



Draft Cambodia's Digital Economy and Society Policy Framework 2021-2035

Nguonly Taing

20 April 2021

Unofficial Translation from the Original Material



Content of the Draft of Cambodia's Digital Economy and Society Framework

01

Introduction

Context, Concept,
Digital Transformation
Potential and Impact on
Economy and Society

02

Readiness for Digital Transformation

Readiness to Develop and
Adopt Digital
Transformation based on
2 Foundations and 3
Pillars

03

Policy Framework

Vision, Objective, Target,
Guiding Principles and
Policy Measure

04

Implementation and Coordination Mechanism

Implementation,
Coordination and
Institutional Arrangement

05

Risk Management

Internal and
External Risk

06

Conclusion

Conclusion

Global Context and Rationale

1

Context and Rationale

2

Digital Transformation on Socio-Economic Sectors

3

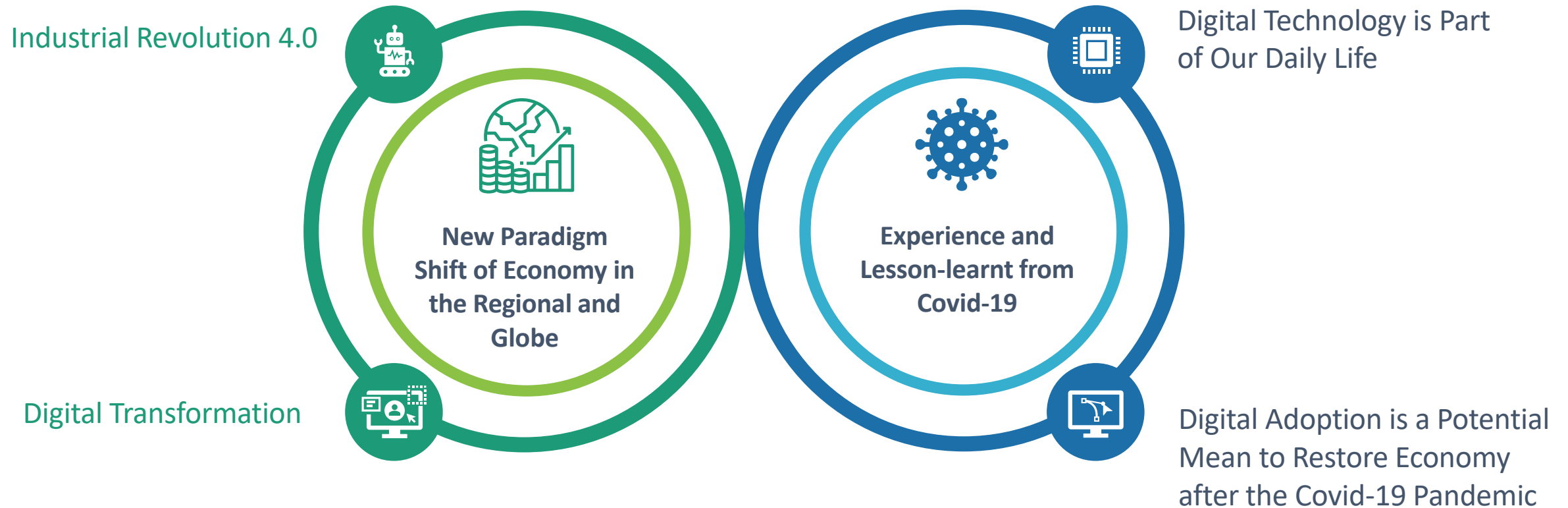
Cambodia's Digital Economy and Society

4

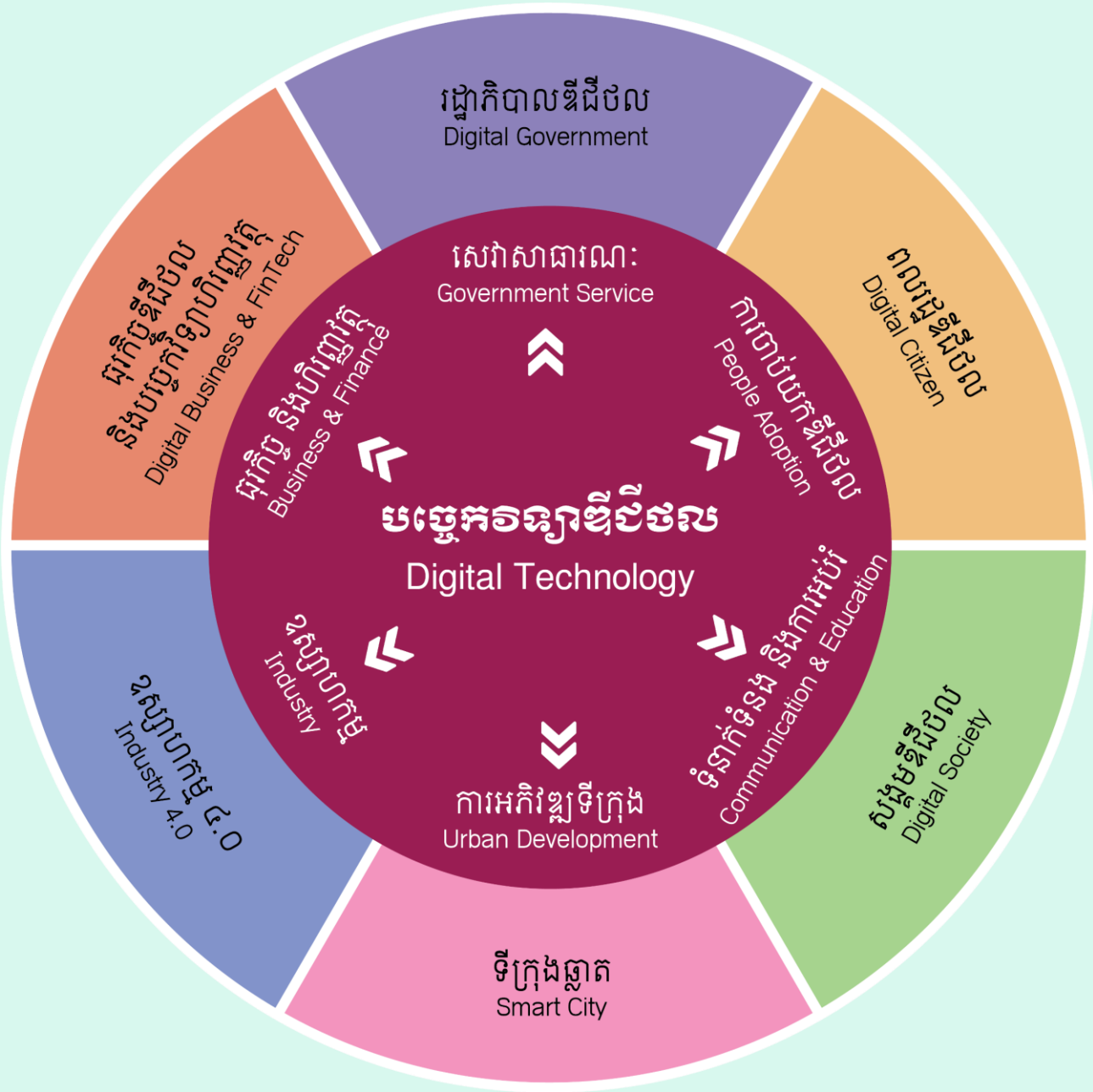
Potential Vs. Impact to Economic and Society

Context

Founded on Rectangular Strategy Phase IV, Cambodia has to embrace digital economy and IR 4.0.



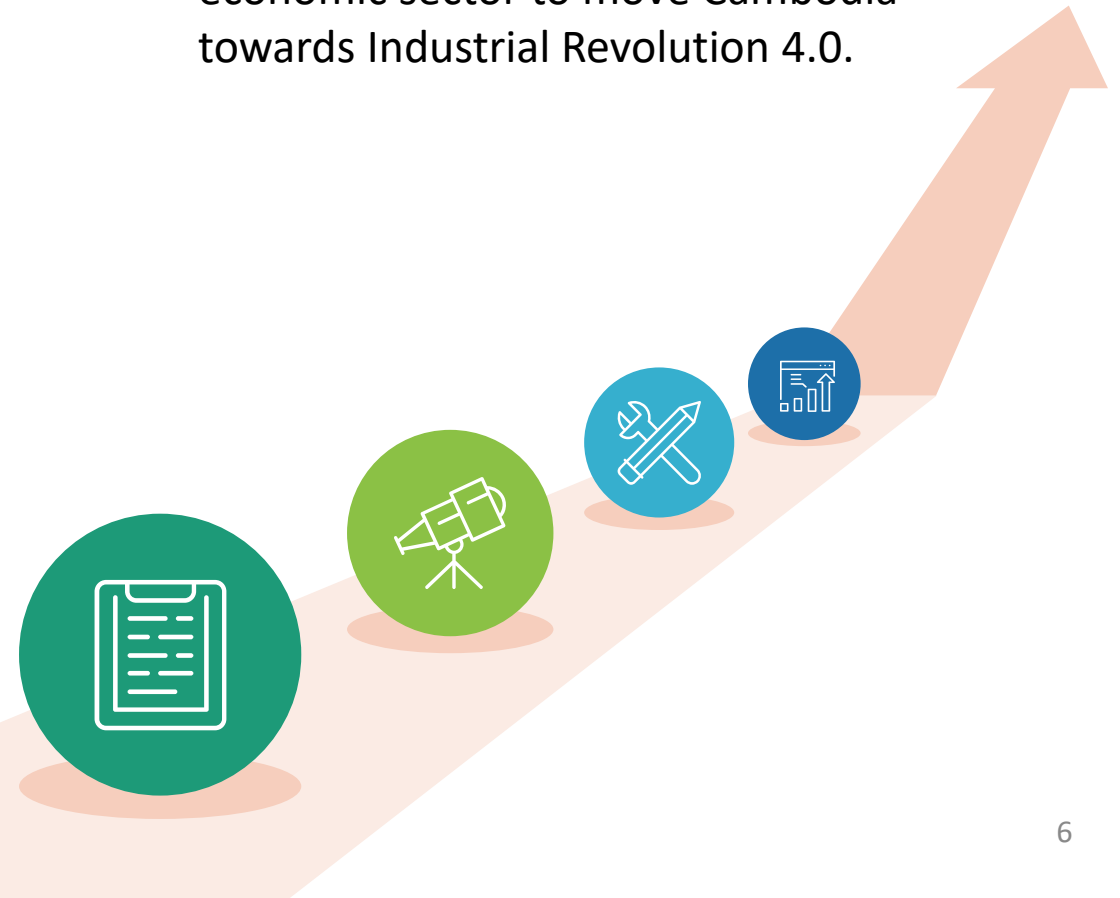
Digital Transformation on Social and Economic Sectors



Cambodia's Digital Economy and Society

Cambodia's Digital Economy and Society refers to the digital transformation on every socio-economic sector through the utilization of and take a maximum advantage on the advancement of ICT and digital technology to boost the economic growth and efficiency towards building a civilized society founded on the digital citizen who adopt the digital services with inclusion, trust, safety, and still maintaining our national identity and culture.

