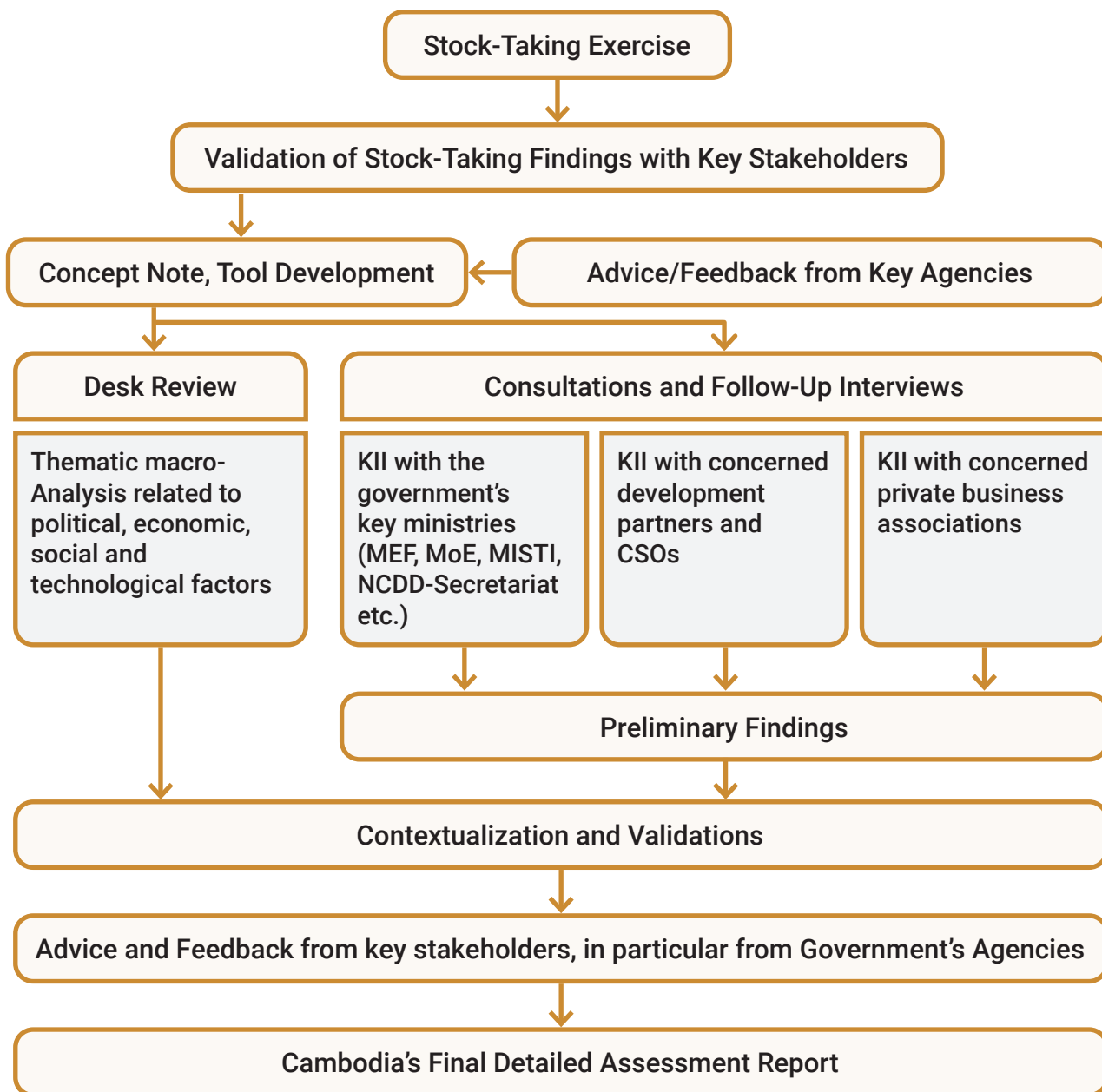


Figure 1: Detailed Assessment Process

## 1.4 Challenges

The detailed assessment process of Sustainable Public Procurement (SPP) in Cambodia has encountered several challenges, including:

**Limited data availability:** Obtaining reliable data on policies, regulations, and practices related to Sustainable Consumption and Production (SCP) and SPP poses a challenge, as SCP and SPP are relatively new concepts in Cambodia. To address this challenge, extensive efforts have been made to identify key stakeholders within the government, private sector, and development partners. This approach aims to gain a deeper understanding of the needs and challenges involved in establishing, promoting, and sustaining SCP and SPP practices, drawing on valuable lessons learned from previous experiences.

**Time constraints:** The assessment process may encounter limitations in terms of time, which can affect the extent and breadth of data collection, analysis, and the development of a comprehensive national Sustainable Public Procurement (SPP) roadmap. To address this challenge, the detailed assessment is prioritizing targeted stakeholder engagement through informal consultations. Furthermore, upon the convening of a joint meeting involving key government ministries, the assessment will formally engage with a broader range of stakeholders. This meeting aims to reach an agreement on the concept note and prioritize activities for collaboration and the provision of technical assistance.

**Complex policy landscape:** The policy landscape related to Sustainable Consumption and Production (SCP) and Sustainable Public Procurement (SPP) in Cambodia is characterized by numerous interconnected parts, complexities, and a lack of detailed regulations, guidelines, and implementation procedures. Understanding this complexity and identifying gaps, overlaps, and inconsistencies can be challenging. Therefore, the detailed assessment process is actively engaging with government ministries, development partners, and private sector associations to gather insights and perspectives from both the demand and supply sides. By consulting these stakeholders, the assessment aims to better understand the diverse needs and challenges involved in transitioning from traditional public procurement practices to SPP, aligning with global trends and national policies.

**Lack of well-defined SPP, stakeholder awareness, and a leading role:** The absence of a clear SPP framework, along with limited awareness and capacity among stakeholders, including key ministries, creates barriers to the development and implementation of sustainable procurement practices. This situation may result in resistance to change and impede the detailed assessment on SPP in Cambodia. To address this challenge, it is crucial to organize joint dialogues among key ministries responsible for sustainable or green public procurement, as well as broader dialogues involving development partners (such as the World Bank, Asian Development Bank, GIZ, etc.) and private sector stakeholders (e.g., EUROCHAM). These dialogues should be led by government ministries such as the Ministry of Economy and Finance (MEF) and the Ministry of Environment (MoE). The primary aim of these dialogues is to facilitate knowledge sharing, exchange of best practices, and collaborative efforts in developing strategies and instruments that promote climate-friendly public procurement.

# Chapter 2. Overview of Sustainable Development Challenges in Cambodia

Cambodia's economy has been robust and stable growth over the years. From 2011<sup>1</sup> to 2019, the country consistently achieved a GDP annual growth rate of over 7%. However, the Covid-19 pandemic caused a decline in growth during 2020-2021. In response, the government has implemented recovery strategies to address global health and economic crisis leading to a rebound in GDP growth to 5.2% in 2022 with a GDP per capita increase from USD 800.3 in 2011 to USD 1,759.6 in 2022<sup>2</sup>. The increase in economic activities and consumption can be attributed to the rapid population growth, particularly in major cities and urban areas across the country. For example, the population has surged from 13.9 million in 2008 to 16.7 million in 2022<sup>3</sup>. Therefore, addressing these challenges requires careful planning, policy interventions, and coordination among various stakeholders, including governments, development partners, private sector, community and civil society organizations, and citizens. It involves finding sustainable solutions to ensure that the growing population can be accommodated without compromising quality of life, environmental sustainability, and social well-being.

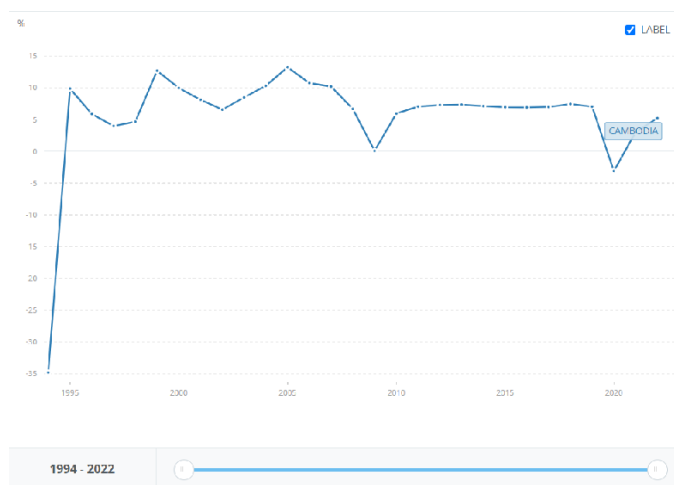


Figure 2: Cambodia's GDP Growth (annual %)

## 2.1 Social Issues

In Cambodia, sustainable development is hindered by persistent poverty and inequality. Reducing poverty and addressing income disparities are crucial for inclusive growth. Limited access to quality education, especially in rural areas, perpetuates social inequalities. Enhancing educational opportunities for marginalized communities is essential for sustainable human development. Despite efforts to improve healthcare facilities, access to quality healthcare services remains a concern. Ensuring equitable access, enhancing infrastructure, and addressing sustainable and resilient health systems are vital for well-being and poverty reduction. Gender inequalities persist, restricting women's opportunities in education, employment, and decision-making. Promoting gender equality, empowering women, and combating gender-based violence are indispensable for sustainable and inclusive development.

