



FIRST PROGRESS REPORT

Submitted to UNIDO

**UNDER THE FRAMEWORK OF LOW CARBON DEVELOPMENT
FOR PRODUCTIVITY AND CLIMATE CHANGE MITIGATION
THROUGH TEST METHODOLOGY (SAP ID: 150275)**

August 2021

Contents

I. Introduction	1
II. Output 1: Necessary policy measures and technical guidelines strengthened to ensure industrial low carbon development and resource efficient operations (D1)	2
II.1. First Consultation Workshop.....	2
II.2. Second Consultation Workshop.....	3
III. Output 2: Incentives established to encourage industries improve the economic, social and environmental dimensions of their activities (D2-D8).....	5
III.1. Initiate Ministerial policy tool creating CGIA under MISTI leadership.....	6
❖ Initiate CGIA under MISTI leadership.....	6
❖ Initiate CGIA under Inter-ministerial.....	6
III.2. Establish inter-institutional advisory committee for CGIA.....	7
III.3. Set up organizational description of the Award Office	7
III.4. Adapt CGIA concept and procedure manual.....	8
III.5. Development communication strategy	9
❖ Communication Strategy and Communication Work Plan	9
❖ Establish GIA webpage.....	10
❖ Call for applications for CGIA.....	11
❖ Dissemination Workshop on CGIA	12
IV. Output 3: TEST integrated approach implemented at the national level through trainings and demonstration in selected enterprises (D9-D13)	14
III.1. Training and assistance on Environmental Management System (EMS) and Environmental Management Accounting (EMA)	14
III. 2. Call for Companies and Initial review for Second Batch.....	14
III.2.A. Criteria of Factories for Second Batch.....	14
III.2.B. Call Time Frame	14
III.2.C. STEP of Calling Process	14
III.2.D. Workshop on Raise Interest for Companies.....	15
III.2.E. Signing participation agreements ceremony.....	16
III.2.F. List of Demo-companies.....	17
V. Conclusion.....	18
VI. Annex:.....	20

List of Acronyms

CSR	:	Corporate Social Responsibility
CGIA	:	Cambodia Green Industry Award
EA	:	Energy Audit
EE	:	Energy Efficiency
EMA	:	Environmental Management Accounting
EMS	:	Environmental Management System
EnMs	:	Energy Management System
FASMEC	:	Federation of Associations for SMEs of Cambodia
GMAC	:	Garment Manufacturing Association in Cambodia
GHG	:	Greenhouse Gases
GMC	:	Green Move Consulting Company
ITC	:	Institute of Technology of Cambodia
MISTI	:	Ministry of Industry, Science, Technology and Innovation
MoE	:	Ministry of Environment
NPCC	:	National Productivity Center of Cambodia
RECP	:	Resource Efficient and Cleaner Production
TEST	:	Transfer Environmentally Sound Technology
UNIDO	:	United Nation Industrial Development Organization

I. Introduction

The United Nations Industrial Development Organization (UNIDO) is a specialized agency of the United Nations with its mandate to promote and accelerate the inclusive and sustainable industrial development in developing countries and economies in transition, and work towards improving living conditions in the world's poorest countries by drawing on its combined global resources and expertise. The TEST integrated approach combines proven preventive environmental approach and productivity technique in Resource Efficient and Cleaner Production (RECP) and managements tools such as Environmental Management Accounting (EMA), Environmental Management System (EMS), and Social Corporate Responsibility (CSR). TEST improves all pillars of sustainable industrial development. Concretely, the TEST methodology helps companies save raw materials, fresh water and energy consumption, better chemical management, improvement of efficiency and safety of boilers, which will have a direct impact on both quantity and toxicity of GHG emission and discharge of wastewater and solid waste while improving the productivity and working conditions in companies.

The Global Environment Facility (GEF) through the GEF 6 cycle presently funds UNIDO to implement TEST integrated approach in Cambodian industry aiming to improving the resource efficiency, productivity of each factory as well as improving the working condition while reducing their environmental footprint. The project's approach combines policy and advocacy elements with technology transfers in the areas where most manufacturing industries are located and present major negative effects to the environment and biodiversity as well as social-economic factors. The project targets garment and food and beverage industry geographically located in the biodiversity rich areas: Phnom Penh and its surrounding areas including Kandal, Kampong Speu, Kampong Chhnang and the other industrialized provinces of Cambodia, mainly, Battambang, Siem Reap and Preah Sihanouk. The project is implemented by UNIDO in close collaboration with Ministry of Industry and Handicraft and Ministry of Environment of Cambodia.