The achievement of technology utilization to modernize every socio-economic sector to move Cambodia towards Industrial Revolution 4.0.



Potential Vs. Impact to the Socio-Economics

Potential

- Link to regional and global value chain
- Promote commerce and business activities
- Create jobs, skills and investment
- Improve public services

- Close the gap and open communication, engagement and interaction without limitation on social status, geography, gender, religion and nationality.



Impact

- Structural change in workforces and jobs
- Change in taxation
- More investment

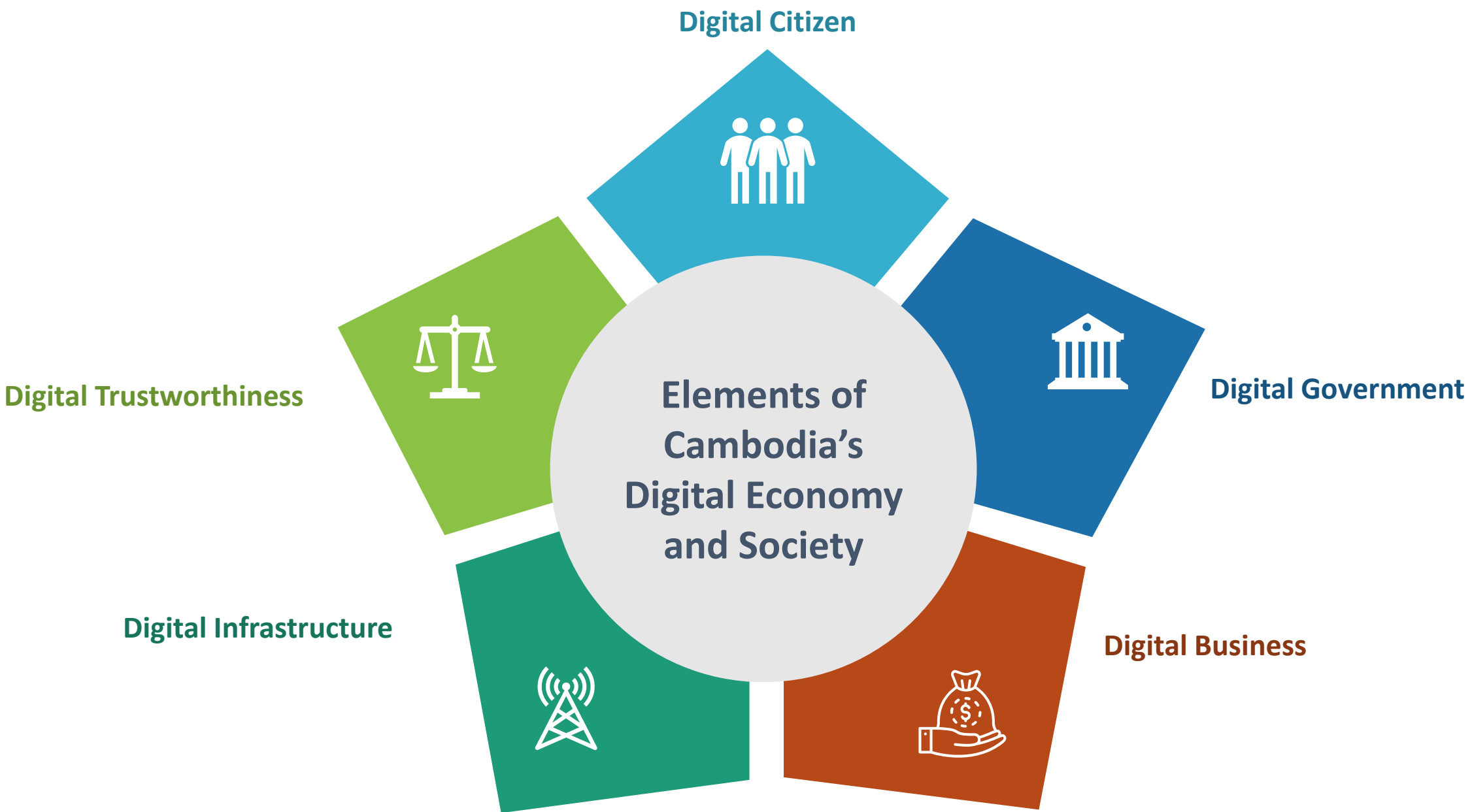
- Culture, tradition and communication
- Concern on privacy, fake news
- Cybercrime

Cambodia Readiness Assessment

- 1 International Best Practices
- 2 Elements of Cambodia's Digital Economy and Society
- 3 Digital Adoption Status in Cambodia
- 4 Challenges

International Best Practices on Digital Economy

CISCO Digital Readiness Index	World Bank Digital Economy Framework	Digital Economy and Society Index by EU	Enablers of Digital Economy in Southeast Asia
<ol style="list-style-type: none"> 1. Basic Needs 2. Business and Government Investment 3. Ease of Doing Business 4. Human Capital 5. Startup Environment 6. Technology Adoption 7. Technology Infrastructure 	<ol style="list-style-type: none"> 1. Non-Digital Foundation 2. Digital Foundation 3. Digital Sector 4. Digital Adoption by Public and Private Sector and Citizen 5. Impact on Economic growth 	<ol style="list-style-type: none"> 1. Connectivity 2. Human Capital 3. Use of Internet Services 4. Integration of Digital Technology 5. Digital Public Services 	<ol style="list-style-type: none"> 1. Connectivity 2. Trustworthiness 3. Digital Payment 4. Financing 5. Skill 6. Logistics

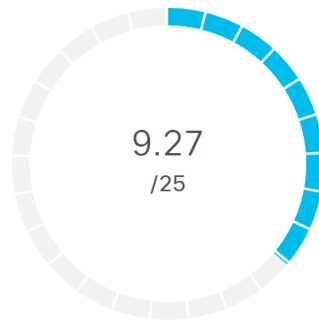


Digital Readiness Status

Cambodia has prepared to digital adoption but at the low pace.

Select Country... ▼

Cambodia
102nd Overall score



Activate Accelerate (Low) Amplify
Accelerate (High)

Back to Global View

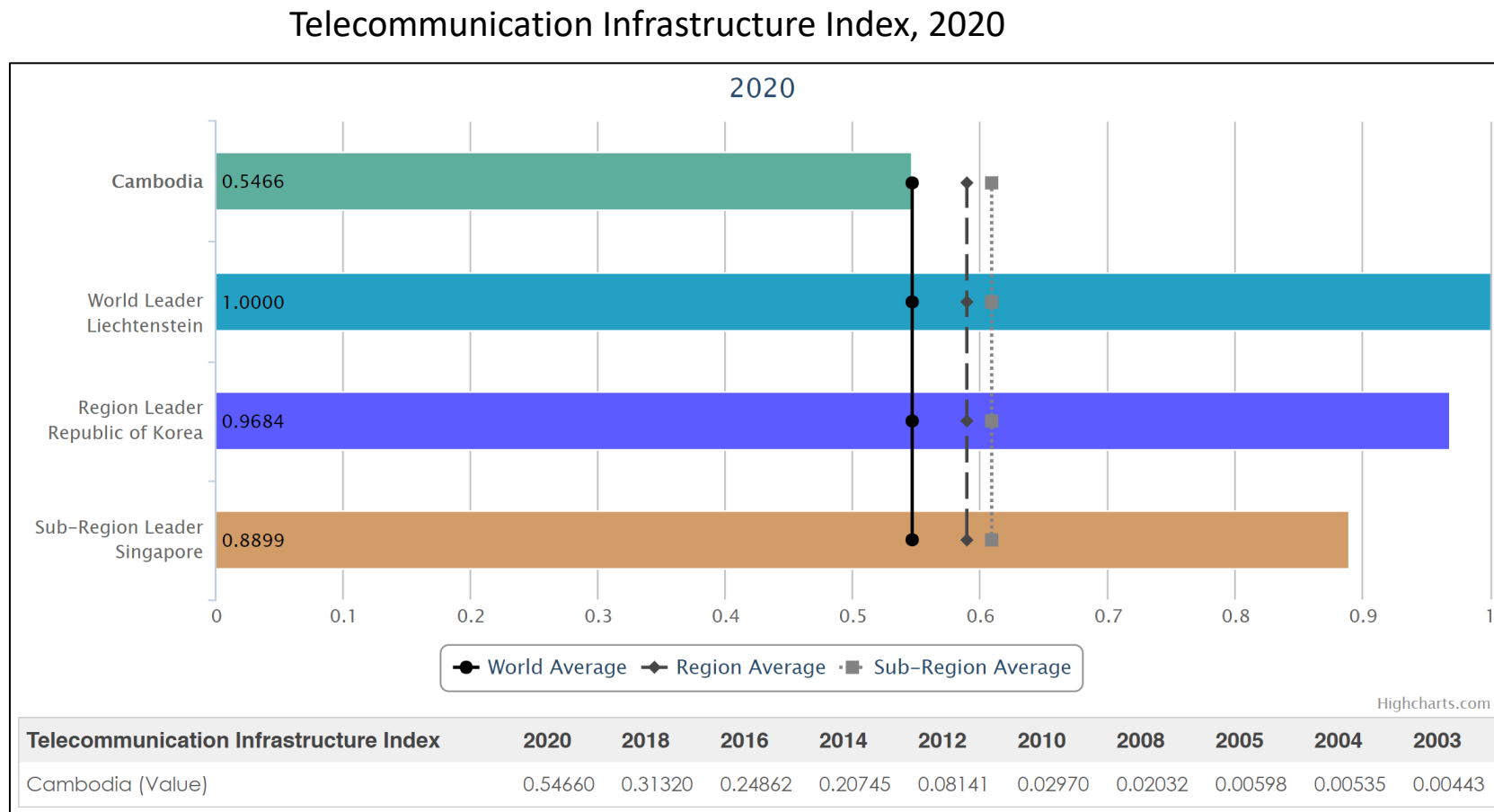


World rank	Component	Score
106th	Basic Needs	/4 2.45
85th	Business & Government Investment	/3 1.17
128th	Ease of Doing Business	/4 1.59
70th	Human Capital	/4 2.54
94th	Start-Up Environment	/3 0.27
100th	Technology Adoption	/3 0.77
100th	Technology Infrastructure	/4 0.47

Source: CISCO's Digital Readiness Index, 2019

Digital Infrastructure Status

Digital infrastructure development has been accelerated yet still low compared to the region.