The government of Cambodia has demonstrated a strong commitment to addressing the various social issues by implementing the following programs and initiatives:

1 World Bank, National Accounts Data: <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=KH> accessed 28.12.2023

2 World Bank, National Accounts Data: <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=KH> accessed 28.12.2023

3 World Bank, National Population Data: <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=KH&view=chart> accessed 28.12.2023

- The government has established the National Social Protection Policy Framework, which includes the ID-Poor program. This program identifies and provides targeted social assistance to vulnerable households, offering cash transfers and access to basic services.
- In collaboration with development partners, the government has implemented the Education Sector Support Program. This program focuses on improving access to quality education, particularly in rural areas. It includes initiatives such as school construction, teacher training, and scholarships for disadvantaged students.
- To ensure access to healthcare services for the poor and vulnerable populations, especially pregnant women, the government has established the Health Equity Fund (HEF). This fund provides financial support to health facilities, enabling them to offer free healthcare services.
- The government has prioritized the Land Allocation for Social and Economic Development program, aiming to provide land to landless and vulnerable families, with the goal of reducing poverty, improving livelihoods, and ensuring social stability.
- Over decades, the government has launched the National Program for Sub-National Democratic Development, which strengthens sub-national governance and decentralization processes. This empowers local authorities to address local development priorities, including social issues, through participatory decision-making and resource allocation.

## 2.2 Environmental Issues

According to World Commission of Environment and Development **“Sustainable development is humanity’s ability to make development to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs.”** In recent decades, the developing world has faced significant environmental challenges with potentially life-threatening consequences. Rural areas are experiencing mounting pressures due to the growing number of farmers and landless individuals, while cities are becoming increasingly crowded with people, vehicles, and factories. However, developing countries must navigate this landscape while contending with widening resource disparities between themselves and industrialized nations. Moreover, key international organizations often prioritize the interests and policies of industrialized nations, and the industrial world has already depleted a significant portion of the Earth’s ecological resources. This inequality represents the planet’s main “environmental problem,” and it is also its main “development problem<sup>4</sup>”.

Cambodia faces important environmental challenges that warrant increased attention. Firstly, the country is experiencing significant deforestation and land degradation, primarily due to illegal logging, agricultural expansion, and infrastructure development. This has led to the loss of critical habitats, depletion of biodiversity, and heightened vulnerability to natural disasters. Secondly, unsustainable land management practices and deforestation are impacting agricultural productivity, posing a threat to food security. Thirdly, pollution from agricultural runoff, industrial discharge, and inadequate wastewater management is contaminating water sources, negatively affecting water quality, aquatic ecosystems, and public health. Fourthly, habitat destruction, illegal wildlife trade, and unsustainable fishing practices pose significant risks to Cambodia’s diverse biodiversity, including endangered species. Lastly, Cambodia is vulnerable to climate change, with increased extreme weather events, rising sea levels, and changing rainfall patterns impacting agriculture, water resources, and coastal areas. Addressing these environmental challenges necessitates collaborative efforts and cooperation among stakeholders to ensure a sustainable and resilient future for Cambodia.

Traditional procurement focuses on value-for-money considerations. The aim and challenge of sustainable procurement is to integrate environmental and social considerations into the procurement process to reduce adverse impacts on health, social conditions, and the environment, thereby saving valuable costs for organizations and the community at large. Sustainable procurement forms a key part of an overall push for sustainable development by the Government and public bodies.

*Source: UNDP’s Environmental Procurement (Practical Guide Volume 1)*

4 One Common Future Report of the World Commission on Environment and Development (p.14)

## 2.3 Unsustainable Consumption

The growing economy and population in Cambodia have led to a significant increase in energy and material consumption, as well as the generation of waste. This has put a substantial burden on the country's valuable and finite natural resources, as well as its environment.

Between 2010 and 2015, Cambodia experienced a 6.9% average growth in total final energy consumption. This heightened demand was met through various sources, with petroleum products accounting for 50.5%, biomass for 36.0%, electricity for 13.1%, and coal for 0.4%. The transport sector, heavily reliant on petroleum, contributed to 46% of the overall energy consumption. Hydropower and coal are the primary sources of electricity generation. Recognizing the importance of accessible and affordable energy for social and economic progress, the Government of Cambodia's Industrial Development Policy (IDP), 2015-2025, prioritizes sustainable and affordable energy development while mitigating environmental and social impacts. As Cambodia's population, economy, and urbanization continue to grow, the Asian Development Bank (ADB) predicts the country's energy needs will double by 2030. While hydropower and thermal generation are replacing oil in electricity production, petroleum product usage is expected to rise due to increased demand in the transport, industry, and residential sectors<sup>5</sup>.

The private sector industry in Cambodia is closely associated with resource consumption and waste generation. Industries heavily rely on natural resources and energy inputs, leading to the production of both operational and post-consumer waste, often found in household waste. In particular, the garment sector, the country's second-largest sector, extensively uses fuelwood as its primary energy source and generates significant amounts of textile waste. The wholesale and retail trade sector uses substantial quantities of cardboard and plastic film for packaging, most of which ends up in landfills or dumpsites. The accommodation and food service sector heavily relies on single-use materials like plastic straws, bottles, food packaging, and bags, which are disposed of by consumers. In the construction sector, some waste products are repurposed and do not enter the formal waste management system, but many still require proper disposal. The manufacturing of bricks and cement demands high energy inputs, primarily sourced from fuelwood and coal<sup>6</sup>.

## 2.4 Socioeconomic landscape for agri-food sector in Cambodia

Cambodia has made significant progress in developing its economy and reducing poverty over the past decade. In the 2010s, consumption and disposable household income increased significantly, with average household income increasing from 117.70 USD per month in 2012 to 263.20 USD per month in 2019. This shift was accompanied by a shift in workers from family work to own-account, wage, and salaried work. The COVID-19 pandemic further impacted Cambodia's labour market, increasing unemployment to 4.3% in 2020 and disproportionately impacting women workers (UNDP, 2022).

The overall trend of informality in Cambodia is declining, with 88% of the workforce engaged in informal employment in 2019, down from 93% in 2012. However, informality remains pervasive in Cambodia. The private sector has grown significantly in the last decade, with Micro, Small, Medium Enterprises (MSMEs) playing an increasingly important economic role. According to the 2022 economic census, there were 735,456 non-agricultural establishments, with 99% being MSMEs. However, many enterprises remain informal, with 86.6% not registered. During the COVID-19 pandemic, both informal and formal MSMEs were severely affected in terms of consumer demand and profit, with loan access being more difficult among informal MSMEs (56%) compared to formal MSMEs (19%).

Additionally, Cambodia has emerged as a substantial exporter of agricultural products, shipping **8.6 million tonnes to 74 markets in the preceding year**, making a considerable contribution to the country's GDP (FAO 2023). Despite these positive economic strides, Cambodia has grappled with trade imbalances. In recent years, the country has functioned as a net importer, with evident trade deficits in both overall trade and agri-food trade. In 2018, the value of agri-food exports stood at a modest 0.76 billion USD, significantly overshadowed by the import value of nearly 1.9 billion USD, resulting in a substantial deficit of 1.26 billion USD (Sok et al., 2021). **Top agricultural products for export** include *cassava, rice, rubber, nuts, and animal feeds* (CAS 2021). In Cambodia, the agri-food export between 2015-2022, cassava leads Cambodia's exports, averaging 369,393.76 thousand USD from 2014-2018, a significant jump from 134.26 thousand USD in 2000-2004.

5 5ADB (2018) CAMBODIA Energy Sector Assessment Strategy and Road Map <https://www.adb.org/sites/default/files/institutional-document/479941/cambodia-energy-assessment-road-map.pdf>

6 Cambodia's Circular Economy Strategy and Action Plan (2021)

## 2.5 Cambodia's Developmental Challenges

As brought out above, currently Cambodia faces multidimensional challenges such as inequality and poverty, rising consumption demands, resource constraints and environment issues (climate change, biodiversity loss and pollution), etc. In such a tricky situation, higher resource consumption to meet the growing consumption needs of citizen will not be sustainable without shifting manufacturing on a resource efficient path while simultaneously making producers accountable for environmental impacts of their products and services over their life cycle. Much would depend on policy choices exercised by the government in directing investment in sectors that care for environmental sustainability, social harmony, and well-being of people. Besides changes in policy frameworks to address these challenges, a critical change is required in the current mindset of citizens, including policymakers, who deem environmental degradation and biodiversity loss as the regrettable price a country must pay for industrialization and economic development. Strengthening public procurement system would be central to address these challenges, considering the scale of public procurement and its role in creating enabling environment for private businesses and crowding-in complementary private investment.

By demanding sustainable products, works and services, government can mainstream achieving social and environmental sustainability outcomes central to achieving "Value for Money" in public procurement and send a consistent signal to markets to adopt sustainable manufacturing practices that care for environmental concerns and social inclusion. SPP policy could be a great choice in combination with other fiscal and non-fiscal policy measures to foster ecologically sound, low carbon, and socially inclusive development. Procurement has a unique 360° view of the organization and market players, and thus, it can act as an instrument to address sustainability challenges both on the consumption and production sides by making it a central part of decision-making.



# Chapter 3. Policy Overview and Analysis

## 3.1 Policy Framework for SPP

The role and significance of sustainable development in Cambodia’s economy are on the rise. As an increasing number of national development projects shift towards sustainability across various sectors to mitigate environmental and social risks, Sustainable Public Procurement (SPP) plays a crucial role. This is exemplified by the recently adopted “Political Platform”<sup>7</sup> for the seventh government mandate and the accompanying “Pentagonal Strategy-Phase I” (PS-PI). Spanning a 25-year development trajectory until 2050, these strategic frameworks outline the government’s comprehensive approach to socio-economic transformation. Their objective is to equip Cambodian society to effectively tackle the challenges and uncertainties posed by globalization, environmental sustainability, and climate change.