Ministry of Industry, Science, Technology and Innovation (MISTI) is the main partner of the project. Our relevant technical departments, National Productivity Center of Cambodia and Department of Techniques, Science and Technology are the main execution agencies.

With the guidance and support of UNIDO, Ministry of Industry, Science, Technology and Innovation (MISTI) is implementing the contracts for organization of Project Meetings, Trainings of TEST Tools and Preparation of Assessments for Demonstration Companies. The MISTI, in close cooperation with UNIDO in Cambodia, shall implement the work plan, which has been agreed and approved with specific actions of organization of meetings, conducting the trainings of trainers of TEST Tools and Energy Efficiency and Energy Audit and preparation of the assessment at the demo-companies.

The objective of the project is to reduce the long-term risks of climate change through the transfer of environmentally sound technologies in Cambodian industries by implementing the following outputs:

1. **Output 1:** Necessary policy measures and technical guidelines strengthened to ensure industrial low carbon development and resource efficient operations
2. **Output 2:** Incentives established to encourage industries improve the economic, social and environmental dimensions of their activities
3. **Output 3:** TEST integrated approach implemented at the national level through trainings and demonstration in selected enterprises
4. **Output 4:** Awareness increased with focus on resource efficiency and dissemination of the lessons learnt during the project.

This report consists of the achievement and progress of each output; which being executed by MISTI in closely cooperate with UNIDO PMU and MoE team.

II. Output 1: Necessary policy measures and technical guidelines strengthened to ensure industrial low carbon development and resource efficient operations (D1)

For strengthening the policy and establishing technical guidelines to ensure industrial low carbon development and resource efficient operation; it is very importance for collecting and gathering information and existing policies and regulation; which could be used as the foundation for developing the policy under the implementation by MISTI with the assistance of UNIDO, PwC (India and Cambodia) and Green Move Consulting. Based on the action plan of the project activities; there need to be conducted two consultation workshops for seeking more inputs, comments, suggestion, and recommendation to ensure the low carbon technology and resource efficiency will be adapted as tool to be implement industrial and SME production process.

II.1. First Consultation Workshop

The First Consultation Workshop on “**Assessment of Current Policy and Institutional Framework Targeting Industrial Development and Recommendations to Include Resource Efficiency Within the Existing Legal Framework**” focused on identifying the existing gaps in undertaking resource efficiency implementation and providing recommendations to integrate resource efficiency within the existing policy framework in Cambodia. The assessment forms part of the project “Low-carbon development for productivity and climate change mitigation through the Transfer of Environmentally Sound Technology (TEST) methodology” approved by GEF in November 2017 and being implemented by UNIDO in Cambodia.

The First Consultation Workshop Assessment was conducted on 17th February 2021 to review the current status of Resource Efficiency policies and institutional framework in Cambodia and collecting inputs from various stakeholders for developing draft of RECP policy via Ms Team.

Due to the restriction on travel and on mass gathering remain in place, the meeting was organized in a hybrid manner meaning some participants attended the workshop in person while others attended the workshop via Microsoft Teams conference with 88 (eighty-eight) participants. Forty (40) participants attended the workshop in person while other forty-eight (48) participants attended via Microsoft Teams conference.

The consultation workshop was proposed with the aim of deliberating on the preliminary outcomes of the analysis, gather perspectives from a diverse set of stakeholders and seek inputs for drafting the national level policy guidelines and action plan for Resource Efficiency and Cleaner Production (RECP). The consultation workshop was conducted to gather:

- Outcomes from the policy gap assessment, national resource use profiling and international benchmarking conducted under the assignment.
- Policy and regulatory interventions required to promote resource efficiency in the industrial sector.
- Challenges around establishing, monitoring and reporting indicators for resource use in industries.
- Training and capacity building needs of the industrial sector to adopt resource efficiency measures.
- Role of innovative financial instruments in bridging the gap between policy and implementation.
- Supporting and building SME capacity for resource efficiency.
- comments and feedback for the refinement of its findings and drafting of the national level policy guidelines and action plan.