Source: UN E-Government Knowledgebase, 2020

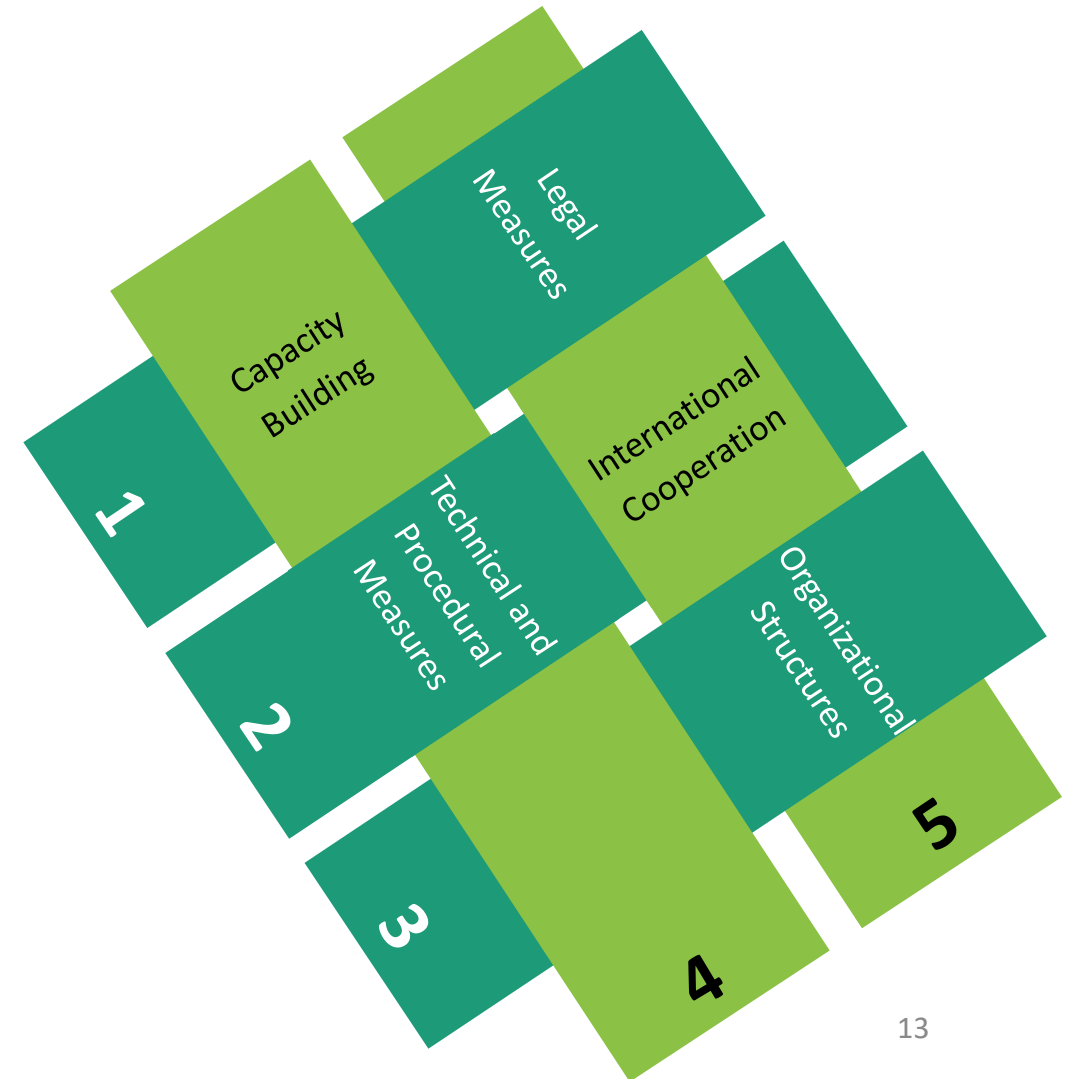
Digital Trustworthiness Status

*Has not yet responded to all cybersecurity related transactions
and activities on the usage of technology*

Global Cybersecurity Index, 2018

Country	Score	Rank in Asia Pacific (38 Countries)	Rank in the World (175 Countries)
England	0.931	-	1
Singapore	0.898	1	6
Cambodia	0.161	27	131
Maldives	0.004	38	175

Source: ITU 2019



Digital Citizen Status Based on Digital Skills

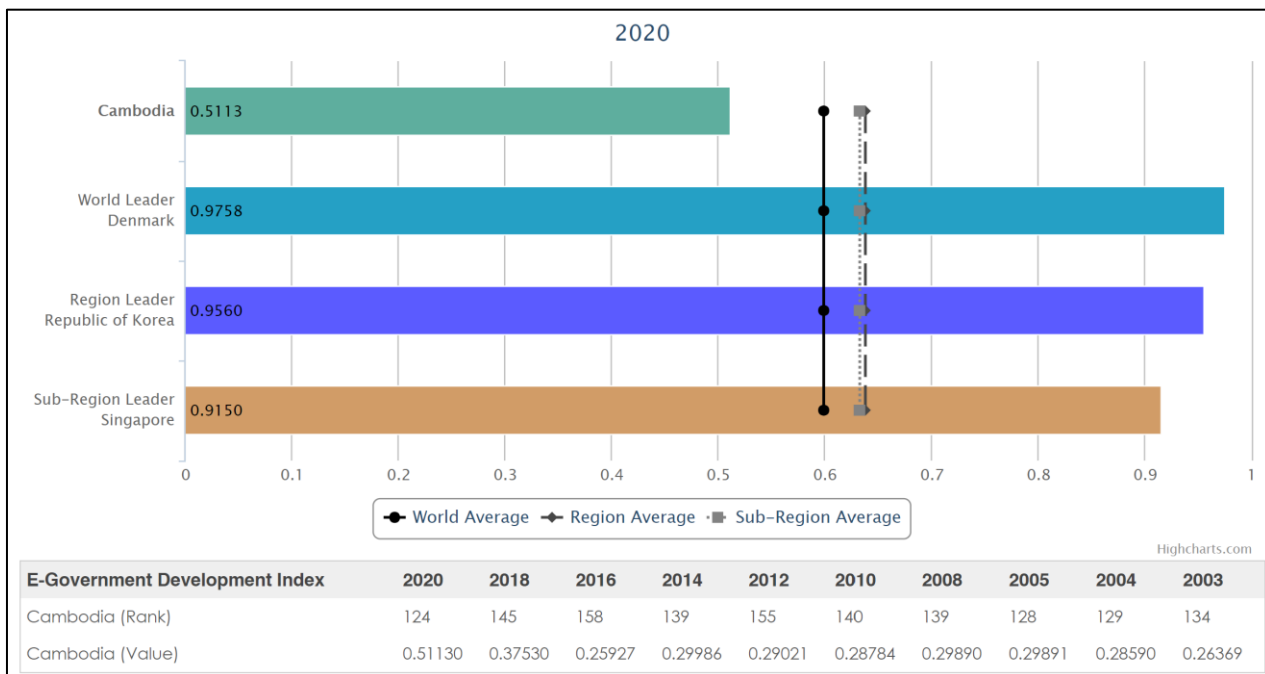
Human capital on digital adoption is remarkably developed but Cambodia still lack talent and workforce on digital skills.

ICT Skills	Skill Type	Thailand	Indonesia	Cambodia
Basic	Copy or change file storage location	-	49.5	27.8
	Copy data or relocate data in a file	5.1	49.5	26.8
	Calculate simple mathematical formulas in computer programs	-	7.9	9.0
Intermediate	Connect or install a new device	-	21.8	1.5
	Transfer files from computer to other devices	25.8	56.6	20.6
	Organize electronic presentations	27.6	7.9	2.5
Advanced	Find, download, install and configure software	7.4	12.5	0.6
	Computer programming using coding language	-	-	0.1

Digital Government Status

Cambodia has made a significant progress in ICT development for the last 2 decades but digital transformation within the government progresses at a slow pace.

E-Government Development Index



Source: UN E-Government Knowledgebase, 2020

E-Government Sub-Index on Public Services

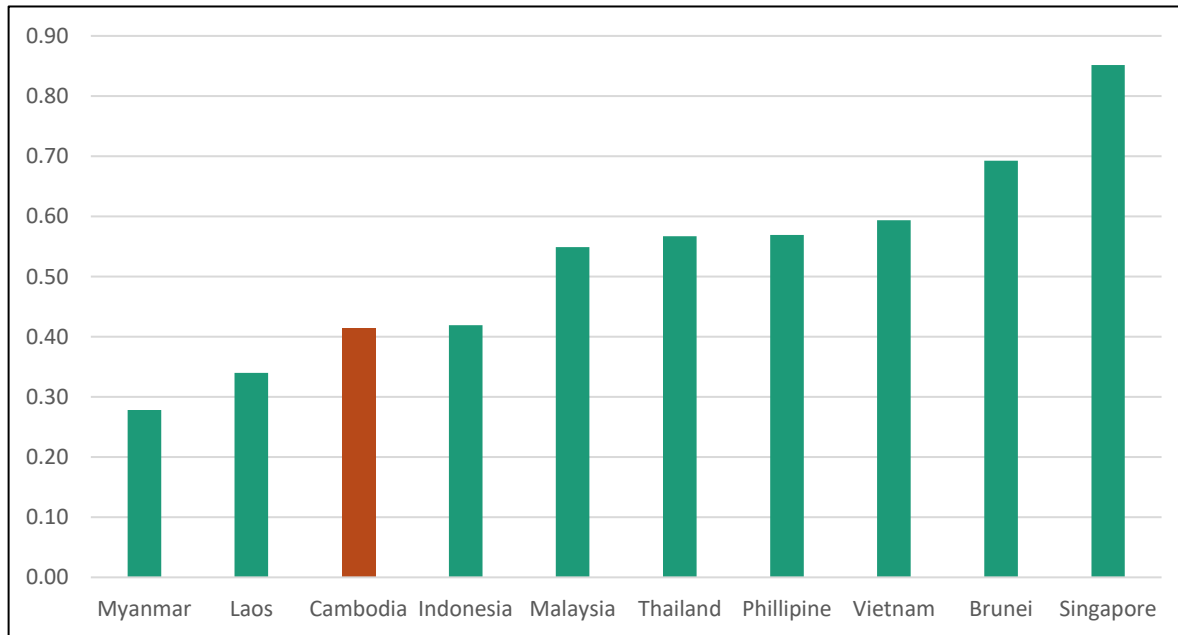
Country	2018	2020
Cambodia	0.25	0.45
Laos	0.17	0.19
Myanmar	0.23	0.26
Vietnam	0.74	0.65

Source: UN E-Government, 2018-2020

Digital Business Status

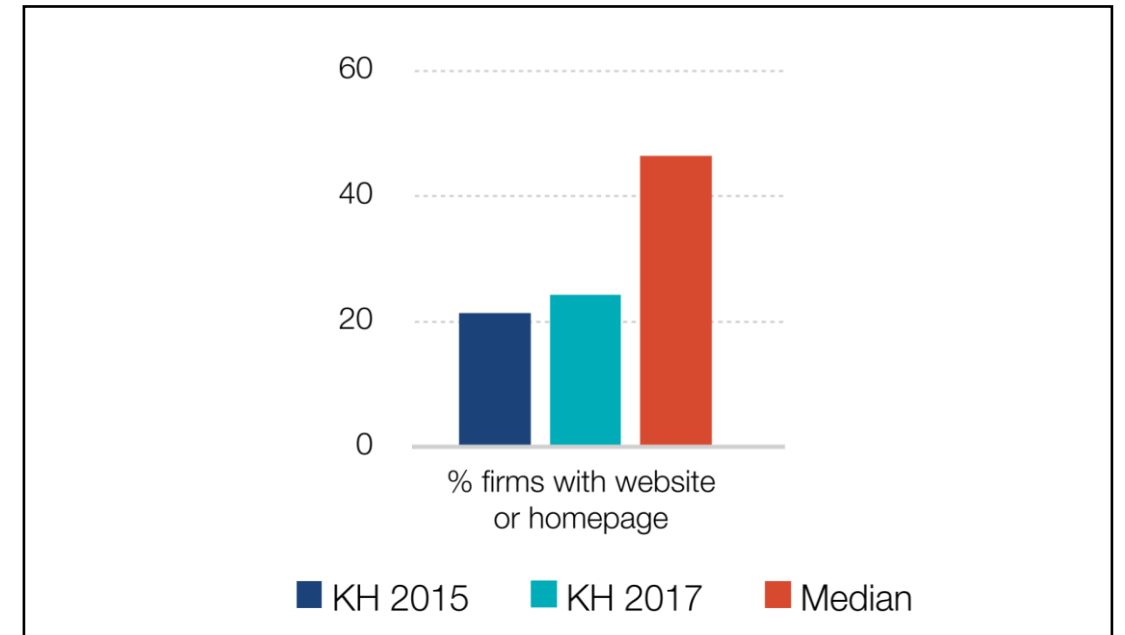
Digital adoption by firms in Cambodia is still limited.

Digital Adoption Index by Firms

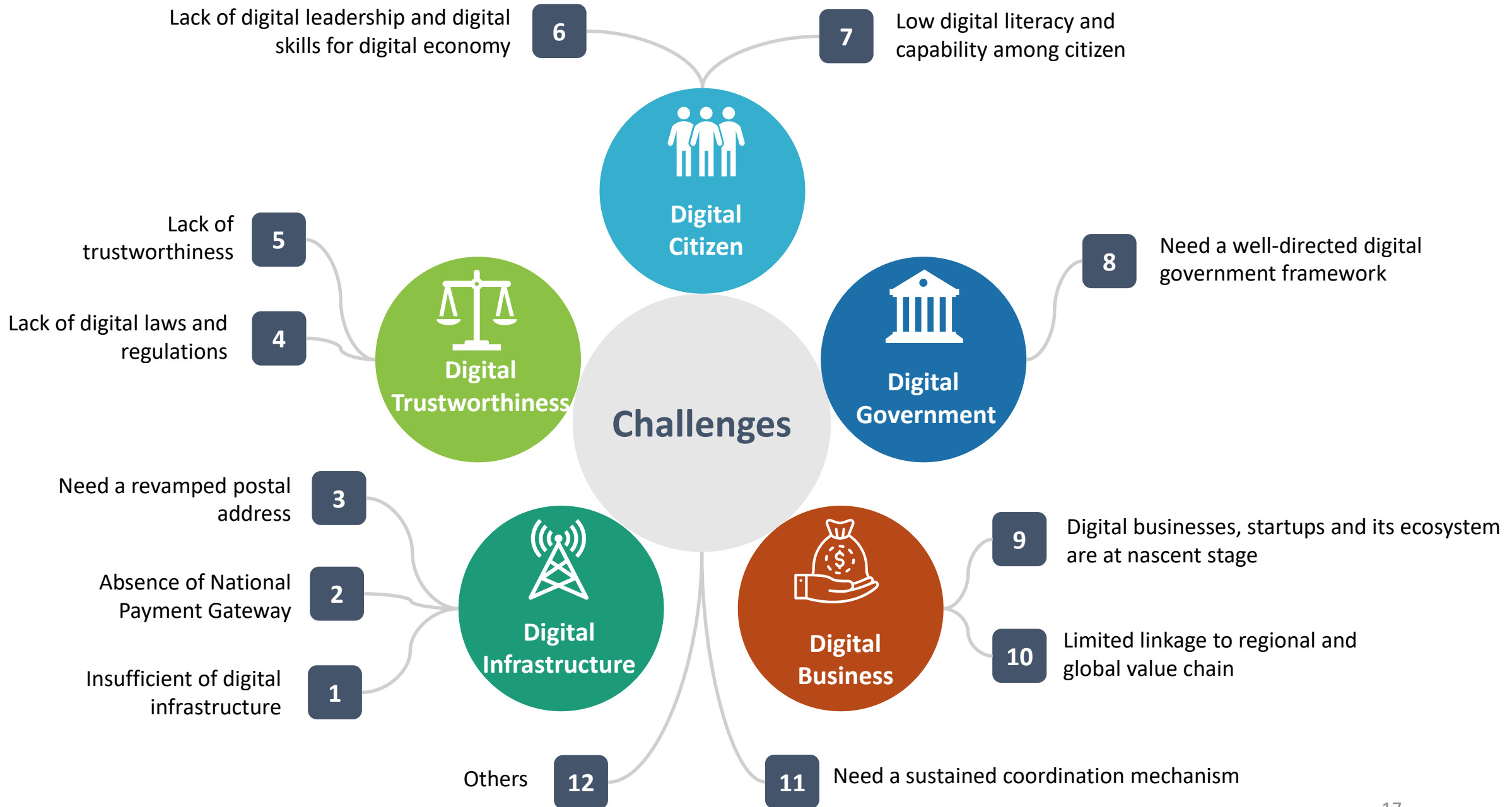


Source: The World Bank, 2018

Digital Adoption by Firms Is Under the Global Median



Source: The World Bank, 2018



Policy Framework

- 1 Vision, Object and Goal
- 2 Cambodia's Digital Transformation Framework
- 3 Principles
- 4 Process of Policy Measure Preparation
- 5 Strategic Priority
- 6 Minimizing the Impact
- 7 Policy Measures
- 8 Synchronization with Digital Government Policy

Vision and Objective



A vibrant digital economy and society founded on the digital adoption and transformation applied to every stakeholders including government, business and citizen to accelerate the new growth of economy and enhance social welfare based on the new normal.



Vision



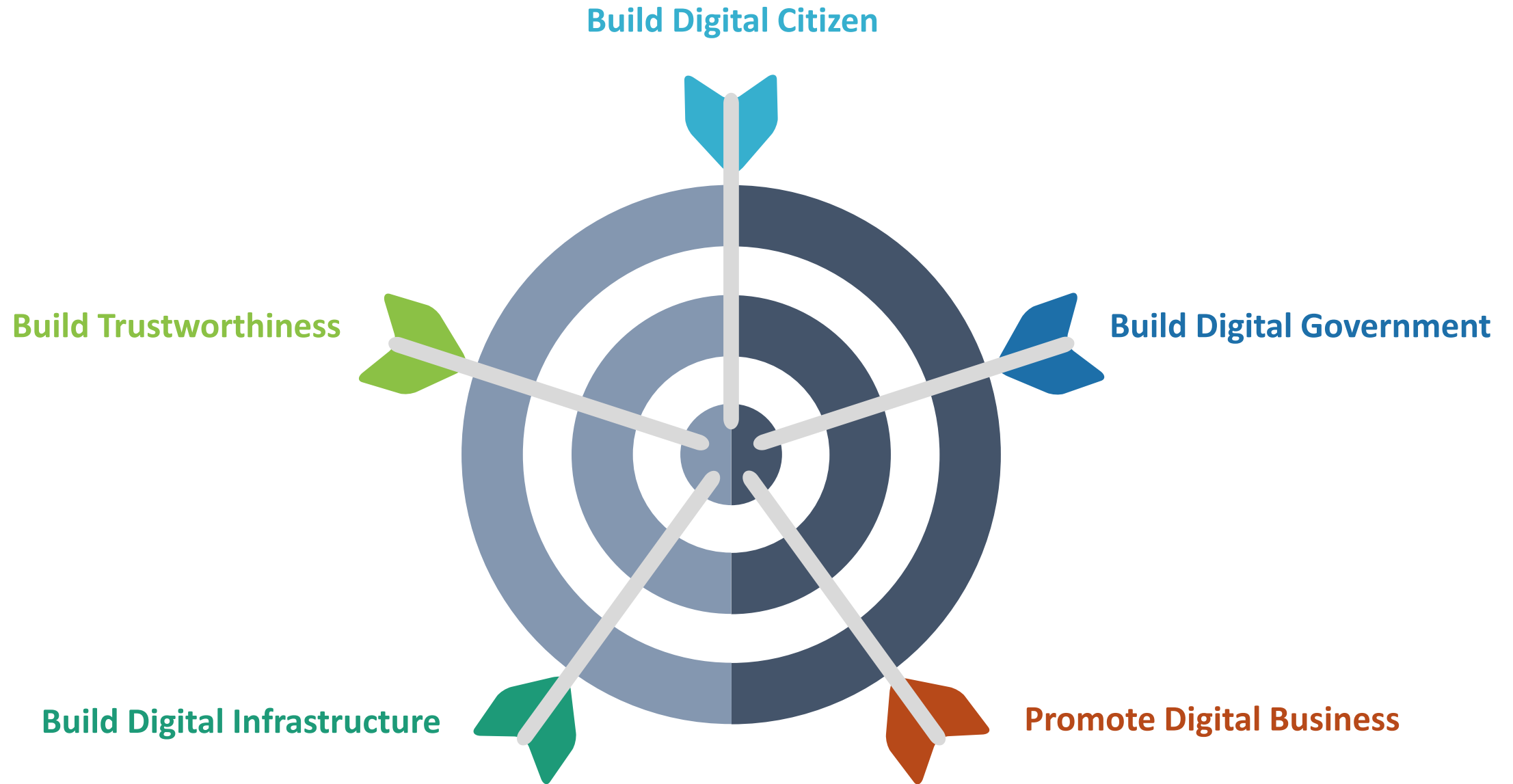
Objective



Building a digital economy to become a new growth driver and to become an ecosystem contributing to increasing economic productivity and efficiency, and to enhance the welfare of the Cambodia's digital society.



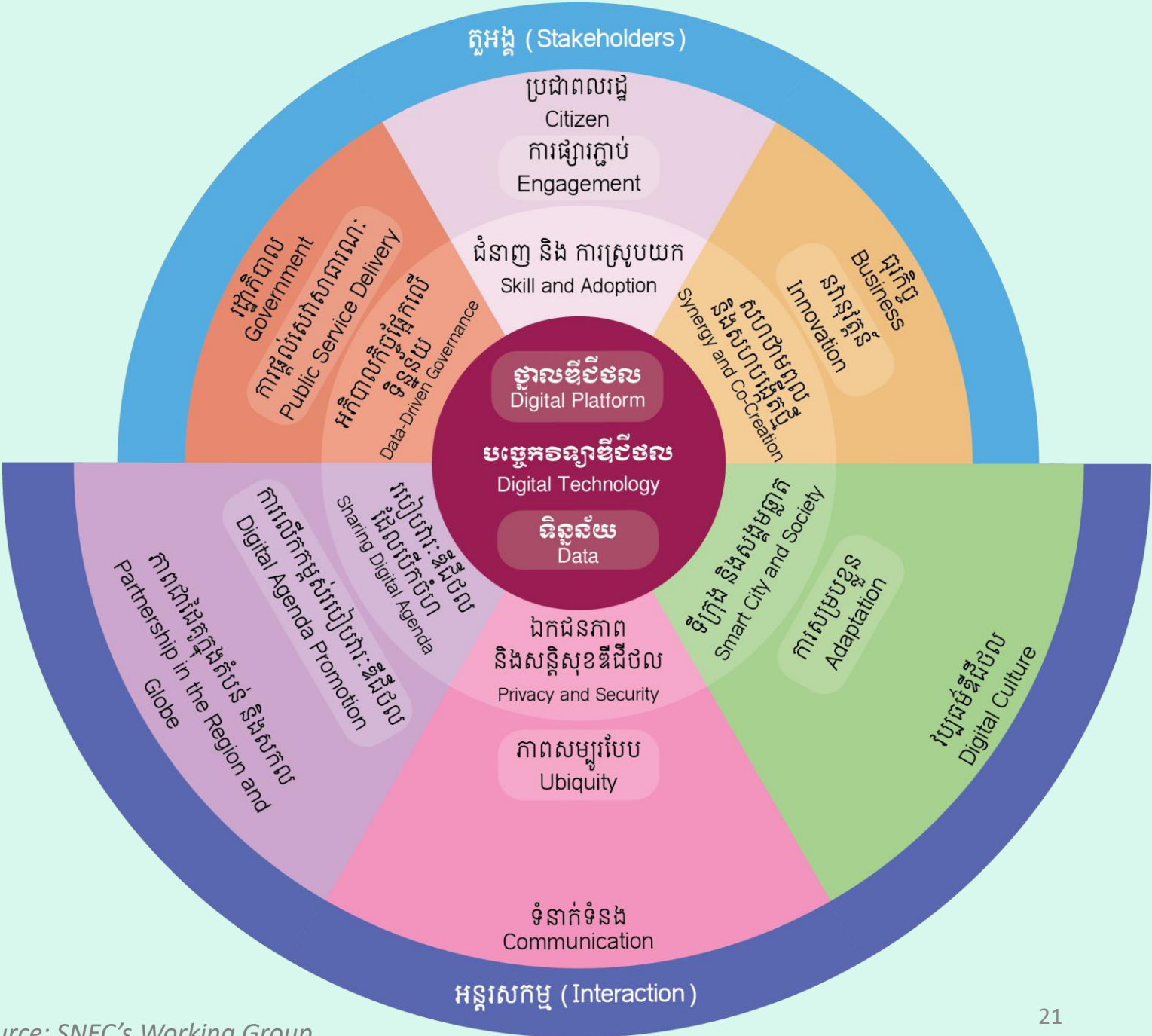
Goal



Cambodia's Digital Transformation Framework

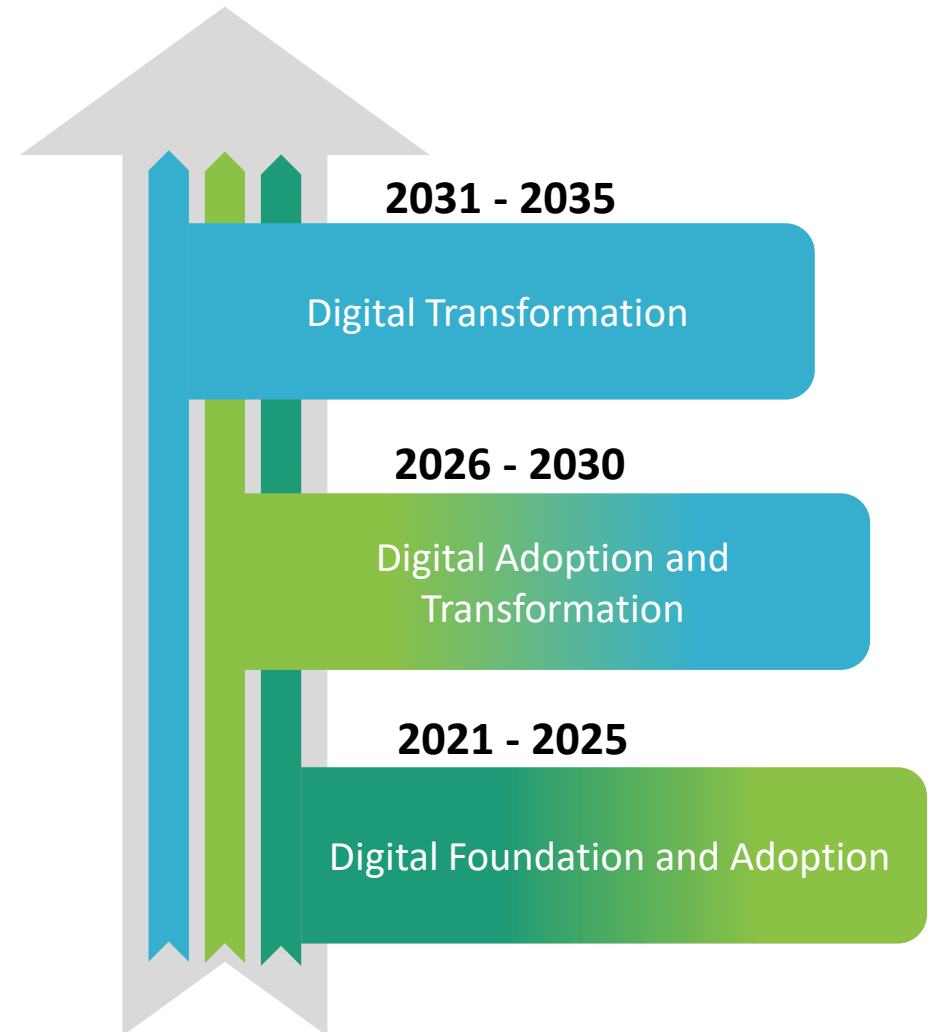
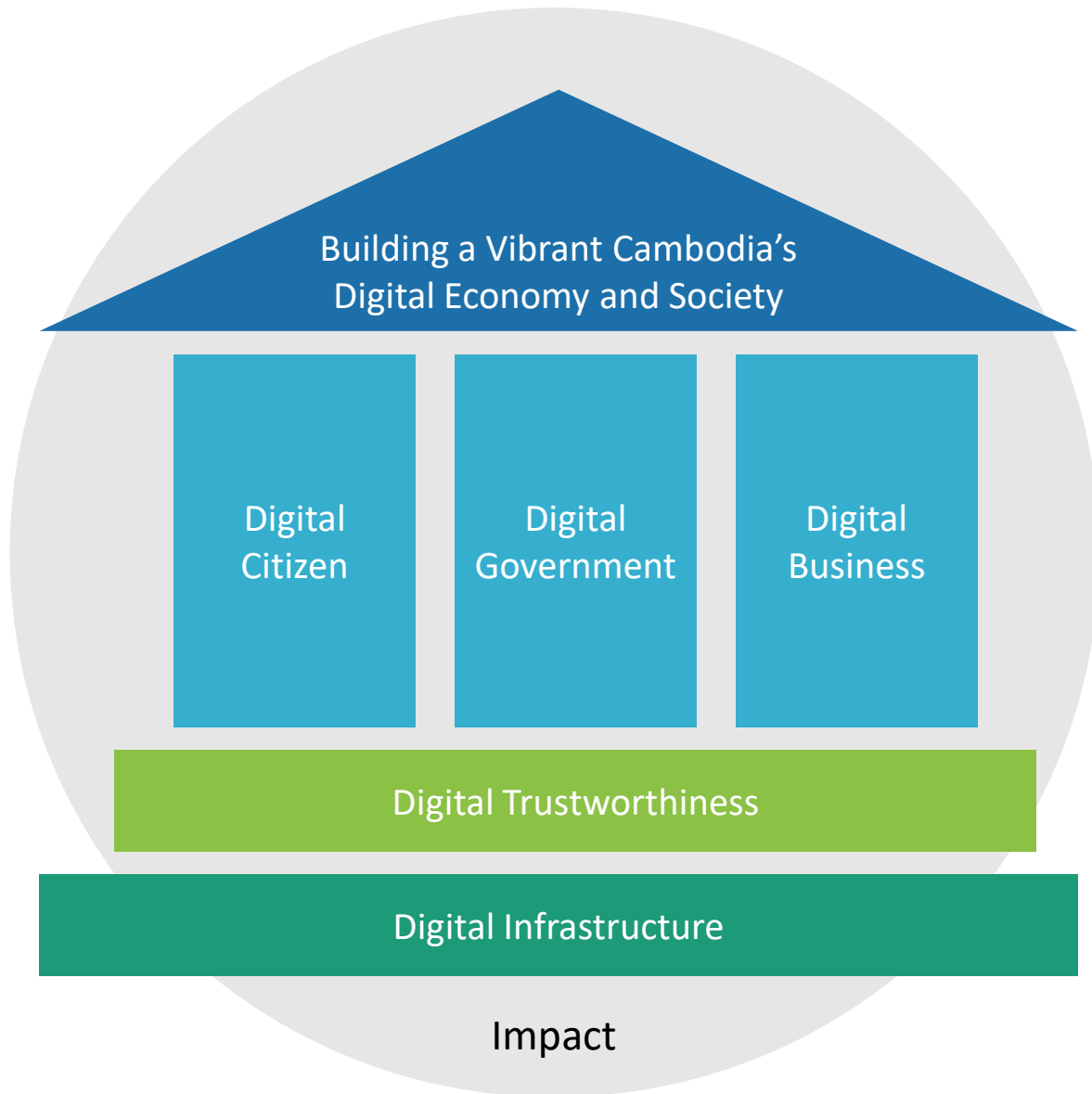
Include៖

- Data and Digital Platform
- Stakeholders (Government, Citizen and Business)
- Interaction



Source: SNEC's Working Group

Principles



Process of Policy Measure Preparation



Based on
Foundations and
Pillars



Define
Strategic
Priority



Prepare Policy
Direction



Compile Policy
Measures



Strategic Priority



Digital Infrastructure

- Connectivity
- Digital Payment Infrastructure
- Logistics and Last-mile Delivery



Digital Trustworthiness

- Laws and Legal framework
- Cybersecurity



Digital Citizen

- Digital Leadership
- Digital Talent Pool
- Digital Citizen



Digital Government

- Public Services Digitalization
- Digital Enablers
- Data-Driven Governance



Digital Business

- SMEs Go Digital
- Business, Startup and its Ecosystem
- Digital Value Chain

Minimizing the Impact

Economic Perspective

- To provide a good climate for job market and vibrant communication
- Modernization of Taxation

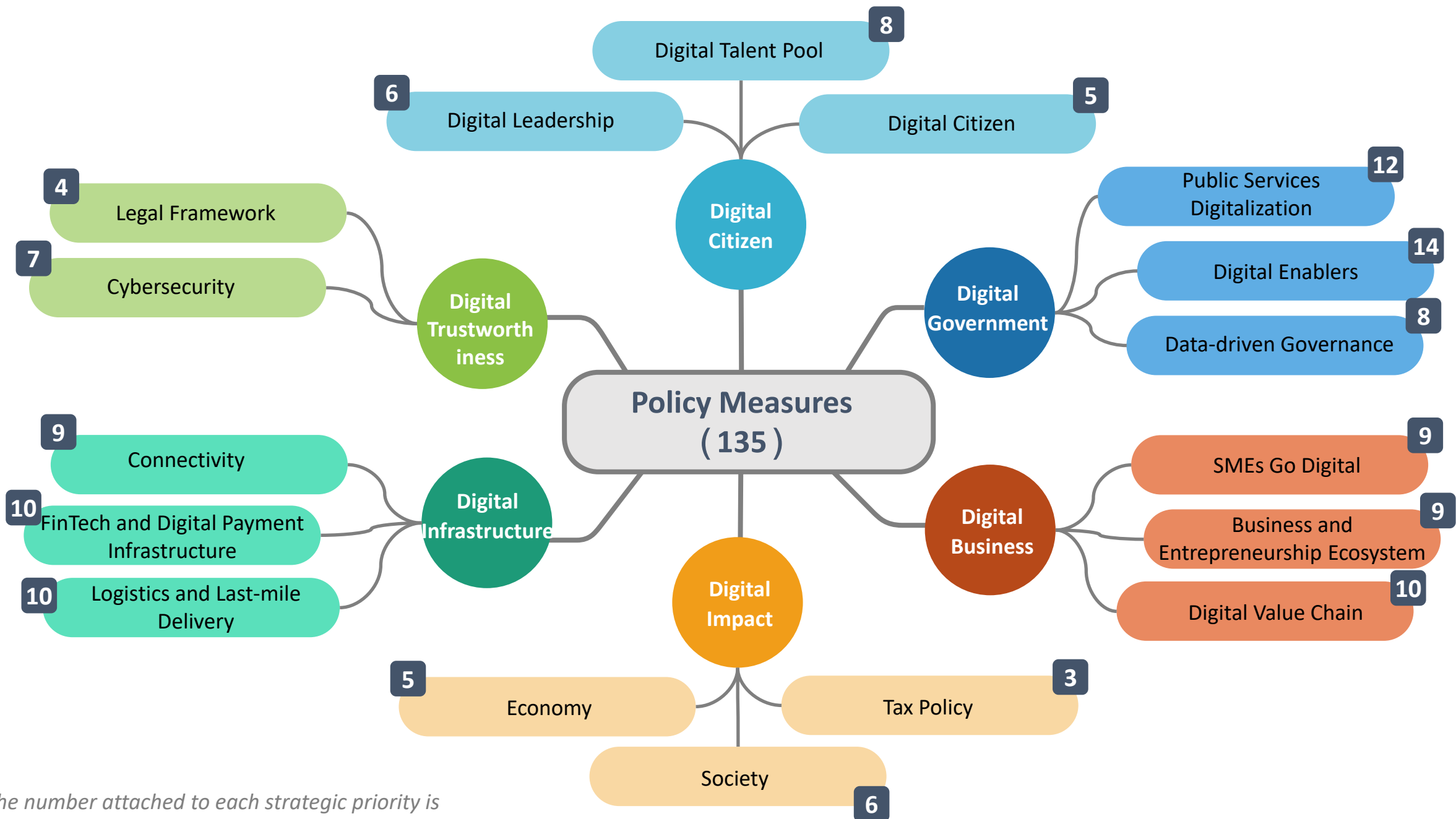


Social Perspective

- Prepare legal framework to safeguard of national identity and culture
- Prepare cyber laws and strengthen proactive and reactive mechanism against cybercrime

Perspective of Taxation in Digital Economy and Society

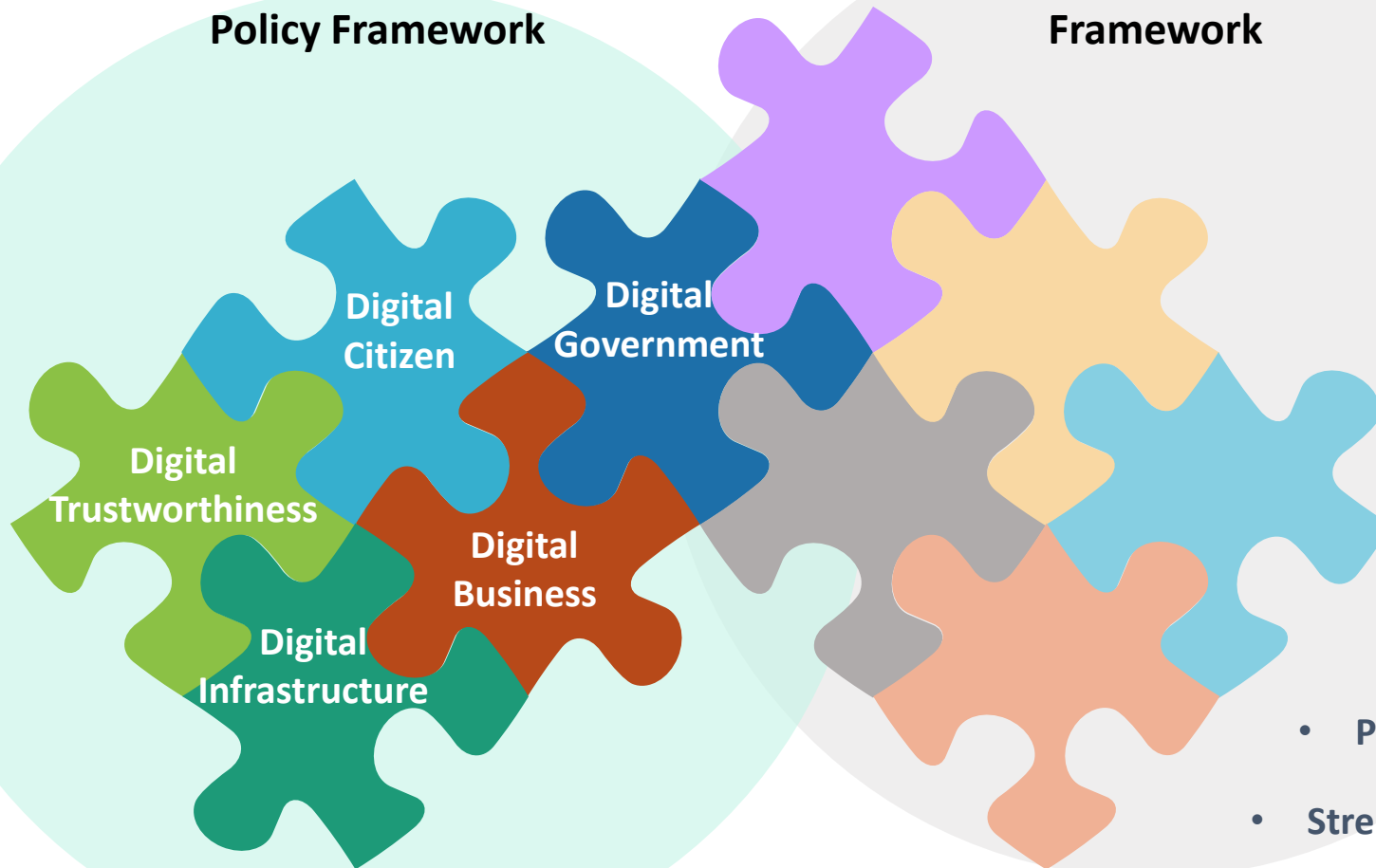
- Prepare tax policy framework that is flexible in improving innovation.



The number attached to each strategic priority is number of policy measures

Synchronization with the Digital Government Policy

Cambodia's Digital Economy and Society Policy Framework



Cambodia's Digital Government Policy Framework

- Accelerate Digital Economy
- Build Government Cloud
- Create Interoperability Framework
- Digitalization of Public Services
- Promote Data-driven Governance
- Prepare technical guideline for digital government
- Promote digital leadership and build digital capability
- Strengthen cybersecurity and CERT

Approach in Digital Government

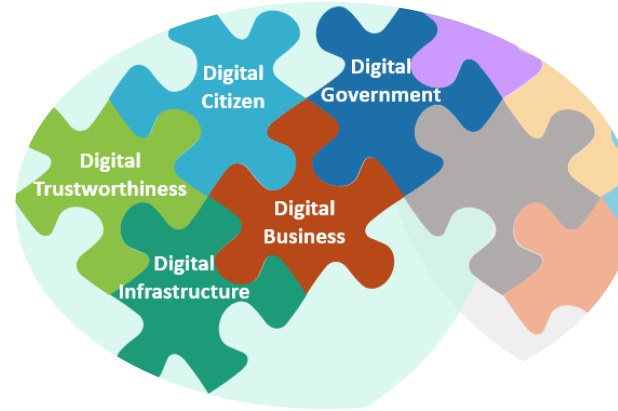


Principles

The Once-Only Principle

Interoperability as an Ecosystem

Land and Expand for Efficiency



Main Policy Direction

Hybrid Government Cloud (Partly centralized and partly decentralized setup)

Create Technical Guideline for Digital Government

Build Digital Enablers for Digital Government

Build Digital Leadership and Capability

Institutional Arrangement, Implementation and M&E Framework

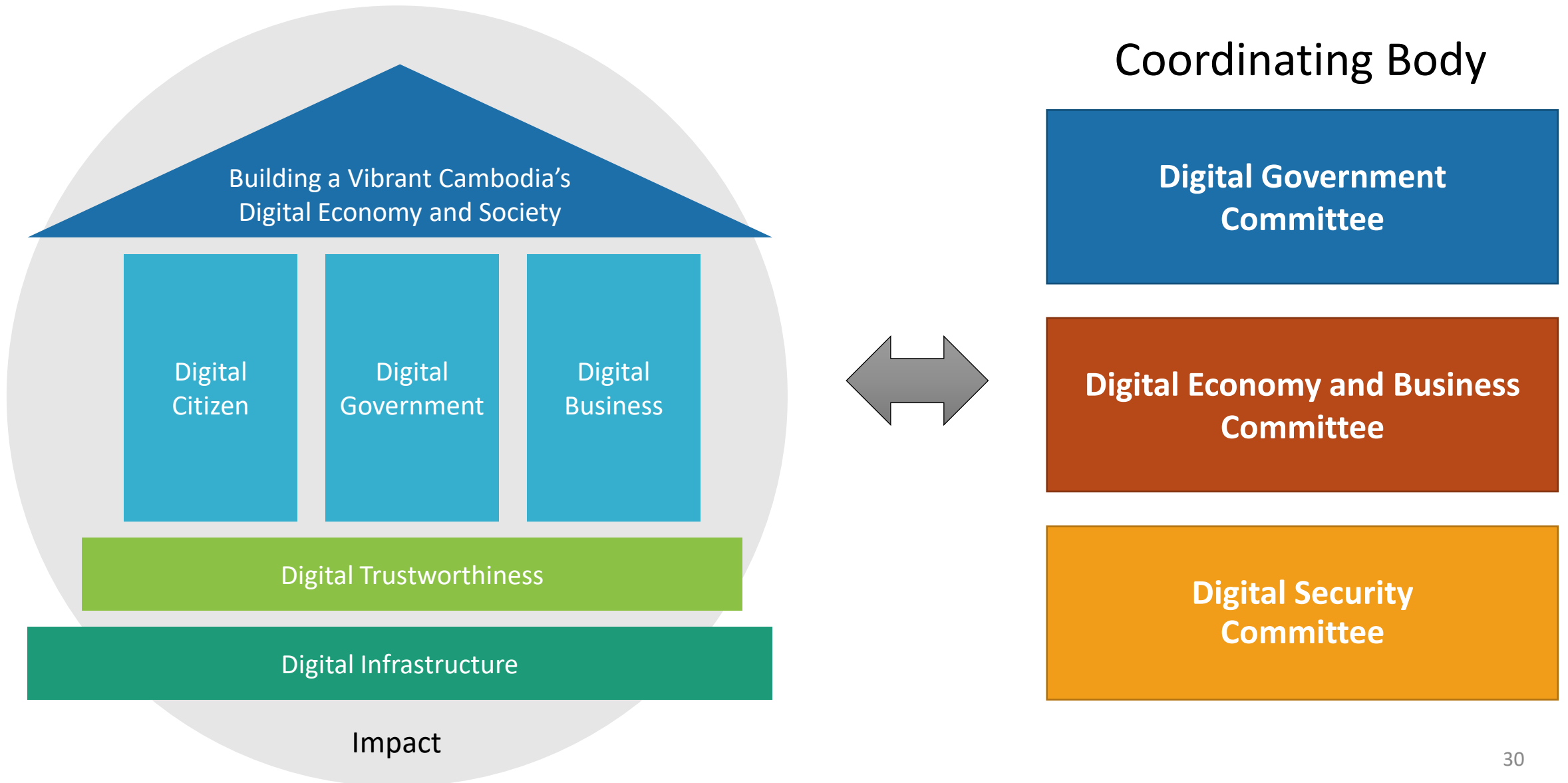
1

Coordinating Body

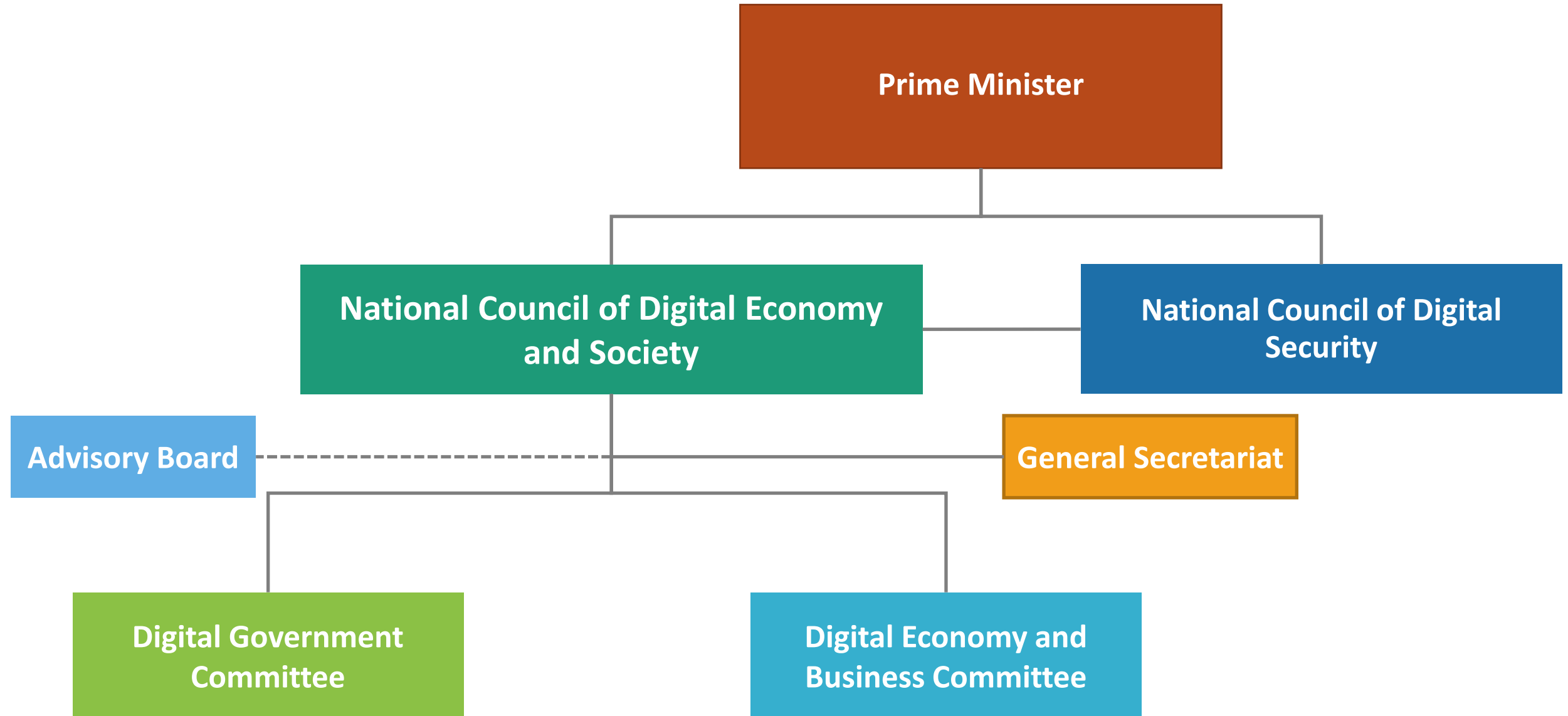
2

M&E Framework

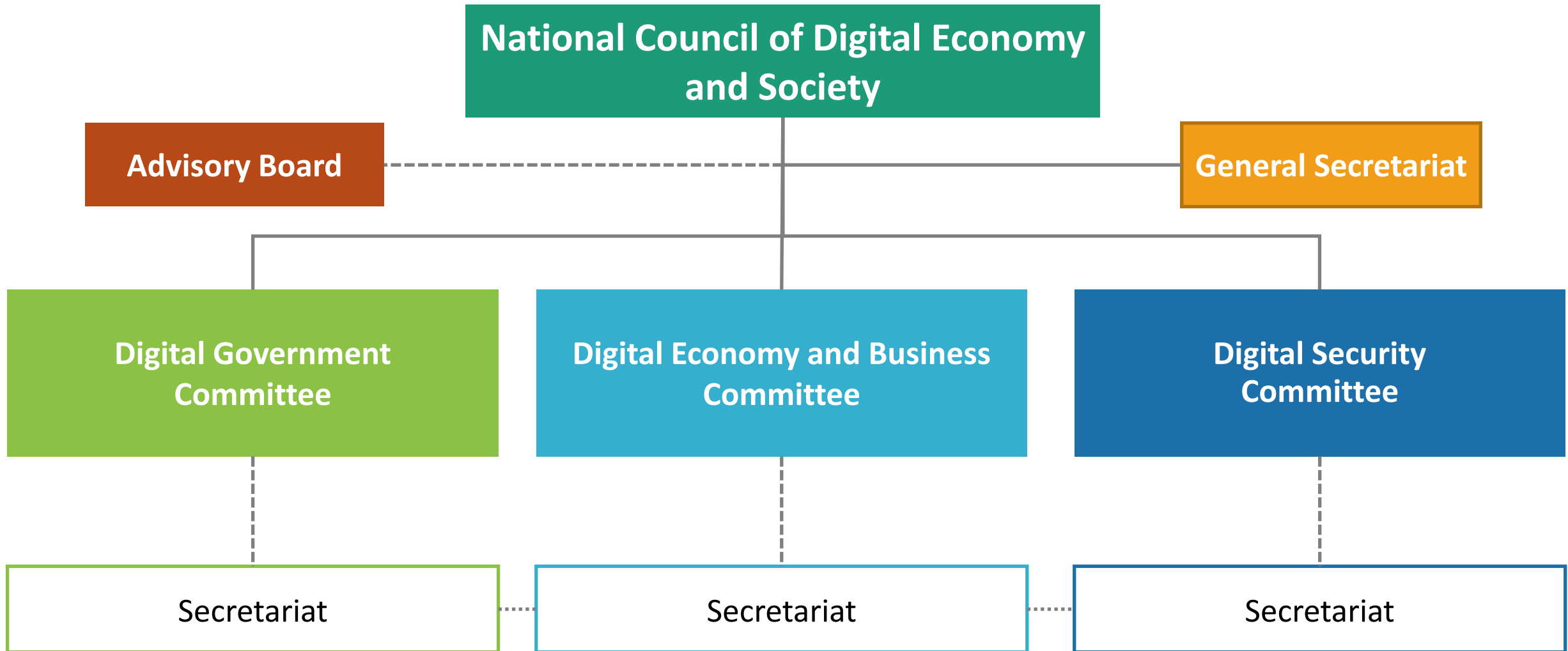
Elements of the Institutional Arrangement



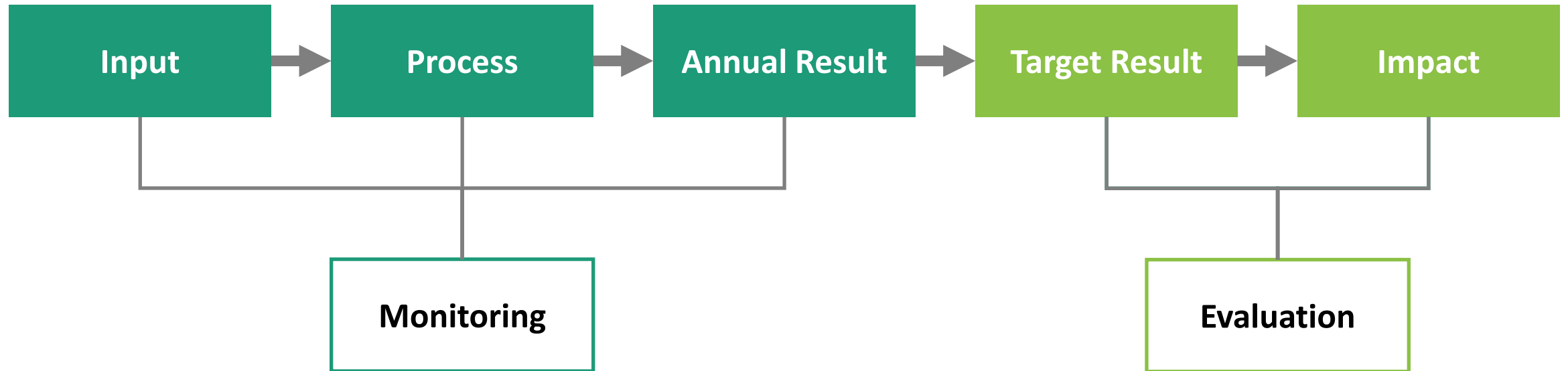
Coordinating Body Option 1



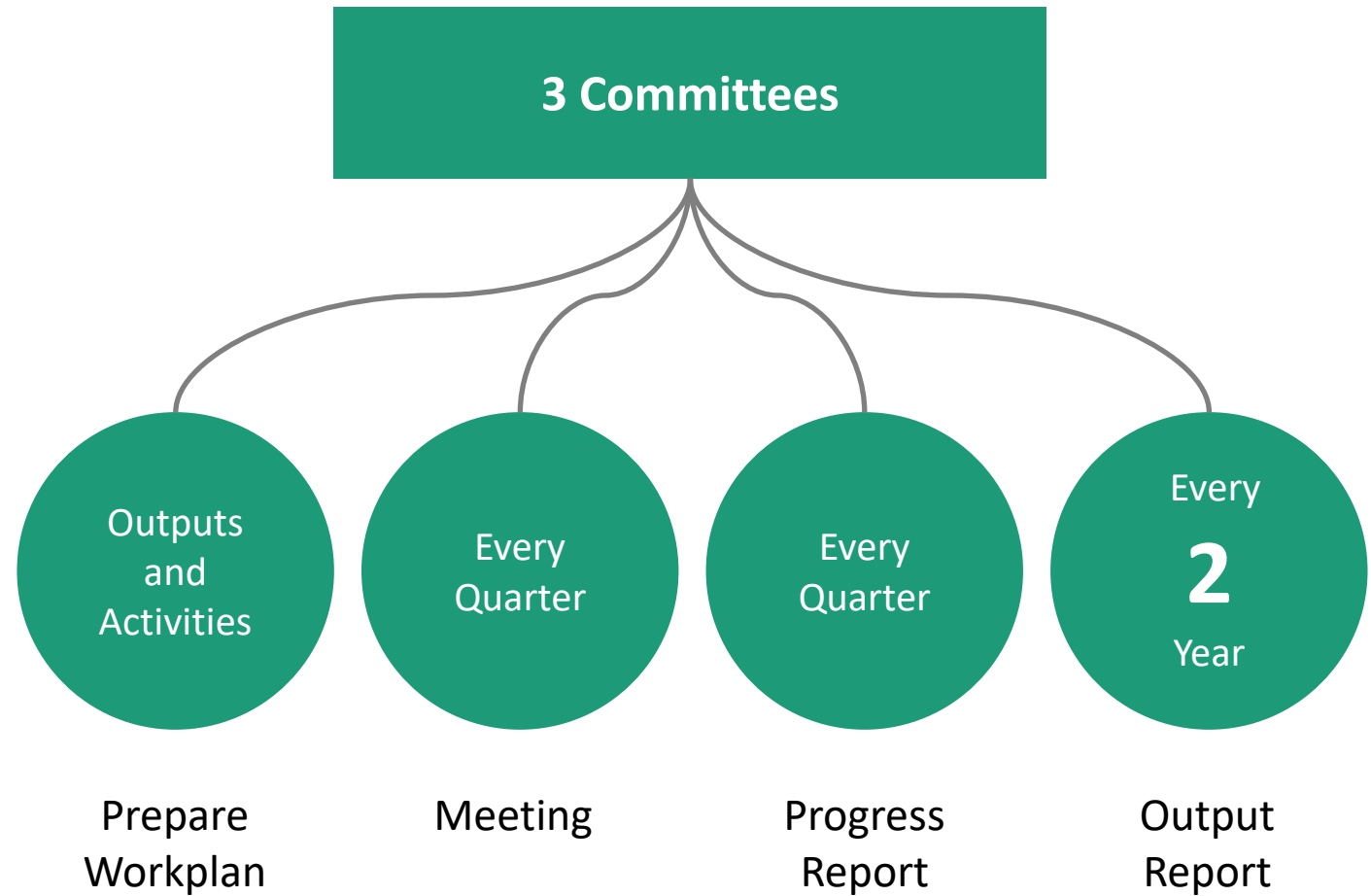
Coordinating Body Option 2



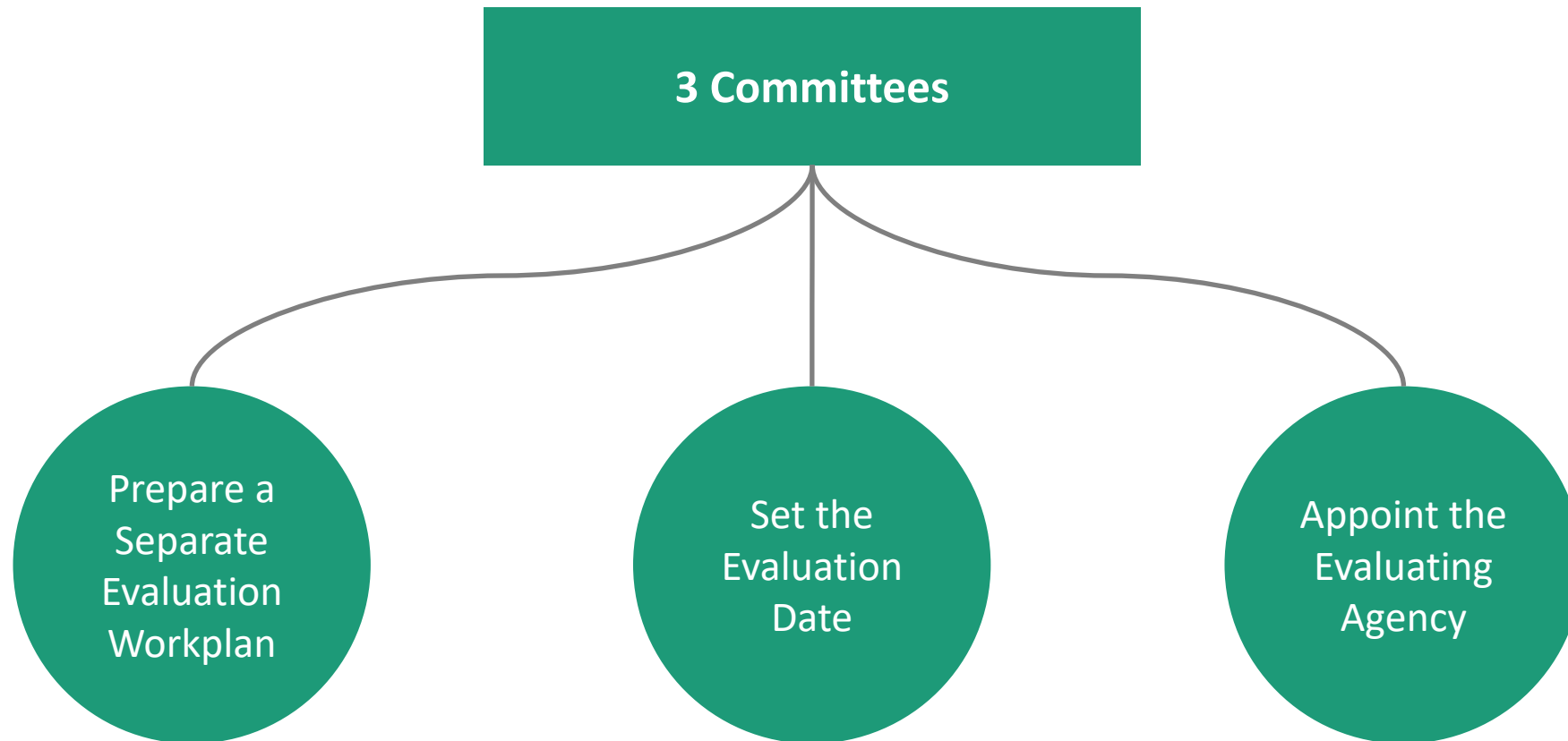
M&E Framework



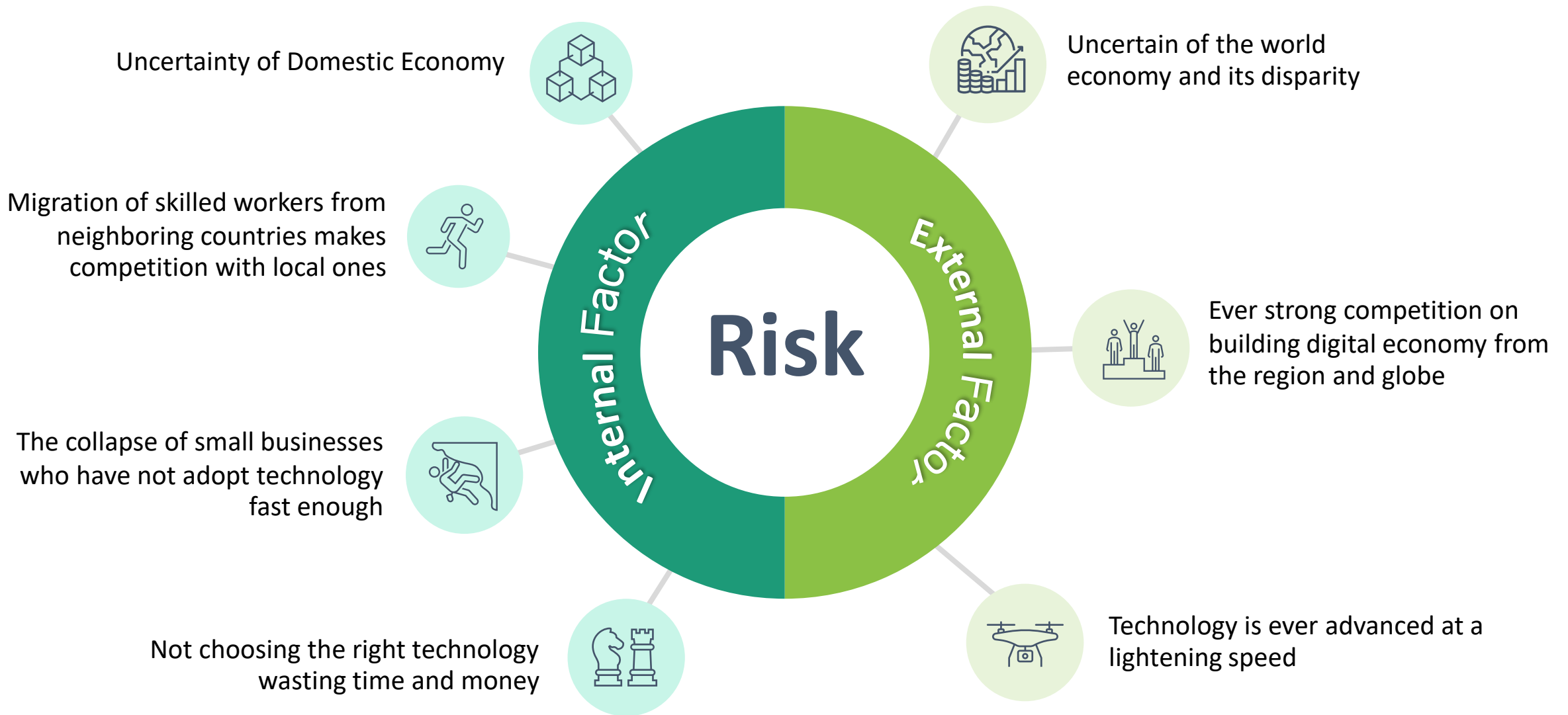
Monitoring



Evaluation



Risk Management



Conclusion

Conclusion

1

The government decided to rollout the Cambodia's Digital Economy and Society Policy Framework.

2

The draft policy is prepared strategically and consulted with several key stakeholders.

3

Motivation from current development trend of digital economy and experience from the Covid-19 emphasizes the need to build Cambodia's digital economy.

4

Reflecting from the international best practices and showing our readiness to set out policy direction.

5

Goal is to build a digital economy for a new growth driver for our economy and improve social welfare.

6

Build 2 foundations and 3 pillars for 15 years spanning from digital foundation and digital adoption to digital transformation.

7

Has a clear implementation framework through the establishment of National Council for Digital Economy and Society and its 3 Subordinating committees.

8

The policy is a "LIVE" document that may be revised as the digital technology evolves.



Thank You!