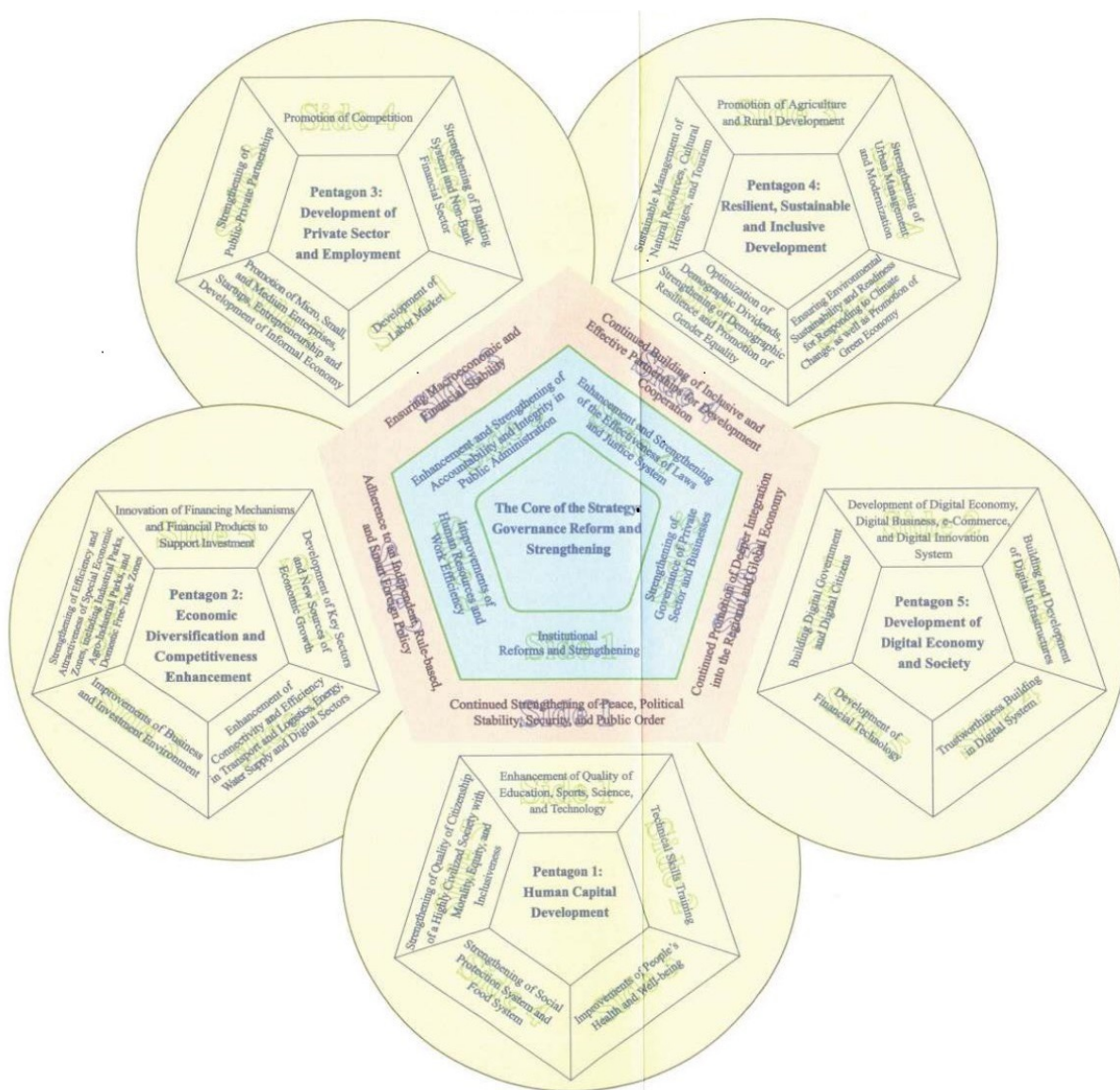


Figure 3: The Pentagon Strategy-Phase I diagram (Pentagon 4 Sustainable Development and Governance is at the Core)

7 Its official title is “Political Platform of the Royal Government of Cambodia of the 7th Legislature of the National Assembly for Nation Building and Defence 2023-2028”; <https://mfaic.gov.kh/files/uploads/1XK1LW4MCTK9/EN%20PENTAGONAL%20STRATEGY%20-%20PHASE%20I.pdf>

More importantly, “governance strengthening and reforms” are central to the PS-PI, prioritizing the modernization, competence, strength, intelligence, and integrity of state institution to enable effective exercise of political, economic, and administrative power. The PS-PI’s core areas of focus are: (1). Institutional reforms and strengthening, (2). Improvements in human resources and work efficiency, (3). Enhancement and strengthening of accountability and integrity in public administration, (4). Enhancement and strengthening of the effectiveness of laws and justice systems, and (5). Strengthening governance of the private sector and business. These aspects constitute the foundation of the PS-PI, driving comprehensive governance and institutional modernization to support Cambodia’s socio-economic development.

### **National Policy on Mineral Resources 2018-2028**

Cambodia’s mining industry legal framework of relevant laws, policy, and regulations is still embryonic, and is considered inadequate to meet the growing complexity, demands, needs, requirements and to mitigate the impacts of the diverse but potentially environmentally and socially risky activities involved in the mining sector. Additionally, many relevant aspects influenced, influencing and affecting and affected by mining sector activities are regulated by other statutory actors such as:

**Table 1: Other National State Actors with Roles/ Responsibilities Influencing Extractive Industries**

Other Leading State Actors	(Theoretically) Responsibility for
<b>Ministry of Environment, (MoE)</b>	<ul style="list-style-type: none"> <li>• Assessing, approving and monitoring of environmental assessments of planned and active mining related activities</li> <li>• Pollution control</li> <li>• Impacts on protected areas</li> </ul>
<b>Ministry of Labour and Vocational Training, (MoLVT)</b>	<ul style="list-style-type: none"> <li>• Labour rights and protection</li> <li>• Occupational safety and health issues</li> </ul>
<b>Ministry of Agriculture Fisheries and Forestry (MAFF)</b>	<ul style="list-style-type: none"> <li>• Assessing probably impact on the state forest reserves often covered by mining concessions</li> </ul>
<b>Ministry of Water Resources &amp; Meteorology (MoWRAM)</b>	<ul style="list-style-type: none"> <li>• Overseeing Cambodia’s water resources</li> </ul>
<b>Ministry of Land Management, Urban Planning &amp; Construction (MLMUPC)</b>	<ul style="list-style-type: none"> <li>• The demarcation of public and private and collective lands, with the latter being used to allocate (limited) lands to indigenous people communities for collective procession.</li> <li>• State properties and issues related to land disputes</li> </ul>
<b>Ministry of Rural Development (MRD)</b>	<ul style="list-style-type: none"> <li>• Responsible for the development of indigenous peoples</li> </ul>
<b>Ministry of Interior (MoI) and its National Committee for Sub-national Democratic Development (NCDD)</b>	<ul style="list-style-type: none"> <li>• Leading on all aspects of Sub-National Administrations (SNA), de-concentration and decentralisation, known as “Demographic Development” reforms, and increasingly on social accountability of the Government’s delivered services.</li> </ul>

In May 2018, the government adopted the Mineral Development Policy Framework to tackle challenges in the mining sector, including: (1). Inefficient management of mineral resources and revenue collection, and (2). Development activities impacting the environment and local communities. This policy reflects the government’s vision, objectives, goals, and its role in developing valuable mineral resources. It establishes key strategies and an actionable framework for sustainable development. The policy is currently undergoing a mid-term review by the Ministry of Mines and Energy (MME) to enhance its implementation and effectiveness.

**Table 2: MME's Mineral Development Policy Framework (2018)**

<b>Vision</b>	To develop mineral resources for economic and social benefits by taking into account good governance and environmental responsibility.				
<b>Aims</b>	<ol style="list-style-type: none"> <li>1) Manage and develop mineral resources sustainably.</li> <li>2) Bring benefit to the people and the local community.</li> <li>3) Supply raw materials for the development of infrastructure and construction.</li> <li>4) Create a new source of revenue for the nation.</li> </ol>				
<b>Objectives</b>	<b>1</b> Strengthening public institutions in the management & development of mineral resources	<b>2</b> Promoting sustainable & responsible mining operations	<b>3</b> Developing mineral resources and community	<b>4</b> Developing Artisanal and Small-scale Mining	<b>5</b> Mineral resources and exports
<b>Strategies</b>	<ol style="list-style-type: none"> <li>1. Laws and Regulations</li> <li>2. Capacity Building for Officials and Human Resources Development</li> <li>3. Creation of (a) Mineral Resources Inventory</li> <li>4. Good Governance and Management with Accountability and Transparency</li> <li>5. Investment Promotion</li> </ol>	<ol style="list-style-type: none"> <li>1. Implementation of Sustainable Development Approaches</li> <li>2. Environmental Management</li> <li>3. Mine Safety Assurance</li> <li>4. Optimizing Mining Production</li> <li>5. Development of Mineral Resources and Natural Protected Areas</li> </ol>	<ol style="list-style-type: none"> <li>1. Community Development</li> <li>2. Use of Local Labour and Gender Work</li> <li>3. Indigenous People and Mineral Operations</li> </ol>	<ol style="list-style-type: none"> <li>1- Artisanal and Small-Scale Mining</li> <li>2- Measures and Solution on Unauthorized Mining</li> </ol>	<ol style="list-style-type: none"> <li>1. Export Policy</li> <li>2. Mineral Product Exportation and High Value-Added Requirement</li> <li>3. Trade Facilitation</li> </ol>

### Tourism sector and benefits

The tourism sector<sup>8</sup> is a vital engine of economic growth in Cambodia. However, it is essential for the country to pursue sustainable tourism practices, diversify its tourism offerings, and ensure equitable distribution of benefits to maximize the sector's potential for long-term development. It's expected that the growth of the tourism industry will have a positive spillover effect on other sectors such as hospitality, wholesale and retail trade, transportation, and communications. This interdependence creates additional business opportunities and stimulates economic growth in related industries. Obviously, the direct contribution of the travel and tourism industry to Cambodia's gross domestic product (GDP) is significant, accounting for 11.5% of GDP and the tourism receipts, equivalent to \$2.2 billion, further demonstrate the sector's economic importance. Tourism is a major source of employment, providing 782,500 jobs, which accounts for 12.4% of total employment in Cambodia. This has positive socio-economic implications, as it contributes to poverty reduction and offers opportunities for marginalized groups, including the poor and women.