II.2. Second Consultation Workshop

The Final Consultation Workshop Assessment focuses on identifying the existing gaps in undertaking resource efficiency implementation and providing recommendations to integrate resource efficiency within the existing policy framework in Cambodia. Towards the first objective of the project, a consultant team comprising of PwC India, PwC Cambodia and Green Move Consulting Cambodia have been appointed to support UNIDO and MISTI (including its Steering Committee and Project

Management Unit) in developing Resource Efficiency and Cleaner Production Strategy and Action Plan for Industry and SME Sectors 2021-2030 (RECP SAP) for mainstreaming resource efficiency in the Cambodian industrial sector.

The Consultation Workshop on Resource Efficiency and Cleaner Production Strategy and Action Plan for Industry and SME Sectors 2021-2030 was conducted on 6th July 2021 to discuss about the various aspects of the strategic action plan, gather inputs and receive suggestions to ensure the development of a robust RECP strategy for Cambodian industries. Specifically, the workshop focused on gathering feedback and views on the following points:

- To sensitize the stakeholders on the key recommendations of the Resource Efficiency and Cleaner Production Strategy and Action Plan for Industry and SME Sectors 2021-2030.
- To receive stakeholder feedback and inputs for refining the existing draft, specifically, on the relevance and applicability of the developed frameworks in the Cambodian context.
- To build consensus between the Government, Non-government and Private sector stakeholders on the proposed actions in RECPSAP and endorse its structure and recommendations.

A total of seventy-two (72) participants attended the workshop which seventeen (17) participants were females. The participants consist of the representative from Ministry of Industry, Science, Technology and Innovation (MISTI), Ministry of Environment (MOE) / General Secretariat of National Council for Sustainable Development (NCSD), Ministry of Mine and Energy (MME), Ministry of Economic and Finance (MEF), Garment Manufacturers Association in Cambodia (GMAC), Federation of Associations for Small and Medium Enterprises of Cambodia (FASMEC), United Nations Industrial Development Organization (UNIDO), other Development Partners and Buyers.

From the two-consultation workshop, MISTI team, UNIDO PMU, PwC (India and Cambodia) and Green Move Consulting has been achieving on developing **the policy and strategic action plan for strengthening the low carbon technology and resource efficiency for MISTI and relevant stakeholders in industrial sector for 2021 – 2030.**

Before signing on the “**Resource Efficiency and Cleaner Production Strategy and Action Plan for Industry and SME Sector 2021-2030**”, **H.E. Senior Minister, Minister of Industry, Science, Technology and Innovation** had leaded virtually the Final Consultation workshop for finalizing the Strategy and Action Plan on 02nd September 2021; which relevant stakeholders also participants for raising-up the awareness of the **Resource Efficiency and Cleaner Production Strategy and Action**

Plan for Industry and SME Sector and gaining more inputs (the detail of First & Second Consultation Workshop, and the **Resource Efficiency and Cleaner Production Strategy and Action Plan for Industry and SME Sector** in the annex 1).

III. Output 2: Incentives established to encourage industries improve the economic, social and environmental dimensions of their activities (D2-D8)

The Cambodian Green Industry Award (CGIA) is integral to promote the inclusive and sustainable industrial development, incentivizing and rewarding the effort and contribution of companies for adopting environmentally friendly approaches. The award will also stimulate and broaden the greater adoption of voluntarily activities in the field of climate protection and response, resource efficiency and cleaner production, environmental management, and corporate social responsibility as well as to raise environmental awareness among industries and the general public. The award evaluates specific activity (or activities) of a company in term of their environmental performance, innovation and sustainability, economic impacts, and social and gender aspects.

The goals of the Cambodian Green Industry Award are four-fold.

- Recognize and reward the effort and contribution of companies toward inclusive and sustainable industrial development.
- Disseminate and broaden the activities in the field of climate protection and response, resource efficiency and cleaner production, environmental management accounting and system as well as corporate social responsibility of pioneer industries, as developed in donor-funded activities like the TEST project.
- Stimulate and support other industries in whole Cambodia to undertake voluntarily activities in the field of climate protection and response, resource efficiency and cleaner production, environmental management and corporate social responsibility.
- Raise environmental awareness among industries and the general public.

Several sets of activities were completed by both MISTI key staffs and UNIDO staff for the time being; to ensure the expected outcome and the objective of the project can be accomplished effectively and effectiveness. To accomplish output 2 of the project; which is about “**Incentives established to encourage industries improve the economic, social and environmental dimensions of their activities**”; the team had divided into seven main activities such as:

1. Initiate Ministerial policy tool creating CGIA under MISTI leadership
2. Establish inter-institutional advisory committee for CGIA and potential policy tools identified to enhance CGIA support from member institutions.

3. Set up organizational description of the Award Office and confirming recruitment of the office team
4. Adapt CGIA concept and procedure manual
5. Create communication strategy report, including communication work plan, and design concept's elements.
6. Establish CGIA webpage
7. Call for applications for CGIA

III.1. Initiate Ministerial policy tool creating CGIA under MISTI leadership

❖ Initiate CGIA under MISTI leadership

The CGIA was adopted on 27 July 2021 by **H.E. Kitttha Pandita CHAM PRASIDH, Senior Minister & Minister of Ministry of Industry, Science, Technology & Innovation (MISTI)** to implement the CGIA Guideline. National Productivity Center of Cambodia is the core center to implement CGIA. For the sustainability of CGIA, the Project Team has been establishing the draft of Resource Efficiency and Cleaner Production Strategy and Action Plan for Industry and SME 2021-2030 (RECP-SAP2021-2030) which is including of the promotion and implementation of Cambodia Green Industry Award guideline in action plan. The RECP-SAP2021-2030 will be submitted when it is done. From assisting from UNIDO and PwC India; MISTI came closely to finalize its draft of **“Resource Efficiency and Cleaner Production Strategy and Action Plan for Industry and SME Sector 2021-2030”** (see in annex 1) which also included the mechanism of CGIA to ensure its execution. MISTI had inserted one action in RECP Action Plan; which reflected **“Green Industry Award for Industry and SME in Cambodia”** as the result of **“launching the Cambodia Green Industry Award”** and make certain on **“National recognition for sustainability-oriented corporates/brands as a part of the Green Industry Award”**.

❖ Initiate CGIA under Inter-ministerial

Ministry of Environment also has the same perception on providing incentive and recognition to the private sector which actively concern of environmental protection and adapt green technology and green innovation. The Ministry of Environment established the **National Environment Strategy and Action Plan 2016-2023** on 06th December 2017 to reforms and modernization of environment and natural resources management and conservation. One of the objectives of the **National Environment Strategy and Action Plan 2016-2023** state that:

“Right balance between command-and-control and other incentive instruments: Considering the current institutional capacity, it is imperative to ensure proper internalization of the management

and conservation of environment and natural resources based on polluter-pays and user-pays principles, green investment incentives, and other incentive-based policy instruments, public disclosure and environmentally friendly certification schemes, and related measures”.

III.2. Establish inter-institutional advisory committee for CGIA

For ensuring smoothly the implementation of Cambodia Green Industry Award (CGIA), MISTI team requested to the top management of the ministry for setting up the team, structure and procedure. The CGIA should be operated under the control of Project Director (TEST Project) through the consultation and advice from Advisory Committee and Award Jury; which were formed of representative from relevant inter-ministries and local business associations. While the technical working group consist of two vital unit are Award Office and Technical Expert Group.

The Advisory Committee and Award Jury member was appointed representative from relevant inter-ministry and local business associations such as: Ministry of Industry, Science, Technology, and Innovation, Ministry of Agriculture, Fishery and Forestry, Ministry of Environment, Ministry of Land Management, Urban Planning and Construction, EuroCham Cambodia, GMAC, Cambodia Chamber of Commerce, Cambodia Food Manufacture Association, Young Entrepreneurs Association of Cambodia, Federation of Associations for SMEs of Cambodia and Cambodia Women Entrepreneurs Association. The Advisory Committee and Award Jury were approved by H.E. Senior Minister, Minister of Industry, Science, Technology and Innovation on 6th August 2021 (see in annex 2); the committee will select the final Gold Award winners. Automatically the rest of the short-listed applicants will receive Silver (see in annex 2).

III.3. Set up organizational description of the Award Office

NPCC has quite a lot more experience on conducting the 5S competition. Therefore, the CGIA Office had been set up which mainly under NPCC that has a CGIA coordinator, a CGIA communication specialist, supporting officers as named below:

1. **Mr. HIM Phanith**, Director of NPCC as GIA Coordinator
2. **Mrs. SOEU Sophea**, Deputy Director of NPCC as GIA communication specialist
3. **Mr. Sok Bunsry**, Chief of Cleaner Production Office
4. **Mr. Sin Rithy**, Vice Chief of Cleaner Production Office
5. **Ms. Ly Chanthol**, Vice Chief of Productivity Training and Consultancy Office

As a result, National Productivity Center of Cambodia (NPCC) was appointed to carry out the task of running the GIA implementation.

