



INTEGRATED SDG INSIGHTS CAMBODIA

This initiative supports the articulation of national commitments to SDG transformation, towards accelerated SDG action in the second half of the 2030 Agenda.



HOW TO READ THIS REPORT



Integrated SDG Insights provides an overview of a country's economic growth trajectory, highlighting potential conflicts between growth, environmental concerns, and societal well-being (referred to as the **SDG Moment**).



It builds from the foundation of national SDG progress through the lens of the 5Ps and uses machine learning to analyse national development ambition with an SDG lens (**SDG Trends & Priorities**).



Combined, these insights are mapped against SDG interlinkages to define policy choices that accelerate SDG progress, tailored to national context (**SDG Interlinkages**).



These policy choices are made against fiscal constraints and opportunities for stimulus to ensure choices translate to development impact and leave no one behind (**Finance & Stimulus**).

SDG MOMENT: CAMBODIA

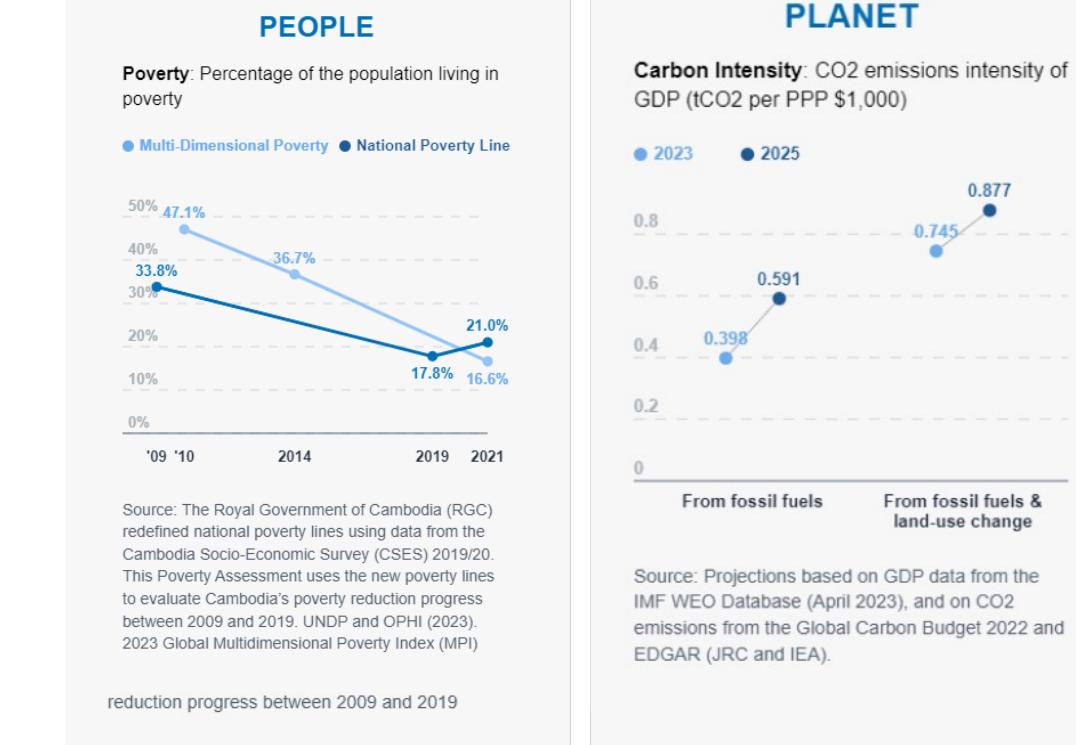
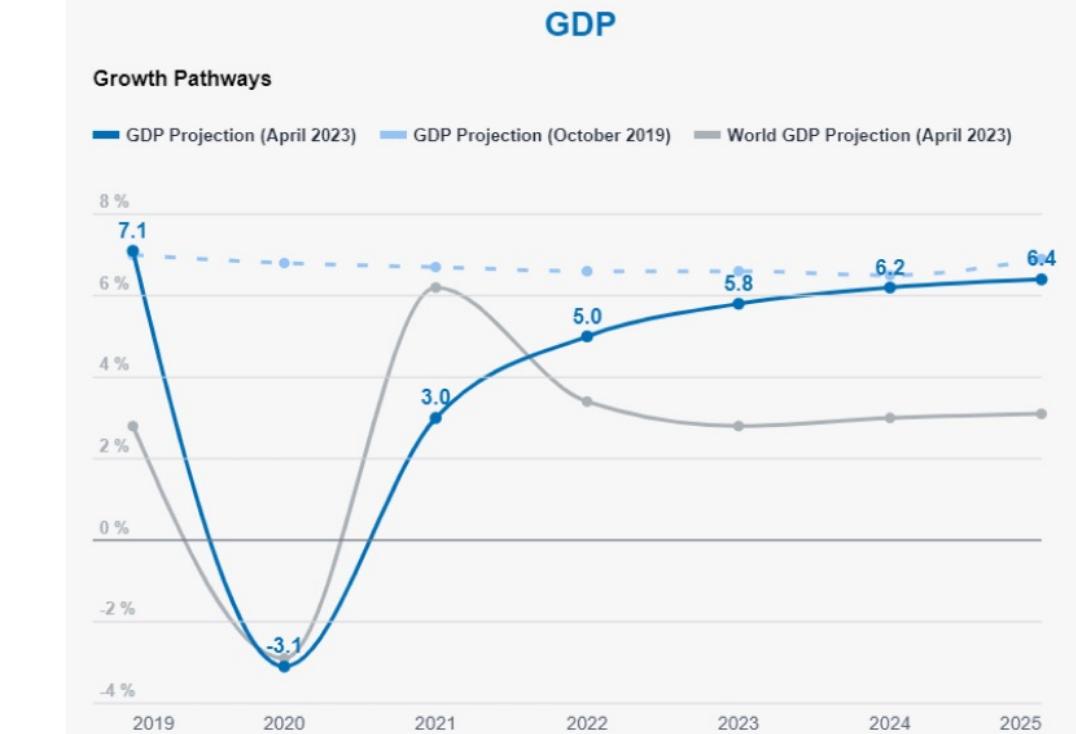
While economic growth is a key element in achieving the SDGs, many countries intend to move beyond growth as a yardstick for progress. In the short run, growth enables the SDGs; but in the long run, the SDGs aim to transform the pattern of growth itself.