8 <https://www.adb.org/sites/default/files/linked-documents/46293-004-ea.pdf>

## 2023 Environment and Natural Resources (ENR Code)

Since 2015, in June 2023, the Royal Government of Cambodia (RGC) has recognized the need for greater efforts in sustainable development and made a political commitment to the sustainable management of the environment and natural resources. As part of this commitment, the RGC adopted ENR Code. The ENR Code has a multi-fold strategic objective, which includes ensuring development and sustainability. It provides a common strategic direction for environmental protection and conservation of natural resources to relevant ministries, institutions, and authorities. One of the key goals of the ENR Code is to expand the capacity of all ministries and institutions to participate in environmental protection, natural resources management, and biodiversity preservation.

The ENR Code, jointly administered by the Ministry of Environment and the Ministry of Economy and Finance, specifies the articles that govern Sustainable Public Procurement (SPP) in Cambodia. These obligations encompass the following:

### ENR Code's Articles Involving Key Ministries for Establishing SPP in Cambodia

**Article 91** of the ENR Code emphasizes that main objectives of Sustainable Public Procurement (SPP) as follows:

- a) Encouraging resource efficiency
- b) Determining types and priority ranking of products and services based on established criteria, such as environmentally friendly technology, safety, sustainability, and green finance, to determine the types and priority ranking of products and services in procurement.
- c) Setting minimum environmental criteria and requirements for operations.
- d) Establishing reporting requirements for preparing reports on the types of products and services procured and procurement thresholds.
- e) Providing technical guidance to support decision-making processes that balance environmental criteria with other purchasing considerations, such as economic factors, costs, quality, operational requirements, and end-of-life management.
- f) Defining penalties for non-compliance clearly outlining penalties for individuals or entities that violate or abuse the conditions and requirements related to environmentally friendly production and service operations.
- g) Implementing measures for accountability by establishing measures for relevant ministries and sub-national administrations responsible for procurement to encourage and support all stakeholders in being accountable for the implementation of Sustainable/Green Public Procurement (S/GPPP).

**Article 92** states that the Ministry responsible for Economy and Finance, in collaboration with the Ministry responsible for Environment and Natural Resources, relevant ministries, and sub-national administrations, will develop procedures and processes for SPP.

While the newly-adopted ENR Code (2023) is in effect, it is perceived as a generic legal document for Sustainable Public Procurement (SPP) by responsible ministries, development partners, civil society organizations, and private companies. This highlights the urgent need for a comprehensive approach to address the current legal framework's inadequacies. The approach should be led by the government's responsible ministries (such as MEF, MoE) with technical assistance from development partners. It should focus on raising awareness, enhancing institutional capacity, developing a robust legal framework, and strengthening enforcement mechanisms at the national and sub-national levels. Additionally, providing adequate resources and expertise, fostering a culture of sustainability, and creating an enabling environment for private company participation are crucial components of this approach.



**Figure 4: Alignment of SCP and SPP with Cambodia's Policies and Legal Framework**

The 2023 ENR Code is Cambodia's comprehensive environmental law, comprising 12 chapters and 865 articles. It represents a significant milestone in environmental management and provides a valuable opportunity for the Inter-Ministerial SCP TWG, led by the NCSD, and MoE in creating and promoting green development through the implementation of SCP and SPP practices in Cambodia.

### **2023 Public Procurement Law (PP Law)**

Cambodia has recognized the importance of sustainable public procurement practices and has taken steps to integrate them into its public procurement system. The adoption of the 2023 Public Procurement Law in May 2023, which includes provisions aligning public procurement with sustainable principles, demonstrates this commitment. While the current status of green public procurement within Cambodia's Public Finance Management Reform Program (PFMRP) may have evolved, efforts have likely been made to harmonize effective procurement practices with efficient spending. The government's emphasis on sustainable development and environmental considerations through national policies, strategies, and political platforms suggests that a conducive environment for the integration of green procurement principles into the Public Finance Reform framework would be a focus in coming days.

Demonstrating a strong commitment to advancing SPP practices in Cambodia, the MEF spearheaded significant efforts for the RGC to adopt the amended Public Procurement Law (PP Law) in May 2023. This PP law has been widely recognized by key development partners, the private sector, civil society organizations, and other stakeholders as a notable stride towards promoting SCP and SPP in Cambodia. Of particular significance is Article 56 of the law, which mandates that ***"The implementation of public procurement shall comply with the context of sustainable procurement. Sustainable procurement requires technical specifications, requirements and criteria which provide priority to environmental protection and managing impacts on economy and society. The conditions, rules and procedures for the implementation of Sustainable Procurement shall be determined by the Sub Decree"***.

The inclusion of Article 56 in the PP Law establishes a foundation for Cambodia and its partners to further advance SPP and contribute to the broader goals of promoting SCP in the country as a whole.

As mentioned earlier, while the 2023 PP Law mandates the need for a sub-decree on SPP with the aim to translate SPP ambition in the PP law into regulatory framework governing the functions, structure, roles, responsibilities, and accountability of different institutions for effective implementation of SPP at national and sub-national levels. Further, it is essential to develop specific regulations with detailed modules and/or guidelines to effectively implement the sub-decree. Additionally, supporting capacity building and knowledge sharing initiatives for government officials working in different national ministries and sub-

national administrations (SNAs) are crucial. Given these requirements, key development partners would be encouraged to engage in formal discussions with core ministries such as the MEF and the MoE to further explore and address these needs. This collaborative approach will help ensure the successful implementation of SPP practices in Cambodia and foster the necessary support and resources for the government officials involved.

However, as stated in the general provisions of the 2023 PP Law of Cambodia, Article No. 2 clearly outlines the scope of the law, which covers all public procurement in the country regardless of the sources of funding, with a few exceptions:

- Procurement under externally financed projects, supported by various donors, must adhere to the guidelines and procedures specified in the corresponding financing agreement. In cases where the agreement does not define the required guidelines and procedures, the procurement process must be implemented in accordance with the PP Law.
- Procurement that falls under the Public-Private Partnerships Law (PPP Law) must follow the provisions and regulations outlined in that specific law.
- Procurement related to matters of confidentiality in the national defense sector and public security requires endorsement by the Prime Minister.

These exceptions outline specific circumstances where procurement processes may deviate from the general provisions of the PP Law. It highlights the importance of adhering to financing agreements, PPP regulations, and national security considerations while still recognizing the applicability of the PP Law in cases where specific guidelines and procedures are not defined.

In light of this situation, it would be prudent for donors and development partners involved in SCP and SPP initiatives to continue fostering synergies and engage in discussions with key ministries, in particular with MEF and MoE. The goal should be to reach an agreement on a national roadmap for SPP within the context of sustainable development. Additionally, efforts should be made to align their support with the government’s priority needs, challenges, and timelines for the development of regulations, pilot projects, and implementation of regulations and guidelines.

The lack of awareness and capacity regarding Sustainable Public Procurement (SPP) within MEF and other relevant ministries poses challenges to the implementation of SPP in Cambodia. To address this, it is important to consider the inclusion of provisions within the sub-decree on SPP, as well as the development of SPP regulations and guidelines. These measures will help incentivize institutional strengthening and capacity building efforts, facilitating the successful implementation of SPP practices in Cambodia.



Figure 5: Laws and Institutional Structures of Public Procurement under MEF

## 3.2 Overview of National Legal Framework

### Localizing Global SDGs into Cambodia SDG Framework (CSDGs)

In September 2015, the Government of Cambodia joined all United Nations member states in endorsing the Sustainable Development Goals (SDGs), which form a more ambitious agenda for the period of 2016-2030. Recognizing the importance of adapting these global goals to the national context, the government endorsed the Cambodia SDG Framework (CSDGs) in November 2018. The CSDGs framework plays a crucial role in guiding national and sectoral development policies and planning. All 17 SDGs were selected and one additional goal related to clearance of land mines (reflecting the country priorities for de-mining in Cambodia's territory) was added.

The Cambodia SDG Framework (CSDGs), in alignment with the government's political platform, is integrated into the Rectangular Strategy Phase IV (RS-IV) and Cambodia's vision for transitioning into a low middle-income country by 2030 and a middle-income country by 2050. These strategic documents form the basis for the development of the National Strategic Development Plan (NSDP) for the period 2019-2023. The NSDP signifies the government's unwavering commitment to fostering socio-economic development, promoting sustainability, and actively contributing to global efforts in combating climate change. This commitment is further emphasized in the Cambodian Climate Change Strategic Plan (CCCSP) for 2014-2023. Through these plans, the government aims to drive sustainable development, enhance economic growth, and address the challenges posed by climate change.

The Cambodia SDG Framework (CSDGs) was specifically designed to align with Cambodia's national development interests and priorities. As a result, the CSDGs encompass 18 goals, 88 nationally-identified targets, and 148 globally and locally-defined indicators, out of which 96 are designated as national indicators. A notable goal within the CSDGs is Goal 12, which focuses on ensuring sustainable consumption and production patterns. This goal involves the active participation of key ministries such as the Ministry of Environment (MoE) and the Ministry of Economy and Finance (MEF) as competent ministries. Additionally, relevant ministries including those responsible for industry, agriculture, commerce, health, and public works collaborate together to achieve this commitment. The inclusion of specific indicators and the collaboration among various ministries demonstrate the government's dedication to promoting sustainable practices and fostering responsible consumption and production in Cambodia.

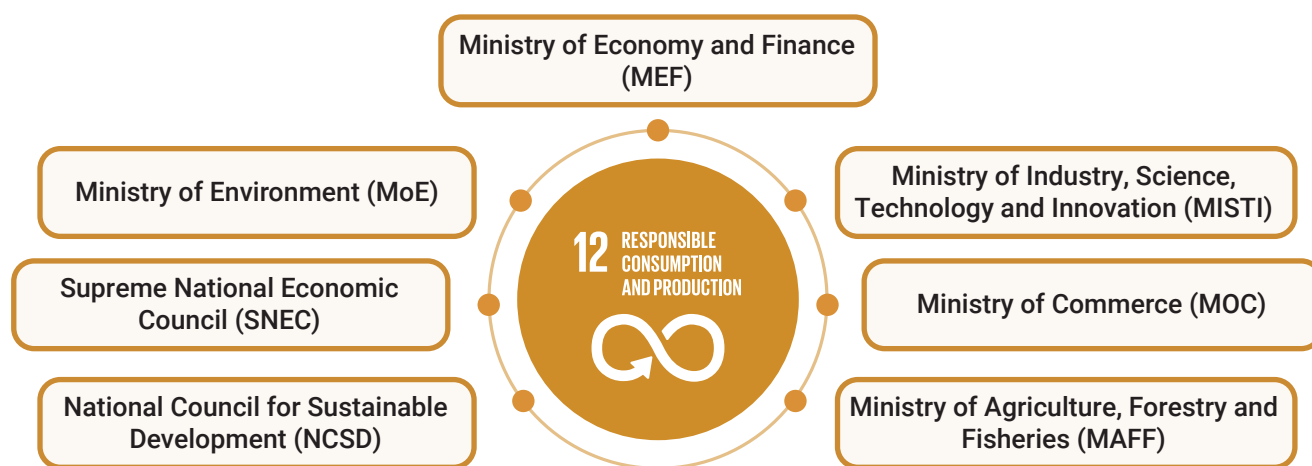


Figure 6: Competent Institutions and Agencies for Coordinating and Facilitating CSDG 12

### Pentagonal Strategy-Phase I

The Government of the Seventh Legislature of the National Assembly has recently introduced the Pentagonal Strategy – Phase I (2023-2028), aligned with Cambodia Vision 2050. It focuses on achieving growth, employment, equity, efficiency, and sustainability. Pentagon 4 is identified as one of the five strategic pentagons that contribute to **“Resilient, Sustainable, and Inclusive Development”** in Cambodia. This holistic approach aimed to address challenges such as globalization, environmental sustainability, and climate change. This strategy serves as the foundation for the government's preparation of the National Sustainable

Development Plan (NSPD) 2024-2028 which will guide for Cambodia’s transition from Least Developed Country status and accelerate the attainment of Cambodia SDGs by 2030.

As previously mentioned, the new Pentagon Strategy Phase I, along with the Cambodia Vision for 2050 and other relevant legislations such as the 2023 Environmental and Natural Resources (ENR) Code, will serve as the fundamental basis for the formulation of the NSDP for the period 2023-2028. This plan aims to ensure the effective and efficient implementation of national and sectoral development planning, budgeting, and strategic oversight and monitoring under the newly-established government. By leveraging these strategic frameworks, Cambodia can lay a solid foundation for sustainable and inclusive development, aligning its policies and resources towards the achievement of its long-term goals.

### **National Green Growth Policy (NGGP)**

Acknowledging the diverse impacts of climate change on social, economic, and environmental aspects, as well as livelihoods, Cambodia has developed the National Green Growth Policy in collaboration with the MoE, relevant ministries, the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), Civil Society Groups, donors, and development partners. This policy serves as a comprehensive and strategic framework to promote sustainable development, protect the environment, address climate change, and enhance the well-being of the Cambodian people.

The NGGP in Cambodia envisions achieving a “balance of economic development with the environment” and promoting “low-carbon green growth”. These guiding principles aim to turn climate challenges into opportunities and contribute to the achievement of the CSDGs. The NGGP places significant emphasis on addressing environmental challenges, promoting sustainability, and fostering economic development. By implementing this policy, Cambodia can unlock the potential for sustainable and inclusive economic growth through green technologies, sustainable industries, and efficient resource management. Integrating environmental considerations into economic development will lead to a thriving and resilient economy that benefits present and future generations, while preserving the natural environment for the long term.

### **Circular Economy Strategy and Action Plan (2021)**

Cambodia is committed to the Circular Economy (CE) as part of its sustainable development efforts for several reasons, one among the reasons is that CE will enable the improvement of many aspects of the country economy and society.

The circular economy (CE) is viewed as a promising approach by the Royal Government of Cambodia (RGC) to support the implementation of the CSDG framework and contribute to relevant SDGs. These SDGs include SDG 1 (No poverty), SDG 3 (Good health and wellbeing), SDG 4 (Quality education), SDG 5 (Gender equality), SDG 6 (Clean water and sanitation), SDG 7 (Affordable and clean energy), SDG 8 (Decent work and economic growth), SDG 9 (Industry innovation and infrastructure), SDG 11 (**Sustainable cities and communities**), **SDG 12 (Responsible consumption and production)**, **SDG 13 (Climate action)**, SDG 14 (Life below water), SDG 15 (Life on land), and SDG 17 (Partnerships for the goals).

Fundamentally, the Government of Cambodia recognizes the significance of collaboration across various actors, including public institutions, major cities, development partners, waste managers, academic institutions, civil society organizations, the private sector, and consumers. The CE approach acknowledges the pressing need to actively involve and incentivize the private sector in driving innovations, mobilizing scalable investments, and adopting CE business models to promote sustainable production and businesses.



**Figure 7: A Visual Description of a Linear Relationship in the Economy**



# Chapter 4. Best Practices and Lessons learnt

## 4.1 Discussion of findings

### Key Area 1: Institutional Framework and Management Capacity

Recent discussions with key partners, including GIZ, ADB, and WB, facilitated by the EU Delegation in Cambodia, have highlighted capacity building and institutional development as crucial aspects, not only for SCP and SPP but of the sustainable development agenda. These efforts also involve the integration of innovative technologies, such as e-procurement, into the evolving public procurement system and PFM.

To ensure the effectiveness of capacity building and institutional development, a detailed assessment of training needs for implementing sustainable public procurement system is an immediate requirement. This assessment would help identify the specific needs and challenges that can serve as a basis for developing a model for SPP practices in Cambodia. The goal should be to professionalize the procurement function so that procurers could identify sustainability risks and opportunities during planning stage and take appropriate measures to maximize sustainability outcomes. Knowledge sharing platforms at the national, regional, and global levels have been identified as valuable tools to facilitate this process.

Some partners, such as ADB and WB, have made significant progress in collaboration with the MEF by initiating the Methodology for Assessing the Public Procurement System (MAPS). Additionally, WB continues to focus on e-procurement and conducts country readiness assessments. The current assessment should consider readiness of e-procurement system for facilitating integration of sustainability into procurement decision and also monitoring progress of SPP on agreed KPIs, further contributing to the development of sustainable procurement practices.

Therefore, it is crucial to understand the government's needs and capacity constraints pertaining to policy, legislation, and detailed guidelines and procedures in SPP. These efforts should be aligned with a long-term PFM program, ambitious CSDGs across various sectors by 2030 and Cambodia vision for 2050.

In summary, the discussions with key partners have emphasized the importance of capacity building, institutional development, and the integration of innovative technologies in SPP. Conducting detailed assessments, establishing knowledge sharing platforms, and addressing policy and legislative needs are crucial steps to support sustainable procurement practices in Cambodia and align them with PFM and sustainable development objectives.

### Key Area 2: Integration of green procurement principles into PFM system

Cambodia has recognized the importance of sustainable public procurement practices and has taken steps to integrate them into its public procurement system. The adoption of the 2023 Public Procurement Law in May 2023, which includes provisions aligning public procurement with sustainable principles, demonstrates this commitment. While the status of green public procurement within Cambodia's Public Finance Management Reform Program (PFMRP) may have evolved, efforts have likely been made to harmonize effective procurement practices with efficient public spending. The government's emphasis on sustainable development and environmental considerations through national policies, strategies, and political platforms suggests government intention to provide a conducive environment for the integration of green procurement principles into the Public Finance Reform framework. The integration of sustainable public procurement with the PFM system would help address challenges faced by procuring agencies in applying life cycle costing principle in award decision that sometimes result in higher initial cost of sustainable products, works and services.

The National SPP Roadmap has been developed by the SCP Working Group with support from GIZ's SCP regional program through extensive consultations. This roadmap is considered a significant milestone and is

expected to be finalized for national consultation, scheduled for early 2024. The purpose of this consultation is to provide a platform for MEF & MoE including the relevant ministries and partners of the government to discuss and undertake the development of national SPP regulations, facilitate knowledge sharing, capacity development, and initiate pilot projects aligned with the CSDG framework by 2023. It is evident that the General Department of Public Procurement (GDPP) of the Ministry of Economy and Finance (MEF), with the support of the Department of Green Economy (DGE) of the Ministry of Environment (MoE), have shown a strong commitment to taking substantial action. They are dedicated to ensuring the feasibility and relevance of key milestones outlined in the draft Sustainable Public Procurement (SPP) roadmap. This commitment extends to facilitating efficient and effective implementation within the mandate and capacity of GDPP and engaging relevant stakeholders, including the private sector.

### Key Area 3: Designated institution for developing and implementing GPP

According to the statutory laws such as PP law, ENR Code and PPP Law, all three recently enacted, Cambodia has designated a few institutions responsible and competent ministries including sub-national administrations across the country for promoting and implementing SPP initiatives.

#### Ministry of Economy and Finance (MEF):

The MEF holds a prominent position as a leading authority in Cambodia's overall systems and plays a vital role in public finance management, including public procurement. It is responsible for formulating policies, regulations, and guidelines pertaining to procurement practices. As part of the Inter-Ministerial Technical Working Group on Sustainable Consumption and Production (SCP TWG) led by the MoE's Department of Green Economy (DGE), the General Directorate of Public Procurement (GDPP) within the MEF collaborates with the support of GIZ's SCP project. While initially established for the implementation of GIZ's SCP project, there have been informal discussions regarding the potential expansion of the SCP TWG's scope to encompass issues related to Sustainable Public Procurement (SPP). Consequently, a G/SPP roadmap has been developed and is currently undergoing consultations among stakeholders until the early 2024. Furthermore, recognizing that SPP is articulated in the Public Procurement (PP) Law, there have been recent discussions regarding the development of a simplified roadmap comprising substantial actions. This approach aims to facilitate the implementation of SPP and support the development of sub-decree, regulations, and detailed guidelines. It is emphasized that capacity and institutional building for policy development will also be provided to ensure effective implementation of the roadmap. This demonstrates the commitment to advancing sustainable procurement practices in Cambodia and lays the groundwork for the formal implementation and regulation of SPP.

#### Ministry of Environment (MOE):

According to 2023 ENR Code, the MoE is responsible for the management of environment and natural resources in a sustainable way. Thus, MoE plays a critical role in promoting environmental sustainability across various sectors. In the context of SCP, and SPP, MOE as well as other ministries such as competent ministries and agencies can provide technical expertise, guidance, and support in developing environmental criteria and standards for sustainable procurement systems to be developed and implemented. It can also collaborate with other ministries, especially MEF to mainstream GPP practices into public procurement systems and respective sectoral ministries.

#### Other Competent Ministries:

There are several other competent ministries that are crucial in addition to the MEF and the MoE for several reasons:

- **The Ministry of Public Works and Transport (MPWT)** is responsible for infrastructure development and construction projects. By integrating sustainable procurement practices into infrastructure projects, the ministry can contribute to environmentally friendly and energy-efficient infrastructure development.
- **The Ministry of Commerce (MOC)** can contribute to SPP implementation through its role in trade facilitation and market-related regulations. The MOC can promote the availability and accessibility of sustainable products in the international and domestic markets, enforce eco-labeling and certification requirements for sustainable products and services, and support market-based initiatives and business

models that encourage SCP and SPP for a long-run. Currently, the key ministries involved in the SCP TWG in Cambodia are actively engaged in the development of a sub-decree on eco-labeling. The draft sub-decree is currently undergoing internal discussions among the relevant ministries, particularly the MEF, MoE, MISTI, MoC, and private sector stakeholders such as the Chamber of Commerce. It is important to note that the process of finalizing the sub-decree and submitting it to the Council of Ministers for adoption will require time. The discussions, consultations, and coordination among the key ministries and stakeholders involved are necessary to ensure the sub-decree aligns with national priorities, legal frameworks, and international best practices. Again, the development of a sub-decree on eco-labeling demonstrates the commitment of the Cambodian government and relevant stakeholders to promote sustainable consumption and production practices.

- **The Ministry of Industry, Science, Technology and Innovation (MISTI)** can play a crucial role in promoting the integration of innovative and eco-friendly technologies into procurement processes. Through its Institute of Standards of Cambodia (ISC), MISTI can support the transition to a greener economy and contribute to sustainable industrial development. ISC can focus on developing national guidelines and standards for sustainable and energy-efficient solutions in public procurement, particularly for commonly imported products, commodities, materials, services, practices, and operations.
- **The Ministry of Agriculture, Forestry and Fisheries (MAFF)** plays an important role, particularly in the context of green agricultural products and services. The MAFF can promote sustainable agriculture practices, support the certification of sustainable agricultural products, and encourage the adoption of sustainable land management techniques.
- **The Ministry of Health (MoH)** plays a crucial role in supporting Sustainable Public Procurement (SPP) practices, particularly in the procurement of health and non-health products. This includes healthcare services, medical equipment, facilities, and pharmaceutical products.

During consultations with various stakeholders, a notable criticism emerged regarding the reliance of competent ministries on technical bodies to focus on guidelines and standards, often at the expense of incorporating statutory laws. However, concerns were raised about the tendency of individual ministries to operate independently, potentially overlooking the significance of collaborative efforts in establishing integrated systems and standards that align with Cambodia's vision for 2023 and 2050. For instance, there is a notable lack of integration between the procurement systems for external-funded projects, projects utilizing the government's funds, and all investment projects governed by the Public-Private Partnership (PPP) law. Currently, these different types of projects operate with separate procurement systems, which can lead to inefficiencies and missed opportunities for collaboration and harmonization. To effectively pursue these goals, ministries can adopt a collective approach that emphasizes effective coordination with combined political and working machineries, rather than relying solely on traditional coordination methods. This approach ensures that efforts are synchronized and aligned across different sectors, fostering a cohesive and comprehensive strategy for SPP implementation at national and subnational levels aimed at achieving Cambodia's long-term vision.

#### Key Area 4: Current SCP and SPP Mechanisms

As previously discussed, the government, with support from GIZ, and the SCP Technical Working Group (TWG) led by the MoE, has developed a sub-decree on SCP, which is currently undergoing internal review by the MEF and the MoE. The SCP work has made significant progress with active participation from technical practitioners of key ministries, including the NCSD, MEF/GDPP, MoE/DGE, MISTI's ISC, MoC, and among others such as UNDP, Cambodia Chamber of Commerce.

The development of a sub-decree on SPP holds significant importance. The GDPP will play a leading role in this process, working in collaboration with other competent ministries that explicitly cover SPP. It's essential to emphasize the criticality of establishing robust institutional capacity and mechanisms as the specific provisions. These aspects should be strongly recommended as catalysts for capacity development, policy formulation, and guidance for decision-makers at all levels. If feasible, the SCP TWG could be expanded to encompass SPP and elevate its scope to involve decision-makers from the relevant ministries. This expansion could be established through a joint decision (called "Prakas") involving key ministries, such as the MEF and the MOE.

## Key Area 5: Awareness and Capacity Building

Overall, Cambodia's policies reflect a strong commitment to sustainable development. However, through consultations with stakeholders and a review of key policy documents, it has become evident that public awareness and capacity building are crucial aspects of SCP and SPP. Decision-makers and practitioners within the public sector, who play a vital role in implementing these systems, often have limited knowledge and experience in SCP and SPP. Therefore, it is important to prioritize efforts to enhance capacity building for decision-makers within Cambodia's procurement ecosystems.

An important question that arises is: ***“What incentives exist for the government to advance the development and implementation of SCP and SPP?”*** By emphasizing SCP and SPP, the government can drive sustainable economic growth, enhance resource efficiency, reduce environmental impacts and promote inclusive growth and thereby contribute to achievement of ***‘Resilient, Sustainable, and Inclusive Development’*** growth and per Cambodia Vision 2050. Implementing SCP and SPP practices can improve the country's competitiveness, attract investment in sustainable industries, and enhance the reputation of Cambodia as a responsible and environmentally conscious nation. Additionally, embracing SCP and SPP can lead to transparency, cost savings, improved public health outcomes, and greater social well-being. These incentives, coupled with the government's commitment to achieving the CSDGs and promoting long-term sustainability, provide a strong impetus for advancing the development and implementation of SCP and SPP in Cambodia.

The expert engaged in consultations with NCDD's Secretariat to address the needs and challenges associated with improving sub-national procurement. Currently, the Secretariat, in collaboration with Transparency International Cambodia and other technical divisions within the Secretariat, is conducting a review of the existing Project Implementation Manual, popularly known as PIM. During discussions regarding the integration of sustainability criteria and requirements into the procurement system for goods and civil works at the local government level across the country, the Secretariat acknowledged the significance of adhering to safeguarding policies, including environmental protection and land acquisition. However, they also identified a knowledge gap concerning sustainable procurement. Nevertheless, the Secretariat recognizes the importance and urgency of revising the sub-national procurement section of the Project Implementation Manual to incorporate sustainability principles and standards.

### 4.2 Global community and private sector

The private sector, development partners, donors, and local communities play an important role in supporting and addressing the gaps in government bodies. However, in the case of the SCP TWG established in 2021, these actors, including local affected communities, were not considered as part of the group. Furthermore, it was not clearly defined how these actors would be engaged and supported in addressing gaps such as facilitating policy dialogues, capacity development, and knowledge sharing.

On the other hand, the SCP TWG has been assigned the task of mobilizing technical and funding support from donors to implement SPP piloting initiatives. In order to achieve sustainable development, it is crucial to prioritize partnership scenarios involving all these actors. This prioritization can potentially motivate and engage them to participate in creating an enabling environment for a series of activities. These activities include policy dialogues, capacity and instructional development, implementation of piloting initiatives, documentation of lessons learned and successes, and better informing the policy and legislation roadmap on SCP and SPP in Cambodia. Additionally, knowledge sharing with countries and networks in the region and globally should be emphasized.

In sum, by actively involving and collaborating with these actors, Cambodia can foster a more inclusive and comprehensive approach to sustainable development, leveraging the expertise, resources, and experiences of various stakeholders. This will ultimately contribute to the effectiveness and efficiency of SCP and SPP initiatives in the country and facilitate cross-border learning and cooperation.

The lack of specific rules and regulations to apply statutory laws is a notable issue. For instance, there is an energy efficiency policy in place by the Ministry of Mines and Energy (MME) with comprehensive actions, but its implementation remains challenging. This issue is not limited to energy efficiency but extends to many other areas governed by various laws. Another example is the lack of systematic monitoring and oversight in the public sector, particularly in enforcing the use of sustainable materials and green building practices.

Communication gaps within the public sector, leading to inadequate policy guidance and oversight, are not limited to green building but are observed in other sectors as well, often due to the perception that certain topics are not prioritized. This situation points to a greater need to harmonise different provisions related to sustainability in various laws with the procurement sub-decree so that these could be considered while making purchasing decisions.

During consultations with private business associations, it became evident that supporting key ministries in developing practical rules and regulations, such as providing special concessions for green investments, is crucial. It is essential to clearly define the responsibilities of each ministry and specify which ministries should be followed for specific matters, such as licenses with guidelines for textile recycling. While SPP implementation may pose challenges for private sector involvement, they recognize the urgent need for the government to create a conducive business environment that avoids confusion and supports private companies in their operations.

It could be beneficial for the public sector to involve the private sector in public-private working groups rather than relying solely on government agencies in the Technical Working Groups (TWGs). Establishing such working groups for various topics would facilitate ongoing dialogues, enable the identification of challenges faced by companies and civil society organizations (CSOs), and foster the development of innovative solutions. For instance, selecting specific topics for piloting Sustainable Public Procurement (SPP) in Cambodia could be considered. Two potential examples include:

- *Recycling in the textile industry:* This could involve establishing a unit among key industries as a pilot project to showcase how SPP can contribute to environmental sustainability.
- *Iconic sustainable building selection:* Choosing an ecological theater as a project to promote competition among architects, potentially involving collaboration with large companies to bring the project to fruition.

## Chapter 5. Conclusion

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The Royal Government of Cambodia is strongly committed to achieving the Cambodian Sustainable Development Goals (CSDGs) by 2030. To support this commitment, the government has integrated these goals into various national policies and legal frameworks, including recently adopted laws such as the Environmental and Natural Resources (ENR) Code (2023), Public Procurement (PP) Law (2023), and Public-Private Partnership (PPP) Law (2021). The National Council for Sustainable Development (NCS) and other inter-governmental ministerial technical working groups have been established to coordinate and facilitate policy dialogues and development in areas related to climate change, green growth, natural resources management, biodiversity, and the protection of natural environments and ecosystems. These efforts are aimed at achieving long-term sustainability and promoting stable and inclusive economic growth.

The work of Sustainable Consumption and Production (SCP) has made significant progress under the leadership of the NCS, with active participation from key ministries. Sustainable Public Procurement (SPP) is closely linked to SCP, as articulated in the ENR Code and emphasized in the PP Law (Article 56). However, the ENR Code and PP Law, while sharing the same ambition, fall under the core mandates of two different ministries (Ministry of Environment and Ministry of Economy and Finance). Therefore, close collaboration between these ministries, particularly their competent departments or general departments, is necessary to address the needs and challenges related to SPP implementation at national and sub-national levels. It is recommended to establish joint mechanisms that involve decision-makers at different levels, technical practitioners, and other stakeholders, such as the private sector, development partners, and civil society organizations. These mechanisms would drive and initiate the necessary actions to fulfill the government's commitments by 2030.

# Chapter 6. Recommended Actions

## 6.1 Key Lessons Learned:

By considering these lessons learned in Cambodia, below is the outcomes of some discussions with key partners and based on the review of literatures gathered.

- **Alignment of Approaches of Donors and Partners:** Donors and partners often work on similar challenges and initiatives such as SCP, SPP, MAPS, and other sustainable development policy agendas. It is crucial to align their support and create synergy among partners to better support the government, ensuring coherence and facilitating implementation.
- **Broadening Capacity Building Efforts:** it is essential to expand capacity building efforts beyond general government officials and procurement practitioners. This can be achieved by organizing conferences and facilitating exchange visits specifically targeted at policy officials of leading ministries (MEF, MOE). These opportunities will enable policy officials to gain valuable insights, share best practices, and develop the necessary expertise in SCP and SPP.
- **Strengthening Documentation and Knowledge Sharing:** While there have been a few pilot projects in specific sectors, there is limited documentation and sharing of lessons learned and successes. It is important to emphasize the documentation of good practices and facilitate knowledge sharing to promote wider adoption of sustainable procurement and consumption approaches.
- **Embracing Technological Innovation:** There is a lack of technological innovation in the country systems including the public procurement system. The government and partners should prioritize embracing innovative technologies, such as e-procurement systems, to improve transparency, efficiency, and sustainability in public procurement processes. Investing in technological advancements and digital solutions can drive transformative change.
- **Market maturity for sustainable products, works and services**

## 6.2 Recommendations

Based on these lessons learned in Cambodia, this assessment would propose the following recommend actions to further explore partnerships, policy development and implementation:

1. Support the development of rules, regulations, and guidelines for sustainable procurement, including a sub-decree as a prerequisite for SPP and detailed procedures linking SPP with the ongoing study and design of e-Government Public Procurement (e-GP) system as part of Financial Management Information System (FMIS) and sustainable development goals.
2. Arrange study visits to countries that share similarities with Cambodia's context to provide valuable insights and experiences in sustainable procurement. enhance training programs and workshops for government officials and procurement practitioners to improve their knowledge and skills in sustainable procurement practices.
3. Establishing mandatory online training platforms specifically designed for decision-makers, policy-level officials, and procurement practitioners is crucial. These platforms should be aligned with Sustainable Consumption and Production (SCP) principles, as well as national and sub-national Sustainable Public Procurement (SPP) rules and regulations. By implementing these initiatives, we can effectively enhance capacity building and promote the widespread adoption of sustainable procurement practices across all levels of governance.
4. Develop a concise policy brief or concept notes that leverages the update draft SPP roadmap, insights from other countries' experiences and the ongoing formulation of a sub-decree on SCP, highlighting the importance and need for SPP implementation in Cambodia.

5. Integrate procurement systems for both externally funded and government-funded projects into a cohesive and unified system. This integration should be carried out in a manner that incorporates sustainability criteria and requirements, aligning with the future full-scale implementation of the Financial Management Information System (FMIS).
6. A review of the current Project Implementation Manual (PIM) is currently being conducted by the Secretariat of the National Committee for Sub-National Democratic Development (NCDD Secretariat). It is suggested that this review should encompass the integration of sustainable public procurement principles and standards for sub-national procurement systems, in addition to the existing safeguarding requirements. To accomplish this, the NCDD Secretariat should engage in consultations with the Ministry of Environment's Department of Green Economy and Ministry of Economy and Finance, as well as partners such as the World Bank (WB), Asian Development Bank (ADB), and other relevant stakeholders. This collaborative approach will help ensure that the revised PIM incorporates comprehensive guidelines for sub-national procurement systems, aligning with sustainable and environmentally conscious practices.
7. Continue partnerships with international organizations and stakeholders to facilitate knowledge sharing platforms at national, regional, and global levels. Encourage exchange of best practices, experiences, and lessons learned to accelerate progress in SPP and SCP. As part of the capacity and institutional building plans for the policy and functional level of the government's ministries and sub-national administration, it's crucial to identify and agree on partnership scenarios for the SCP and SPP to be effectively and efficiently implemented.
8. Emphasize the adoption of innovative technologies, such as e-procurement, to enhance transparency, efficiency, and sustainability in public procurement processes. This should be considered for inclusion in the forthcoming sub-decree on SPP/SCP.
9. Implement monitoring and evaluation mechanisms to assess the effectiveness and impact of SPP and SCP initiatives in key sectors at the initial piloting phase toward full scale of implementation across broad sectors. Regular reviews will help identify areas for improvement and ensure the achievement of sustainable development objectives.
10. To foster effective collaboration with the MEF and MoE, as well as other competent ministries in Cambodia, it is essential for a group of donors and partners to establish a strong point of entry that facilitates engagement and drives sustainable initiatives. One highly effective point of entry is through the existing inter-ministerial Sustainable Consumption and Production (SCP) Working Group, which may need to be updated to align with changes in the new government. Additionally, engaging with dedicated policy-makers and lawmakers within both the MEF and MoE, as mandatory ministries, is crucial. This approach capitalizes on the existing structures within the ministries, creating a robust platform for coordination and implementation of sustainable practices.



## Annex A. Matrix for PEST Analysis

PEST	Key Factors	Implications
Political Factors	In Cambodia, key policy developments like the ENR code (2023), PP law (2023), and PPP law (2021) demonstrate the government's commitment to addressing Circular Economy (CE), climate change, and sustainable development. The establishment of sustainable development agencies, including the CSDG framework, highlights the political emphasis on promoting sustainability in Cambodia.	The RGC should focus on a supportive environment for PPP in Cambodia to promote SCP and SPP. Utilizing existing legal frameworks like the ENR code (2023), PP law (2023), and PPP law (2021) as foundations, specific rules and regulations should be developed for effective SCP and SPP implementation.
	The RGC's commitment to sustainable policies and reform programs significantly influences the government's long-term vision for 2030 (upper middle-income status) and 2050.	Understanding the needs and challenges of potential sustainability pathways in Cambodia is crucial.
	Political will and support are pivotal in determining the success and effectiveness of SPP initiatives.	A system approach that connects the political level with the technical level can significantly enhance policy dialogues, decision-making processes, and ensure efficient and effective implementation.
	Weak institutional capacity and governance pose significant challenges to SCP and SPP policies.	Leverage the lessons learned from collaborations with development partners, business associations, and key ministries of the government to scale up initiatives.
Economic Factors	Cambodia's economic recovery from the impacts of Covid-19 presents an opportunity for the implementation of sustainable development projects.	The economic recovery in Cambodia offers a chance to prioritize and invest in sustainable initiatives, placing sustainable development at the forefront of the recovery efforts.
	The Covid-19 pandemic has heightened poverty levels <sup>9</sup> and income disparities, posing challenges to achieving the Cambodia Sustainable Development Goals (CSDGs).	Incorporating social issues such as livelihoods, gender, micro industries, health and safety of workers, etc. into SPP initiatives is crucial for enabling poverty graduation pathways and equitable growth, aligning with the concept of the CSDG framework's principle of "leave no one behind."
	The existing public procurement practices lack a focus on sustainable criteria and requirements, resulting in a burden on public spending.	Priority should be given to projects that generate value for money, cost-savings, and long-term sustainability. This priority should extend beyond services and goods to encompass large-scale construction and infrastructure development.

<sup>9</sup> poverty line declined from 33.8 percent in 2009 to 17.8 percent in 2019/20 <https://www.worldbank.org/en/news/speech/2022/11/28/cambodia-poverty-assessment-opening-remarks-by-maryam-salim-world-bank-country-manager-for-cambodia>

<b>Social Factors</b>	The explosive growth of urbanization, particularly among the youth population, while the majority still live in rural areas.	RGC can potentially prioritize SPP initiatives for low-income households, rural indigenous communities, and inclusive sustainable city development.
	The provision of social protection (e.g., ID-POOR schemes) for vulnerable groups in Cambodia remains limited.	Promoting resource efficiency and sustainable cities by integrating technology into procurement systems to improve public services for citizens.
	Addressing critical gender inequalities in labour markets, SMEs and representation at national and sub-national government levels.	Promoting women-owned businesses and enterprises, along with SMEs and local producers, through women's economic empowerment and targeted SPP for the benefit and interests of women and girls.
	The lack of access to improved sanitation and quality education in rural areas poses a challenge to Cambodia's growth.	Prioritizing WASH (Water, Sanitation, and Hygiene) initiatives and improving the quality and accessibility of education.
<b>Technologic Factors</b>	The Public Procurement law incorporates e-procurement, aligning with the Cambodian government's promotion of e-government initiatives.	Integrating innovative technologies into e-procurement systems for national and sub-national governments at all levels.
	Since the Covid-19 pandemic, the public sector, private sector, and civil society organizations have shifted online, creating opportunities to integrate ICT solutions for addressing policy challenges like budgeting, planning, procurement, and technology capacity building.	There is potential to scale technology solutions across the entire country's systems, including finance, management, procurement, and knowledge-sharing platforms.
	The growth of sustainable technologies, including green tech, is addressing climate change and environmental issues, driving progress towards sustainability.	Low-cost technologies can be scaled and effectively linked to all relevant stakeholders, promoting sustainability across different sectors.

## Annex B. Chronological List of Institutions/Agencies Met

No.	Institutions/Agencies	Name	# Respondents	Date Interviewed
<b>Government</b>				
1	Key Interview with the Department of Green Economy, MoE	Dr. Vanthoeun Keo; Ms. Sok Sreymom	2 (1F)	Thursday, September 7, 2023
2	An inception meeting with MEF/GDPP	<u>MEF/GDPP</u> : H.E Huot Vathana, Mr. Sopheap <u>EUD</u> : Mr. Davide Berton, Ms. Cristina Novio Garcia <u>SWITCH ASIA Team</u> (5)	8 (3F)	Tuesday, October 3, 2023
3	Meeting with Ministry of Environment (MoE)	MoE: Her Excellency Lina Ngin, Secretary of State, Dr. Keo Vanthoeun <u>EUD Cambodia</u> : Mr. Davide Berton, Ms. Cristina Novio Garcia <u>SWITCH ASIA</u> : Dr. Zinaida Fadeeva, Ms. Elodie Maria-Sube, Ms. Anne, Mr. Sylvie, Mr. Sanjay, Mr. Kuntheara	10 (6)	Friday, September 15, 2023
4	Key interview with NCDD's Secretariat (Topic: Revision of PIM)	Mr. Kong Meng, deputy director of department of local affairs and supports to SNAs and his team	4 (1F)	Friday, December 22, 2023
5	Key interview with MEF/GDPP	Mr. Sopheap, deputy director for the department of sub-national procurement management	1	This is scheduled for the second week of January 2024
<b>Development Partners &amp; Civil Society Organizations</b>				
1	Meeting with GiZ regional Office (online)	Ms. Khun Wilasinee (GiZ Project lead), Mr. Kai Hoffman (GiZ Director), and SWITCH ASIA full team	2 (1F)	Friday, September 8, 2023
2	WebEx Meeting with EUD Cambodia and GIZ (Thailand & Cambodia)	<u>EUD Cambodia</u> : Mr. Davide Berton, Ms. Cristina Novio Garcia <u>GIZ</u> : Ms. Wilasinee (GIZ BKK), Mr. Frank (GIZ ASEAN Team, KH) <u>SWITCH-Asia</u> : Mr. Sanjay Kumar (SNKE), Ms. Elodie Maria-Sube (SWITCH-Asia PSC), and Ms. Lunchakorn Prathumratana (JNKE, SWITCH-Asia PSC), Mr. Kuntheara Tep (JNKE)	8 (4F)	Thursday, September 28, 2023
3	Country NKE meeting (Cambodia)	Sanjay Kumar (SNKE), Kuntheara TEP (JNKE), Elodie Maria-Sube (SWITCH-Asia PSC), and Lunchakorn Prathumratana (JNKE, SWITCH-Asia PSC)	4 (2F)	Thursday, October 26, 2023

No.	Institutions/Agencies	Name	# Respondents	Date Interviewed
4	Meeting with EUD Cambodia	EUD: Cristina NOVIO GARCIA ; Cheavy CHOUP; Davide BERTON ; SWITCH ASIA: Sanjay Kumar (SNKE), Sylvie Zaitra (SNKE), Kuntheara TEP (JNKE), Elodie Maria-Sube (SWITCH-Asia PSC), and Lunchakorn Prathumratana (JNKE, SWITCH-Asia PSC)	7 (4)	Tuesday, September 5, 2023
5	Key Interview with GIZ Cambodia Team	Mr. Keo Bunly, SCP Project's National Coordinator	1	Friday, September 15, 2023
6	Country NKE meeting (Cambodia)	Sanjay Kumar (SNKE), Sylvie Zaitra (SNKE), Kuntheara TEP (JNKE), Elodie Maria-Sube (SWITCH-Asia PSC), and Lunchakorn Prathumratana (JNKE, SWITCH-Asia PSC)	5 (3F)	Monday, September 4, 2023
7	Meeting with key DPs in Cambodia	EUD, WB, ADB, GIZ	10 (4F)	Monday, September 25, 2023
8	Meeting with WB's Procurement Team (F2F)	Mr. Latharo Lor, Senior Procurement Specialist, & Ms. Wathana	2 (1F)	Tuesday, December 19, 2023
9	Key interviews with MoE's National Focal Points	H.E Ngim Lina's successor, and Dr. Keo Vanthoeun	2	Wednesday, December 20, 2023
10	Key interview with UNDP Cambodia	Mr. Heng Socheath, Assistant Country Director & Mr. Aphik Kovith, Procurement Specialist	2	Monday, December 18, 2023
11	Key interviews with Transparency International Cambodia	Mr. Pech Pisey, Country Director, Mr. Narin, program director, and Mr. Bunrith, PFM (public resource budget transparency, open budget)	3	Monday, December 18, 2023
<b>Private Sector</b>				
1	Meeting (F2F) with EUROCHAM Cambodia	Mr. Massimiliano	1	Tuesday, December 19, 2023

Note: Please be aware that although other stakeholders have not been able to confirm their involvement during the drafting process of this report due to their busy schedules towards the end of the year 2023, they have expressed their willingness to contribute in early 2024.

## Annex C. Master Questions

Questions	Stakeholder engagement			
	PESTLE Analysis	Government	DPs & CSOs	Private sector
<b>Overview: Social, Environmental and Unsustainable Consumption related issues</b>				
In the context of sustainable development, what specific areas does your organization focus on, and how does it contribute to Cambodia's sustainable development goals?	✓	✓	✓	✓
Are there any specific criteria or considerations in Green/Sustainable Public Procurement (G/SPP) that address social, environmental and unsustainable consumption?	✓	✓	✓	✓
In responding to sustainable development as a whole, what are the future plans or priorities for advancing sustainable public procurement in Cambodia?	✓	✓		
<b>Policy Overview of Cambodia's Green/Sustainable Public Procurement</b>				
What is the government's definition and understanding of sustainable public procurement? Could you provide an overview of the current policies or regulations in place to promote sustainable public procurement in Cambodia?	✓	✓		
What are the specific goals or objectives the government aims to achieve through sustainable public procurement?	✓	✓		
What is your understanding of the Sustainable/Green Public Procurement (S/GPP) new policy framework in Cambodia?	✓	✓	✓	✓
How effectively do you believe the criteria for Sustainable Public Procurement (SPP) can be incorporated into the tendering process or contracting? Please provide example	✓		✓	✓
What mechanisms or tools are in place to evaluate the environmental, social, and economic impacts of procurement decisions?	✓	✓		

Questions	Stakeholder engagement			
	PESTLE Analysis	Government	DPs & CSOs	Private sector
Do you have any procurement specialists or experts with expertise in promoting and implementing G/SPP criteria to facilitate and expedite the implementation process?		✓	✓	✓
<b>Best Practices and Lessons Learned</b>				
<b>Lessons Learned, Key Successes in Cambodia:</b> <ul style="list-style-type: none"> <li>• What are the key lessons learned?</li> <li>• How can these lessons be applied or adapted to the Cambodian context?</li> <li>• What have been your successes or success factors?</li> </ul>		✓	✓	✓
<b>Future Trends of G/SPP in Cambodia:</b> <ul style="list-style-type: none"> <li>• What are the urgent challenges faced in promoting G/SPP in the next few years?</li> <li>• What do think would be the solutions to help address them?</li> <li>• How can your organization, as well as other partners, contribute and collaborate in promoting sustainable public procurement in Cambodia?</li> </ul>		✓	✓	✓
<b>Efforts contribute to G/SPP in Cambodia:</b> <ul style="list-style-type: none"> <li>• How have development partners, including organizations like yours, and civil society organizations contributed to promoting sustainable public procurement?</li> <li>• What specific examples can be shared regarding the impact of these efforts?</li> </ul>	✓		✓	✓
How does the government encourage and support suppliers or contractors to provide sustainable products or services?		✓		
<b>Thoughts on G/SPP Tools, Resources and Training/Capacity Building:</b> <ul style="list-style-type: none"> <li>• What kind of technical assistance or capacity building support can be provided to further enhance G/SPP practices?</li> <li>• Are there any specific tools, resources, or training programs that can be offered to support government agencies and other stakeholders in promoting and implementing G/SPP?</li> </ul>	✓	✓	✓	✓

Questions	Stakeholder engagement			
	PESTLE Analysis	Government	DPs & CSOs	Private sector
<p><b>Roles as an actor in G/SPP in Cambodia:</b></p> <ul style="list-style-type: none"> <li>• What is the role of DPs &amp; CSOs such as yourself play in G/SPP and/or needs given the different players involved?</li> <li>• What measures can be taken to enhance collaboration and knowledge sharing among development partners, civil society organizations, and the government in order to promote sustainable public procurement?</li> </ul>	✓	✓	✓	✓
<b>Recommended Actions and Pilot Project (s)</b>				
<p><b>Recommended actions:</b></p> <p>What specific actions or recommendations would you propose to promote and advance G/SPP practices in Cambodia?</p>		✓	✓	✓
<p><b>Potential Pilot Projects in Cambodia:</b></p> <ul style="list-style-type: none"> <li>• Which donor organization is placing a greater emphasis on implementing G/SPP criteria or considerations in the tendering or contracting process?</li> <li>• What would be the pilot project in G/SPP for the next few years?</li> </ul>		✓	✓	✓

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