➤ **CGIA Coordinator responsibilities:**

- Lead the detailed implementation of the Award's mechanism and established procedures.
- In charge of following up on internal actions for issuing the CGIA under MISTI leadership, final adaptation of manuals and procedures, and coordinate operational activities to make possible the launching and rolling out of the first competition.
- Be the main contact of the Award office for partners and companies.

➤ **CGIA communication specialist responsibilities:**

- In charge of CGIA communication strategy elaboration and implementation.
- Lead the Award's communication and design concept preparation, and coordinate web page's start up and content.
- Lead all advocacy efforts, mass media plan, and communicational documents for partners and potential participants, prepare press releases, among others.
- Supervise and coordinate with external service providers needed for communication products.
- Support concept design and logistical arrangements of the launch event and Award Ceremony.

III.4. Adapt CGIA concept and procedure manual

After several internal meetings were conducted by the CGIA team for developing and adjusting the CGIA guideline. From the consequence of those meetings; **H.E. Senior Minister, Minister of Industry, Science, Technology and Innovation** led virtually the meeting for reviewing the CGIA guideline on 02 July 2021 via zoom. The participants were from MISTI, MoE, UNIDO to discuss and update the guideline of CGIA for securing the efficiency and effectiveness of CGIA implementation and its sustainability.

H.E. Senior Minister, Minister of Industry, Science, Technology and Innovation suggested for enlarging the member of Advisory Committee and Award Jury from Ministry of Agriculture Forestry and Fisheries, Ministry of Land Management, Urban Planning and Construction, EuroCham Cambodia, GMAC, Cambodia Chamber of Commerce, Cambodia Food Manufacture Association, Young Entrepreneurs Association of Cambodia, Federation of Associations for SMEs of Cambodia and Cambodia Women Entrepreneurs Association; as well as requesting the CGIA team to extend the evaluation criteria. **H.E. Senior Minister, Minister of Industry, Science, Technology and Innovation** also approved on CGIA guideline and adapt CGIA concept as tool for make certain toward green industry on 27 July 2021.

III.5. Development communication strategy

❖ Communication Strategy and Communication Work Plan

By generating publicity, CGIA will demonstrate that improved environmental performance contributes to increased competitiveness. CGIA will be used to raise environmental awareness among the broader public and companies will use the award to improve their image towards customers and suppliers. The many communication aspects of the Cambodian Green Industry Award should be handled in a structured and systematic way. Making a communication plan is one of the fundamental tasks of the Award Office. The action plans were as the followings:

- ❖ To promote the CGIA program to all related parties through mass media, website, face book, brochures,
- ❖ To share the conceptual of CGIA program to all applicants through online dissemination seminar
- ❖ To conduct round table conference of CGIA program

Target Audience for CGIA program:

- ❖ Participating companies
- ❖ Industrial companies
- ❖ Small and Medium Enterprise
- ❖ General public in Cambodia

In order to reach to the target group, CGIA actively worked on different channels such as NPCC's Webpage, Facebook page, E-mail and NPCC office, to share and broadcast the information of CGIA, application form and filling application form procedure. Here are the contact points for CGIA dissemination:

- NPCC website: <https://www.npcc-misti.com>
- NPCC webpage: https://npcc-misti.com/pages/view_news/40
- NPCC Facebook page: <https://www.facebook.com/NPCCCambodia>
- NPCC Facebook page link: https://npcc-misti.com/pages/view_news/36
- Link for downloading the application form: <https://forms.gle/gLo8YXvvNsf4JT3c6>
- Tel: (855) 010 408 811 / (855) 097 522 2286
- E-mail: misti.gia@gmail.com
- CGIA's Logo



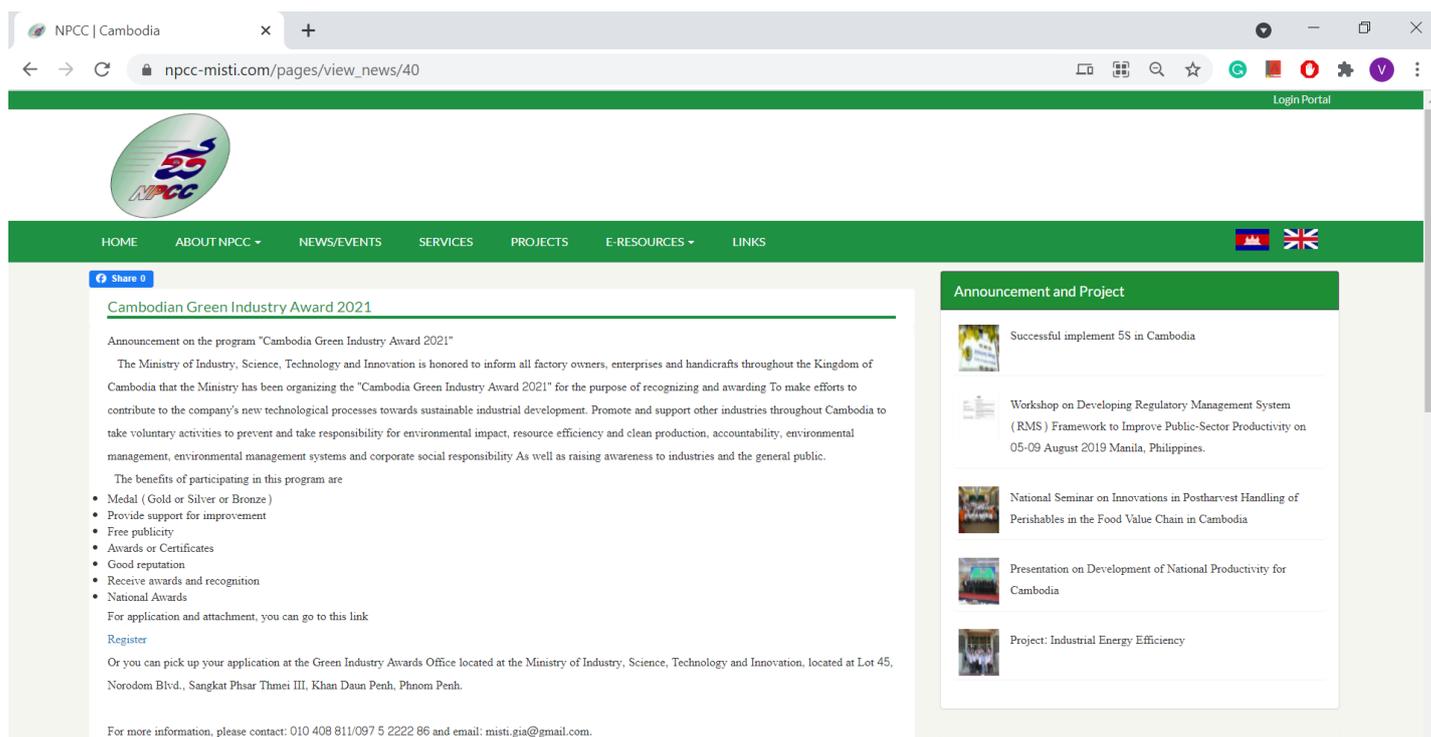
- Proposed Design Trophy



❖ **Establish GIA webpage**

As NPCC had its owned domain name and website already but it was not well functioning. The CGIA team upgraded and maintained its hosting platform and functioning.

Broadcast of CGIA 2021 on NPCC Webpage



After upgrading its hosting and functioning; the CGIA team announced on “**Cambodia Green Industry Award 2021**” through its website for making sure that potential audience could easily find the announcement and its information through all kind of available source; especially online platform which is the best channel to reach the potential audience during the Covid-19 pandemic.

❖ Call for applications for CGIA

NPPC office announced about Cambodia Green Industry Award on 5th July 2021 and set the deadline on 31 July 2021; however, due to Covid-19 outbreak situation in Cambodia, the process of CGIA implementation was delayed till at the end of September. After the announcement; there were 14 companies which applied for CGIA competition; while there is other 6 companies are filling the application forms; the below table shown about the list of applied companies.

Table 1: List of applicants applied for CGIA

No	Name of Company	General information		
		Sector	Main process / products	Contact Person
1	Daquian Textile (Cambodia) Co Ltd	Garment	Pants, T shirt, