

# CAMBODIA'S ROADMAP FOR SUSTAINABLE DEVELOPMENT

## THE NATIONAL ENVIRONMENT STRATEGY AND ACTION PLAN

Cambodia's National Environment Strategy and Action Plan, 2016–2023 (NESAP) aims to ensure that environmental protection and sustainable natural resource management are pillars of the country's socioeconomic development.

The NESAP — Cambodia's first national environment plan since 2002 — provides a roadmap for the country to achieve many of its Sustainable Development Goals.

The NESAP gives a detailed analysis of the state of the environment in Cambodia, and outlines priority policy and governance improvements and financing mechanisms that can help the country achieve environmentally sustainable economic development. A \$260-million pipeline of current and planned environmental projects and programs is included in the NESAP.

Work on the NESAP and a national environment code to strengthen legal frameworks for environmental management began in 2015. The NESAP was endorsed by the National Council for Sustainable Development (NCSD) in October 2017 and then by the Royal Government of Cambodia in December 2017.

The NESAP development process was overseen by a task force comprising 16 line ministries and institutions and the participation of other relevant stakeholders. The Greater Mekong Subregion Core Environment Program provided extensive support to the process. Consultations with stakeholders on the NESAP were held across Cambodia, and involved hundreds of representatives from government ministries, civil society, and development organizations.

This brief introduces the main elements of the strategy and action plan.



# STATE OF ENVIRONMENT AND NATURAL RESOURCES

Drawing on latest data and information, the NESAP assesses the environmental situation in Cambodia. The assessment covers biodiversity, land and soil, forests, the protected area network, marine and coastal ecosystems, fisheries, minerals, and water resources, etc. The NESAP examines the impacts of pollution and climate change on the environment. It also looks at how agriculture, industry, tourism, trade, transport, and urban sectors rely on and affect the environment and natural resources.

In this analysis, the NESAP identifies many persistent and some emerging environmental issues, including the following:

- Substantial threats to biodiversity and ecosystem services from land use changes (agricultural intensification, for example), forest degradation, climate change, and pollution.
- Various and considerable development pressures on the protected area system and marine and coastal areas.
- Loss of wild fisheries due to unsustainable fishing and ecosystem damage.
- Indoor air pollution and forest loss from a reliance on fuel wood for rural energy needs.
- More often and severe droughts from climate change and inadequate water management.
- Increasing air, water, and soil pollution from economic development activities, including the rapidly growing manufacturing sector.
- Increasing greenhouse gas emissions from transport, and the vulnerability of transport infrastructure to climate change.

The NESAP's assessment of environmental governance concluded that although significant improvements have been made in recent years, much more needs to be done. This includes improving coordination between ministries, making legal and policy frameworks more cohesive, achieving greater decentralization, building technical capacity, increasing private sector participation, and raising public awareness.

The NESAP reviews government strategies, policies, and action plans relating to the environment. Some, such as the Rectangular Strategy Phase III and the National Strategic Development Plan, are crosscutting, while others focus on specific issues, such as disaster risk reduction and biodiversity conservation. The NESAP introduces priorities for environmental sustainability, as identified in the plan's development process. It also identifies key challenges, risks, and opportunities to achieve the priorities.

## CONSTITUTIONAL AND LEGAL BASIS

The NESAP has a solid constitutional and legal foundation. The plan has a clear basis in the Constitution, in particular Article 59 on the management and protection of the environment and natural resources. It will also help enact the Law on Environmental Protection and Natural Resource Management, 1996 and

the environment code, once promulgated. The NESAP closely aligns with national socioeconomic and sustainable development strategies and plans. These include the Rectangular Strategy Phase III, 2014–2018 and the National Strategic Development Plan, 2014–2018.

“ The NESAP is a strategy for all government ministries as well as the private sector, civil society, and development partners to integrate environmental concerns into economic policies and investments. ”

H.E. Say Samal, Minister of Environment, Cambodia

## THE CORE ENVIRONMENT PROGRAM'S CONTRIBUTION

The Core Environment Program will be an important partner of Cambodia to realize the NESAP's objectives. Under the Core Environment Program's Strategic Framework and Action Plan, 2018–2022, two large investments have been identified that will directly support the NESAP's implementation. One will support integrated and sustainable land-use management; the other aims to improve the quality of the rural environment, focusing on pollution control and waste management.



## THE STRATEGY AND ACTION PLAN

The NESAP outlines its strategy and action plan by introducing what it calls the “three Hs” that are essential for achieving balanced and long-term development. The three Hs are the following:



**Head:** All levels of administration have strong political will and the commitment to contribute to cross-sector coordination and inclusive and sustainable development.



**Heart:** All key actors and decision-makers are committed and devoted to common goals for moving toward pro-green and equitable development.



**Hands:** Human and financial resources and science and technology resources, are available for informing decisions and sustaining actions to achieve the NESAP vision, mission, and objectives.

The **vision** of the NESAP is “to strengthen enabling conditions and leverage environmental and natural resources development and conservation for sustained and stable social and economic growth in Cambodia.”

There are two **mission** statements. The first mission is that the NESAP will provide a roadmap

to mobilize resources and guide the actions of key stakeholders to achieve balanced and inclusive development. These stakeholders include ministries and institutions, the private sector, civil society, and development organizations. The second mission of the NESAP is to prioritize sectors, programs, and projects on which to focus initial efforts. By doing so, this will demonstrate, in the near term, the opportunities and benefits of shifting to more inclusive and green development.

There are three **guiding principles** for the NESAP. The first emphasizes the need for greater resource use efficiency and more effective efforts to prevent environmental degradation (rather than rely on costly “restorative” measures). The second principle calls for the right balance to be struck between command-and-control environmental management instruments to “internalize” costs and actions. Such instruments include polluter- and user-pay schemes, green investment incentives, and environmentally friendly certification initiatives. The third guiding principle is to ensure that implementation is participatory and has broad-based ownership. To achieve this, the NESAP programs and projects should be in line with development priorities, build upon the collective knowledge and experience of stakeholders, and be socially and culturally sensitive.



## STRATEGIC OBJECTIVES AND THE ACTION PLAN

The NESAP has four overarching strategic objectives that cover governance, resource efficiency, financing, and capacity strengthening and awareness raising. To achieve them, there are 14 objectives, each with priority activities (70 in all).

### Strategic Objective 1

To strengthen cross-sector collaboration, instruments, and guidelines to improve coordination, regulations, and delivery functions for sustainable development outcomes.

#### Objectives

- To strengthen cross-sector coordination for mainstreaming environmental conservation and the sustainable use of natural resources.
- To strengthen and scale up inter-ministerial collaboration for promoting environmental conservation and the sustainable use of natural resources.
- To strengthen and scale up spatial planning and classification for land use to promote more productive and sustainable use of land and to reduce poverty.
- To promote good environmental governance for halting biodiversity loss and for sustaining ecosystem services and functions.
- To build institutional and human capacity for applying environmental policy tools and instruments and to support the implementation of the environment code.

### Strategic Objective 2

To improve resource use efficiency for a healthy environment and social wellbeing, while increasing business competitiveness and incentivizing technological innovation.

#### Objectives

- To promote the development and application of innovative technology, products, and services.
- To promote inclusive, safe, resilient, and sustainable cities and human settlements.

- To support national line agencies and subnational administration units to improve waste management and to achieve reduce, reuse, and recycle targets.
- To improve the management of chemical and hazardous waste.

### Strategic Objective 3

To develop and implement financing mechanisms, benefit-sharing schemes, and fund mobilization plans to modernize environmental conservation and natural resource management.

#### Objectives

- To strengthen the internalization of environmental costs, and the use of fiscal, policy, and economic instruments to achieve this.
- To integrate sustainability and inclusiveness principles in budgeting, bank lending, and other financing arrangements.
- To support systematic social and economic development decision-making and risk management.

### Strategic Objective 4

To raise public awareness, build individual and institutional capacity, promote technology transfer, and strengthen the application of science and technology to improve the conservation, management, and monitoring of the environment and natural resources.

#### Objectives

- To develop and implement programs for developing and disseminating technology for environmental conservation, natural resource management, and disaster risk management.
- To strengthen public awareness and the application of informed decision making.



## GOVERNANCE AND MANAGEMENT

The NESAP details the roles and responsibilities for implementing its action plan. The National Council for Sustainable Development will oversee the plan's implementation, including monitoring, quality assurance, and financing. Under the council, a NESAP subcommittee will be set up to work closely with ministries and institutions, development partners, the private sector, and civil society organizations.

The Ministry of Environment will be responsible for environmental regulations and conservation initiatives. Other ministries and institutions will be required to help achieve the NESAP objectives by mainstreaming natural resource and environmental sustainability considerations into their activities.

The NESAP envisages the increased participation of local authorities as well as local communities in decision-making, planning, implementation, and monitoring and evaluation.

## FINANCING

The NESAP provides a detailed analysis of available funding streams, and highlights the financing gaps — and opportunities — for implementing the action plan. It identifies \$263 million of current and pipeline projects that will contribute to the plan's implementation. Details about these projects, including which objectives and Sustainable Development Goals they contribute to, are listed in an appendix to the NESAP document.

The funding gaps are also outlined. These include for achieving objectives relating to technology and science transfer, public-private partnerships in green and sustainable development, and chemical and hazard waste management. The NESAP expects that financing requirements will be met by cofinancing among the government, development partners, investment funds, and private sources.

Existing and potential financing mechanisms to implement the NESAP are highlighted. The plan emphasizes the need to improve access to public funds to more effectively use development partner assistance, and to better leverage private sector finance. The NESAP implementation will require innovative and progressive fiscal instruments. It proposes environmental taxation as well as carbon offsetting and payments for ecosystem services schemes, as some examples.

## WAY FORWARD

The NESAP recognizes that the government, with the support of development partners, has taken several measures in recent years to improve environmental protection and natural resource management. The effectiveness of these interventions, however, has been limited by financial constraints, a lack of technical and management capacity, and inadequate coordination. One of the key challenges is incorporating environmental protection and sustainable natural resource management into sector plans and programs.

A business-as-usual approach to the environment is not an option if Cambodia is to develop a low-carbon, climate-resilient, equitable, sustainable and knowledge-based society. The NESAP provides the guidance and road map for the needed reforms and modernization measures to improve the governance of the environment and natural resources.

The government recognizes that mobilizing funds to implement the NESAP is a priority. In lobbying for higher spending on the environment, the National Council for Sustainable Development, the Ministry of Environment, line ministries and institutions must build a convincing case that investing in the environment makes economic sense. The job creation, increased competitiveness in trade, and better access to global markets that stem from green growth initiatives can provide much of this evidence.

Ministries and institutions need to mainstream natural resource and environmental sustainability considerations into their strategies, programs, and projects. Clear guidance on how they can do this and addressing their resource needs will be of utmost importance.



## ABOUT THE CORE ENVIRONMENT PROGRAM

The Core Environment Program (CEP) supports the Greater Mekong Subregion (GMS) in delivering environmentally friendly economic growth. Anchored on the ADB-supported GMS Economic Cooperation Program, CEP promotes regional cooperation to improve development planning, safeguards, biodiversity conservation, and resilience to climate change — all of which are underpinned by building capacity. CEP is overseen by the environment ministries of the six GMS countries and implemented by the ADB-administered Environment Operations Center. Cofinancing is provided by ADB, the Global Environment Facility, the Government of Sweden, and the Nordic Development Fund.

Note: Version for 5th GMS Environment Ministers' Meeting



GREATER MEKONG  
SUBREGION  
**CORE ENVIRONMENT  
PROGRAM**

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