Cambodia's pace of growth during the 2023-2025 cycle is in acceleration, characterized by being twice the growth rates projected for the world and coinciding with the country's growth trajectory projected before the pandemic and subsequent crises.¹ Monetary poverty was almost halved since 2009 (though the trend reversed in 2021 because of the pandemic-induced contraction), and multidimensional poverty decreased significantly from 47.1% in 2010 to 16.6% 2021/22. Yet income inequality increased during this period. Boosting investments in people will be crucial to building resilience and achieving Cambodia's ambitious goal of reaching upper middle-income status by 2030.

This rapid economic growth has also come at the expense of the environment, as the country's carbon emissions intensity of GDP is expected to increase under current conditions at an annual rate of 24% due to fossil fuel usage and an additional 9% when also considering land-use change.²

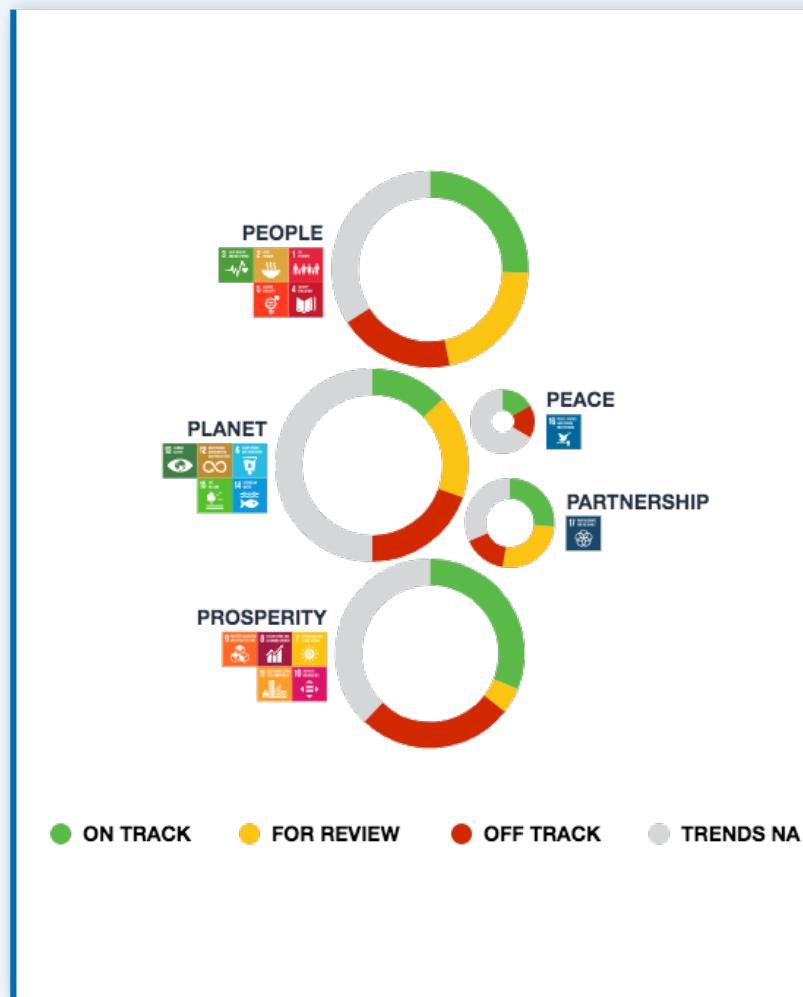
¹The economic cycle is determined by adjusting the country's current GDP growth forecasts (April 2023) by their gap relative to the forecasts made before the pandemic and subsequent crises (October 2019). If the adjusted rates (not shown) are below 2%, the economy is considered in mitigation; it is coping if the adjusted rates range between 2%-4%, and it is in acceleration if they are above 4%.

²CO₂ emissions intensity of GDP is computed as tonnes of CO₂ per \$1,000 (2017 PPP).



SDG TRENDS

Understanding how Cambodia performs against the SDG targets provides a baseline landscape against which to build SDG policy pathways. SDG progress tracking uses national data, follows UN Stats standards and methodology, and is aligned with national priorities.



- The incidence of multi-dimensional poverty fell from 36.7% to 16.6%, and accordingly the number of poor people halved, from 5.6 million to 2.8 million, all within 7.5 years, including the pandemic years (2014–2021/22).
- The Multidimensional Poverty Index considers education, health care and living standards.

Trends in detail:

<https://data.undp.org/sdg-push-diagnostic/KHM/sdg-trends>

SDG PRIORITIES

Cambodia's national priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents. This analysis uses a custom-built model for SDG classification. It considers 100k+ terms, including phrases and expressions.



Key documents for analysis:

1. Nationally Determined Contribution (NDC) 2020
2. Voluntary National Review (VNR) 2023
3. Long-Term Strategy for Carbon Neutrality 2021
4. National Strategic Development Plan (NSDP) 2019 – 2023
5. Mid-Term Review NSDP 2019 - 2023
6. Rectangular Strategy Phase IV
7. Draft Pentagon Strategy 2024-2028
8. Global Multidimensional Poverty Index 2023.

Priorities in detail:

<https://data.undp.org/sdg-push-diagnostic/KHM/current-priorities>

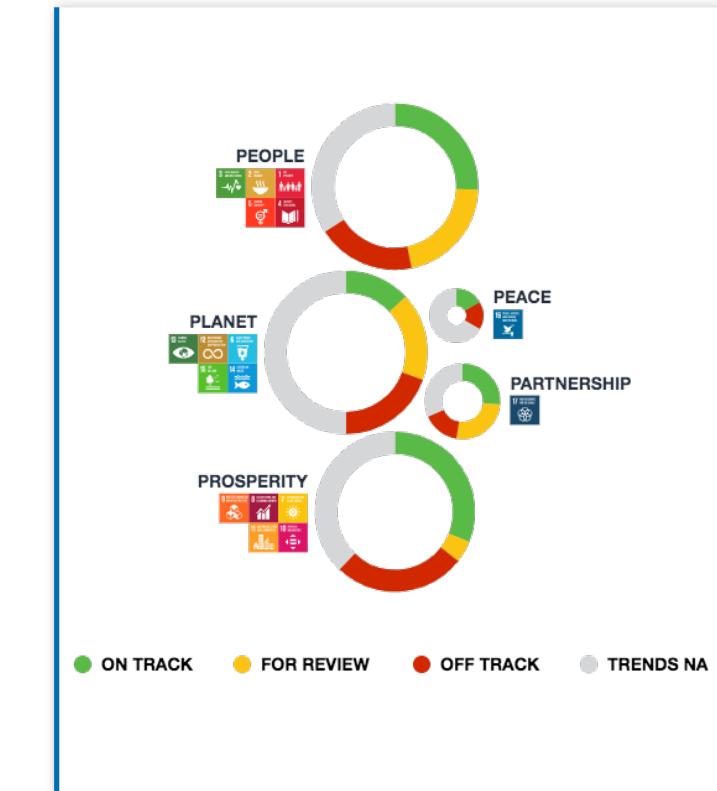
SDG INTERLINKAGES

SDG interlinkages reveal how actions directed towards one SDG can impact others. Uncovering and understanding these interactions can help Cambodia to achieve the 2030 Agenda and navigate trade-offs.

Based on a [global framework for interlinkages](#), Cambodia's SDG progress is colour-coded at the target level.

Building from national trends and priorities, the following integrated SDG pathways reflect policy choices with the most potential to accelerate the SDGs for Cambodia:

- Target 1.2: Reduce poverty by at least 50%
- Target 5.5: Ensure the full participation of women in leadership and decision-making
- Target 8.5: Full employment and decent work with equal pay
- Target 11.6: Reduce the environmental impacts of cities
- Target 16.3: Promote the rule of law and ensure equal access to justice



ACCELERATION PATHWAYS



SDG INTERLINKAGES

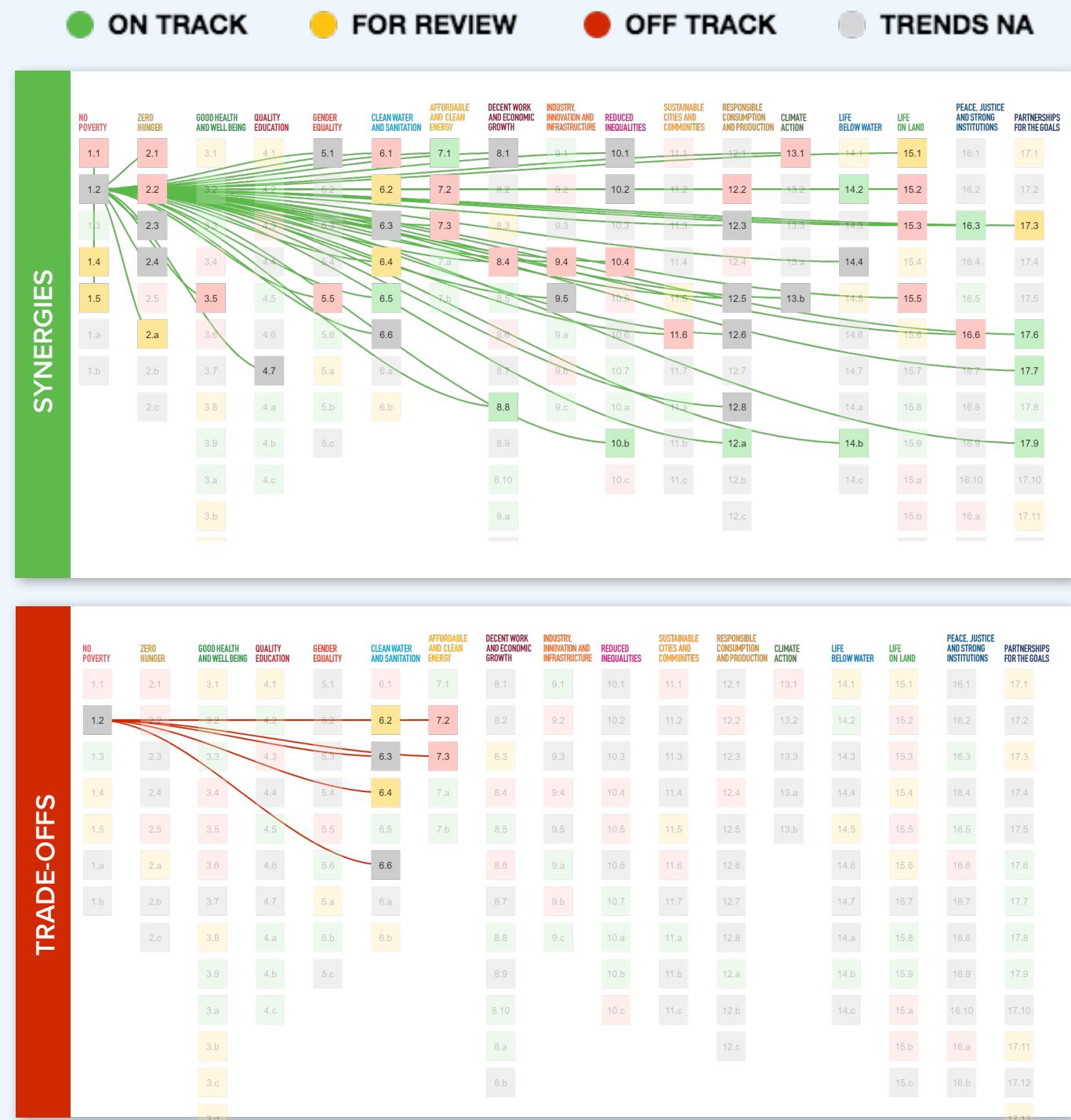
1.2: By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions

With sustained high economic growth, Cambodia's monetary poverty rate dropped from 33.8% to 17.8% in the last decade leading up to the global pandemic. However, this poverty rate has now increased again by 2.8 percentage points, indicating that around 460,000 people have fallen below poverty income thresholds.¹

On the other hand, the multidimensional poverty index (MPI) has declined to 16.6 percent in 2022 from 36.7 percent in 2014.² The MPI identifies the range of different deprivations and disadvantages people experience in health, education and standard of living by analysing data on 10 indicators, namely, nutrition, child mortality, years of schooling, school attendance, access to cooking fuel, sanitation, drinking water, electricity, housing, and ownership of assets.

The '*Strategic Framework and Programs for Economic Recovery in the Context of Living with COVID-19 in a New Normal 2021-2023*' is now well underway. With COVID recovery on track, the Royal Government of Cambodia has been working to implement Graduation-Based Social Protection, alongside existing social insurance, social assistance and labour market programmes.

Alleviating poverty will create more resilience in the Cambodian society as the population increases its capacity to support itself and others in need in the community. SDG 1.2 has synergies with the most basic needs, contributing directly to SDG 2, zero hunger, SDG 3 Good Health and Wellbeing, SDG 4 Quality Education, SDG 5 Gender Equality, SDG 6 Clean Water and Sanitation, SDG 7 Access to Sustainable Energy, SDG 8 Inclusive and sustainable Growth, SDG 10 Reduced Inequalities, and SDG 11 Sustainable and Resilient Cities and Human Settlements. However, the initiatives around attaining target 1.2 would pose challenges to attain targets around SDG 6 where the increase in livelihoods places more pressure on water systems, sanitation and hygiene (SDG 6.2, 6.3 and 6.4).³



Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/KHM/synergies-and-tradeoffs>

SDG INTERLINKAGES

5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life

The Gender Inequality Index assesses three crucial dimensions: reproductive health, empowerment, and participation in the labour market. In Cambodia, a high proportion of women participate in the labour force mostly in the informal sector. Women contribute significantly to Cambodia's economy as owners of 62% of micro- and 26% of small- and medium-enterprises, but they continue to face barriers to financing and registration. The representation of women in decision-making remains low and is a consequence of underlying gender inequalities.¹

The gender wage gap in Cambodia stands at 19%, decreasing by 5% since 2017.² The focus could be on increasing the rate of women in government institutions, where the wages can be set to bridge the pay gap. This would provide a positive example for the rest of Cambodian society to follow.

SDG 5.5 forms an entry point as it creates synergies with, among others, efforts to diversifying the economy, reinforcing productivity (SDG 8.2) and decent job creation (SDG 8.3), bringing more attention to the care economy.³

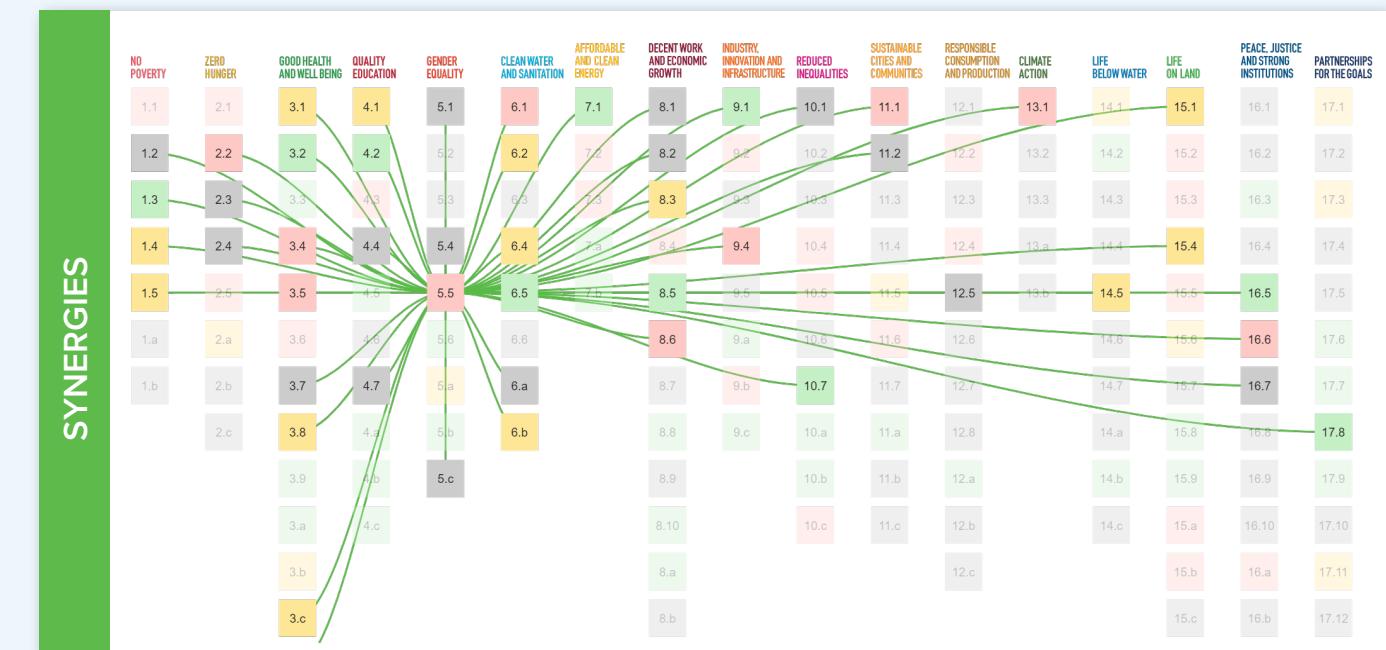
¹Mith et al., 2020 as seen in UNDP, Gender Equality Deep-Dive for Cambodia, 2022

<https://cambodia.un.org/en/174010-gender-equality-deep-dive-cambodia>

²UNDP, 2021 The Gender Wage Gap in Cambodia.

³Ramos 2014; Nilsson 2017. SDG interlinkages visualization tool - Target level

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Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/KHM/synergies-and-tradeoffs>

SDG INTERLINKAGES

8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

The future of Cambodia lies in its people, with its citizens aged under 30 years comprising more than 25% of the total population (2019 Population Census). 70% of young people aged 15-29 were economically active in 2019.

They make up a major part of Cambodia's working-age population (37%). A structured survey of young people aged 15-24 that was conducted as part of the "Youth Situation Analysis in Cambodia" in December 2020, indicated that 59% of those surveyed were not in employment, education or training (NEET).¹

Improving the livelihoods of men and women is a key pathway to greater inclusion and reduced inequality. In 2022, labour force participation among women was 69.6% and among men 82.1%. The working-age share has been rising, creating opportunity for a demographic dividend to support growth and development.

Maximizing the benefits of the demographic dividend will require (i) increased decent work creation to absorb young women and men who enter the job market each year, (ii) comprehensive workforce skills development to meet labour market needs at a time of rapid technological and structural change in the economy, (iii) improved quality of work for young people in the country and (IV) tackling the gender and inclusion dimensions of work.

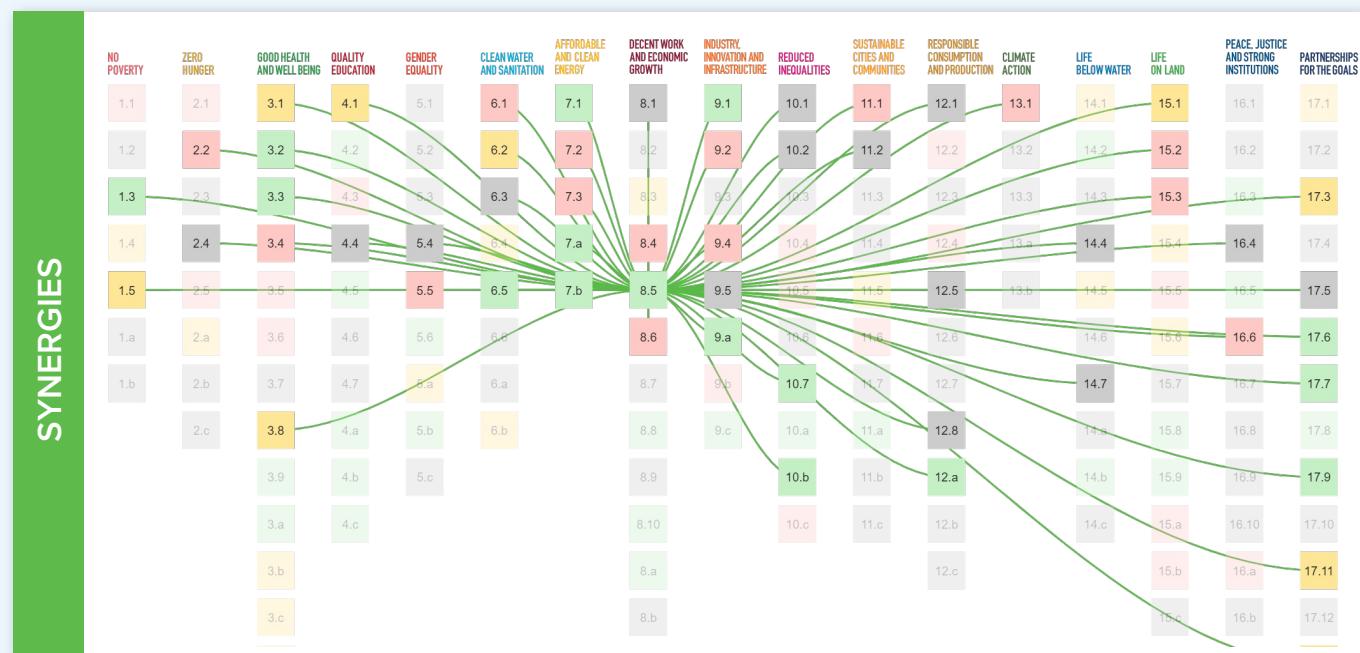
Despite the very low rate of youth unemployment, the quality and stability of employment remain a big concern in Cambodia. The creation of decent jobs linked to the economy of tomorrow would further help to build the tax base and reduce the societal vulnerability to economic and climate shocks. The Royal Government of Cambodia is encouraging investments, strengthening Technical and vocational training, skills development and digitalization.

By accelerating target 8.5, the government can strive towards sustainable economic growth, inclusive development and improved livelihoods for its citizens. However, decent employment may be negatively affected by targets related to energy transition (SDG7) as the skills required in the renewable energy sector differ from those in the traditional energy sector, leading to potential skills gap that could risk employment targets.²

¹General Population Census of the Kingdom of Cambodia 2019.

²Griggs, D.J., Nilsson, M., Stevance, A., McCollum, D., 2017. A guide to SDG interactions: From science to implementation.

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Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/KHM/synergies-and-tradeoffs>

SDG INTERLINKAGES

11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management

Extreme weather conditions, such as floods and droughts, have a significant impact on urban and rural communities and their livelihoods. If "business as usual" for emissions and climate investment climate change would reduce absolute GDP by 2.5% in 2030, and 9.8% in 2050.¹

Cambodia is rapidly urbanizing, and the government has implemented several initiatives to address air pollution in cities,² awarding waste management contracts in large population centres and investing in WASH infrastructure.³

Challenges in achieving SDG 11.6 remain, however the synergies and opportunities are broad, effecting quality of life and the (sub) targets of each SDG. The prioritization of reducing the negative environmental impacts will especially complement efforts related to SDG 6. Clean water and sanitation and SDG 7. Affordable and clean energy.

¹Ministry of Economy and Finance, Addressing Climate Change Impacts on Economic Growth in Cambodia, 2019

²Climate and Clean Air Coalition, Ministry of Environment, Clean Air Plan of Cambodia, 2021

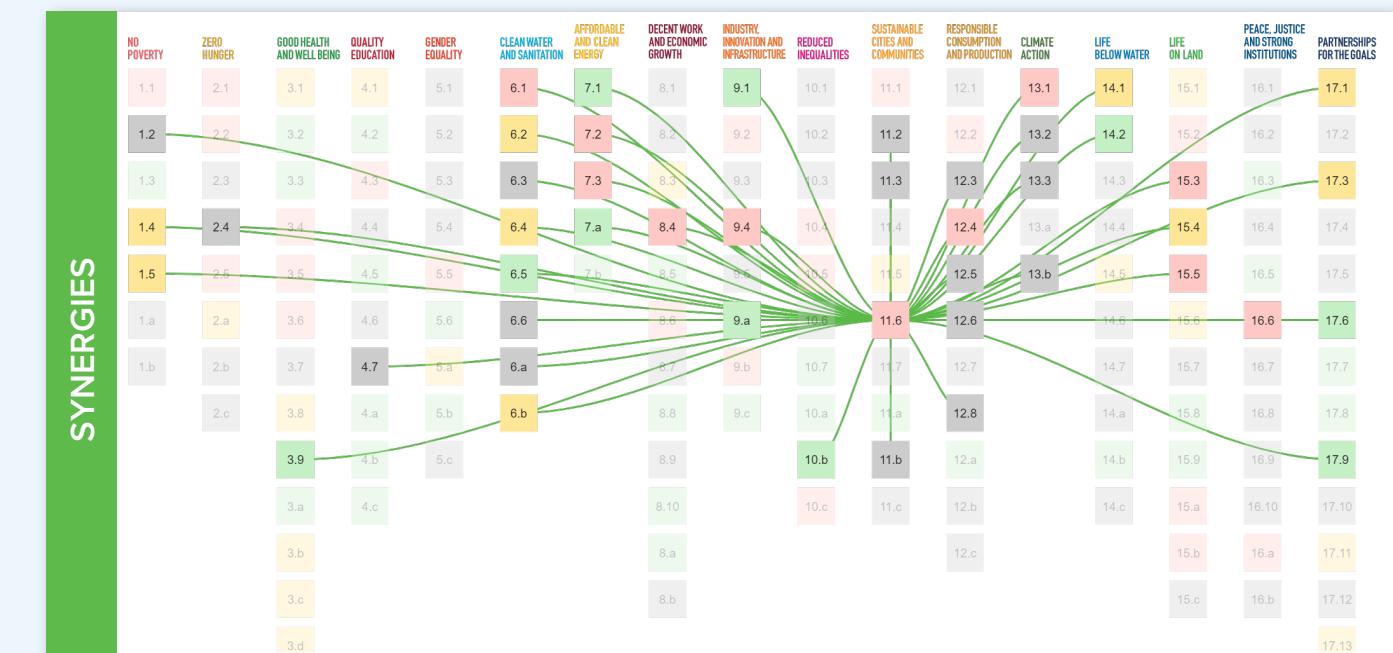
³<http://www.pppsa.com.kh/en/index.php?page=service-coverage>

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Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/KHM/synergies-and-tradeoffs>

SDG INTERLINKAGES

16.3: Promote the rule of law at the national and international levels and ensure equal access to justice for all

Addressing limitations in the rule of law and justice sectors are key to enable progress towards 2030 Agenda.¹ SDG target 16.3 has the potential to significantly accelerate the achievement of SDG 8 and SDG 17 in Cambodia as lack of transparency and accountability is seen as an obstacle to investments and private sector development, and a contributor to the decreasing Cambodia's rankings in the ease of doing business³

The promotion of SDG 16.3 Rule of Law will benefit other SDGs such as SDG 6. Clean water and sanitation. The Mekong delta's water is a "common" shared resource, and its governance directly impacts millions in Cambodia.²

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¹Human Rights Committee (CCPR/C/KHM/CO/3); HR Council Resolution 48/23; and CCPR/C/KHM/CO/3, and third cycle of UPR (110.123).

²<https://www.mrcmekong.org/our-work/mekong-integrated-water-resources-management-project/>

³World Bank, 2019. Doing Business project (doingbusiness.org). <https://data.worldbank.org/indicator/IC.BUS.EASE.XQ?locations=KH>



Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/KHM/synergies-and-tradeoffs>

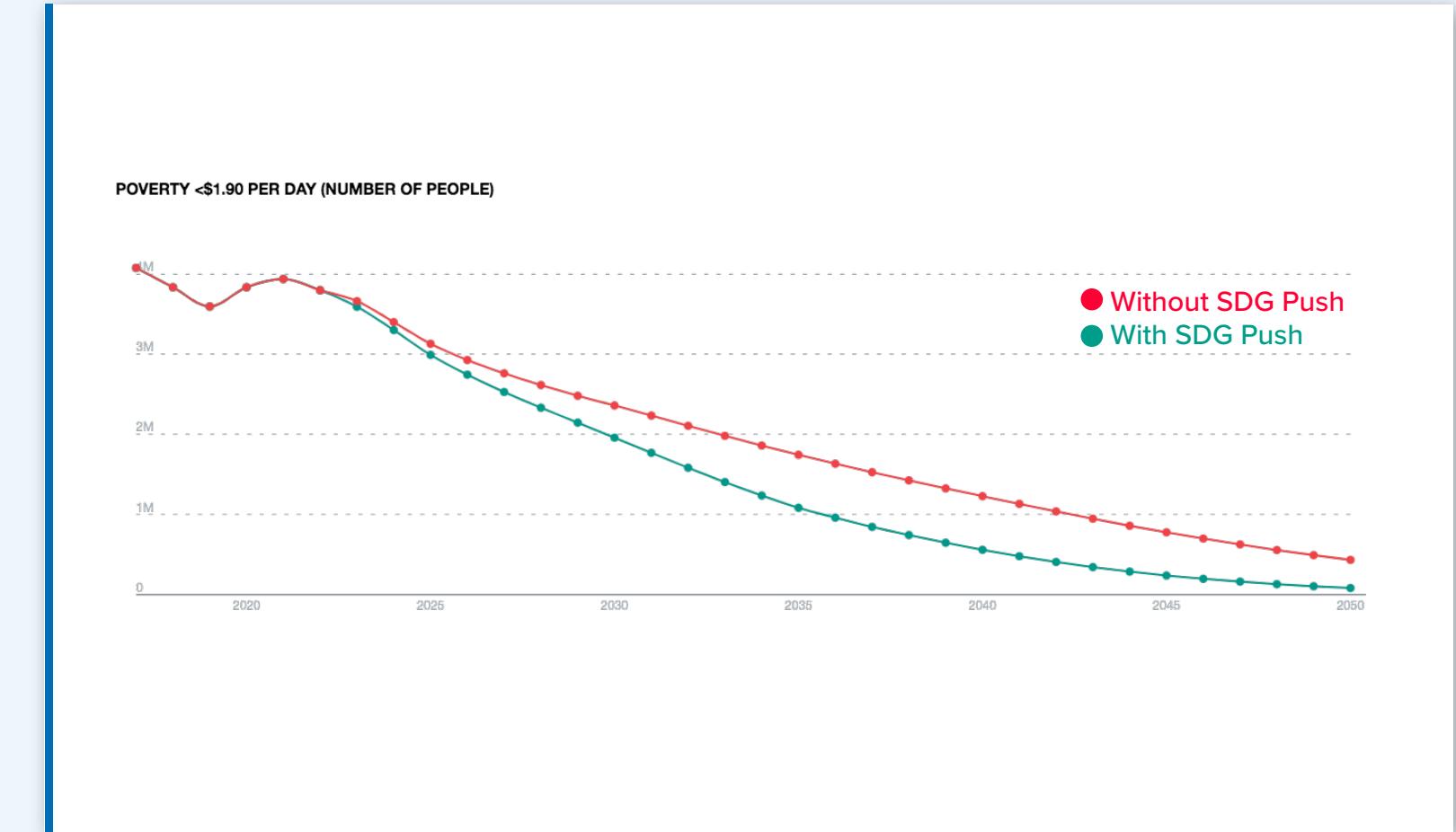
FUTURES SCENARIOS

Achieving the SDGs is possible and is a priority for the Royal Government of Cambodia.

The ‘SDG Push’ is a futures scenario based on 48 integrated accelerators in the areas of Governance, Social Protection, the Green Economy and Digital Disruption. It uses national data to explore the impact on human development by 2030 and by 2050 across key SDG indicators, extrapolating the latest economic growth trends and assuming a reduction in inequalities across time.

Incorporating ‘SDG Push’ accelerators into development planning and interventions can enhance resilience and reduce the number of people living and/ or falling back into poverty over time.

People living in poverty	By 2030	By 2050
Without the SDG Push	2.4M	430K
With the SDG Push	2M	83K



Explore SDG Futures Scenarios at:

<https://data.undp.org/sdg-push-diagnostic/KHM/future-scenarios>

FINANCE & STIMULUS

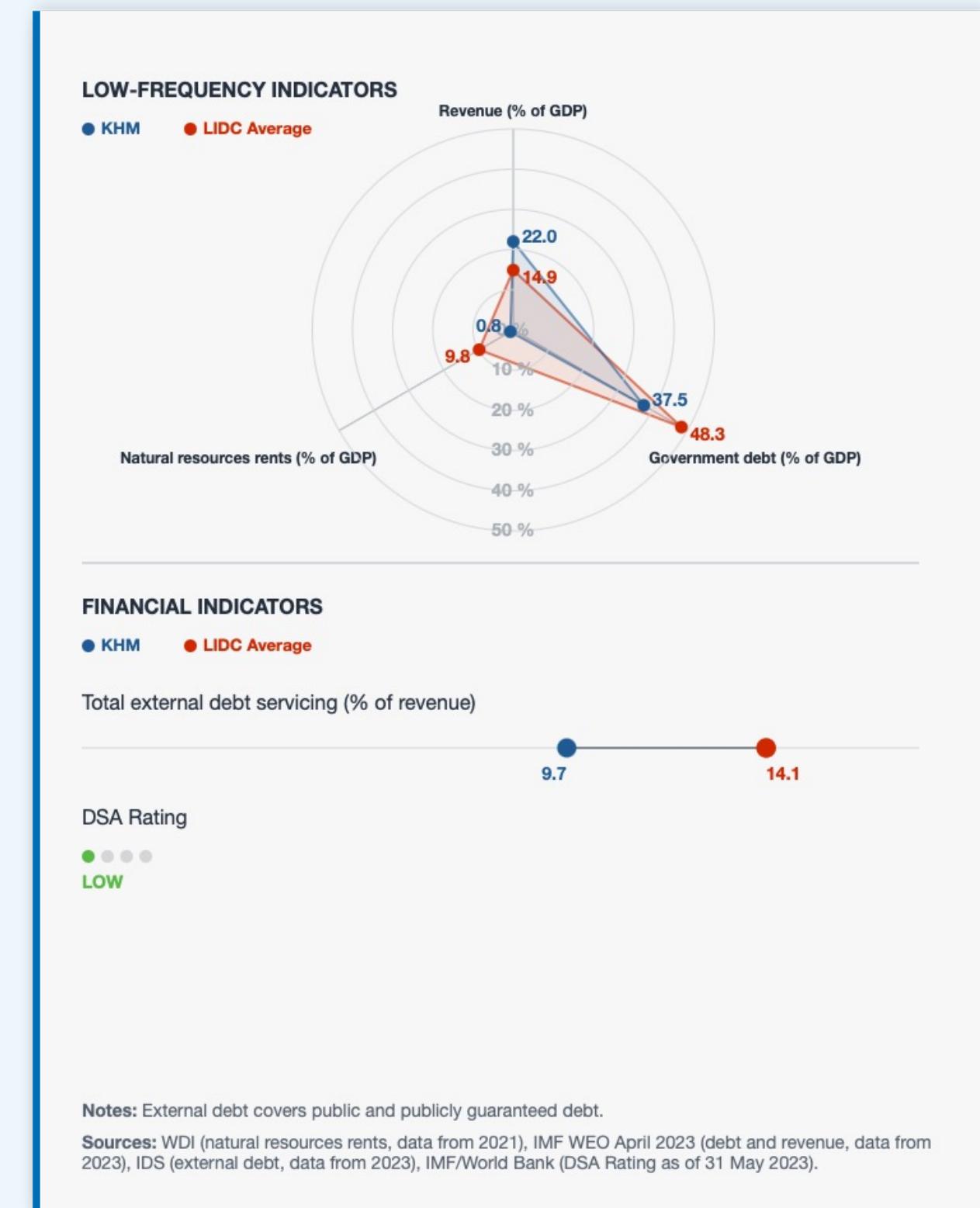
The radar diagram shows low frequency data points linked to government revenue, debt, and natural resources rents as a proportion of GDP. The financial indicator graphs show external debt servicing relative to revenue as well as the country's latest Debt Sustainability Assessment (DSA) risk rating (IMF; WB, 2023).

Cambodia's gross government debt is expected at 37.5% of GDP in 2023, which is about a third less than the low-income developing countries (LIDC) average of 48.3%. The country is expected to collect 22% of GDP in revenue this year, thus more than a third more than the LIDC average of 14.9%.

Cambodia's public external debt servicing this year is expected to reach 9.7% of revenue, which is about a third below the LIDC average of 14.1%. According to the latest World Bank and IMF DSA from December 2022 the country is rated as in 'low risk of debt distress'.

Cambodia is financially robust due to its moderate fiscal stance. The Kingdom only borrows for productive investments in infrastructure and is implementing a Revenue Mobilization Strategy 2019-2023 that ensures contributions to public spending.

Challenges such as high private and corporate debt levels and increasing exposure to climate-related shocks are impacting economic growth and resilience.



SDG STIMULUS

Government revenue and public spending are increasing annually while development results are marginally achieved, creating less impact per US\$ allocated.¹ Achieving the Sustainable Development Goals (SDGs) is still a long-term plan.

Along with the SDG budget-tagging exercises, which provide insights on efficiently allocating public funds for a relative increase in public goods and service provision, the UN Secretary General's SDG Stimulus Plan lays out a blueprint for action within the existing financial architecture. It includes:

- Providing liquidity to support recovery in the near term
- Better leverage lending
- Aligning financial flows with the SDGs and the Paris Agreement, according to country-level priorities and needs, for example through the roll-out of the UN Integrated National Financing Framework (INFFs), that would leverage investments in people and digital transformation.

Recognizing the fiscal landscape, the Cambodian government is exploring innovative financing to achieve its developmental aspirations and address current challenges. Possible funding options for the investments derived from the identified interlinkages, while retaining a healthy debt to GDP ratio, are as follows:

- Tax and revenue reform
- Climate finance or green bonds
- SDG-aligned business environment and investment
- Accessing financial markets and insurance
- Blended and public-private finance.

¹Cambodia Economic Update - Post-COVID-19 Economic Recovery : Special Focus - From Spending More to Spending Better: Toward Improved Human Development Outcomes (English). Washington, D.C. : World Bank Group.

United Nations Secretary-General's SDG Stimulus to Deliver Agenda 2030

FEBRUARY 2023



METHODOLOGY

Click [here](#) to view the Methodological Note for the Integrated SDG Insights



SDG MOMENT

Methodology

Assesses challenges and opportunities in national growth trajectories with insights on environmental sustainability and inclusiveness.

Data Sources

Future trajectories to 2025 are based on IMF-WEO GDP projections, distributions of per capita income or consumption from the World Bank, and CO₂ emissions from the Global Carbon Budget 2022 and EDGAR (JRC and IEA).



TRENDS & PRIORITIES

Methodology

SDG trends tracks progress from 2015 to date for the 231 indicators. National priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents.

Data Source

Trends utilizes official [UN statistics](#) to assess [SDG progress](#), supplemented with national data when available. Priorities uses a custom-built model for SDG classification. The policy documents analyses are provided by Governments.



INTERLINKAGES

Methodology

Global target-level interlinkages are drawn from the [KnowSDGs Platform by European Commission](#). SDG interlinkages were retrieved through a structured literature review in Scopus and Google Scholar to tap both grey literature and peer-reviewed publications as a source of information.

Data Source

The exercise globally considered a total of 454 documents published from 2015 to August 2022. ([Miola et al., 2019](#) updated in [2021-2022](#))



FINANCE & STIMULUS

Methodology

Provides insight into indicators of fiscal and financial stress with options (INFF) for stimulus and other means to accelerate progress.

Data Source

Most recent resource data from UNU-WIDER GRD (between 2018 and 2021), debt and revenue from IMF WEO (between 2020 and forecasts for 2023), external debt from IDS (2023), yields from Haver Analytics (8 June 2023), credit ratings from S&P, Moodys and FITCH (2023), and DSA ratings from World Bank/IMF (31 May 2023).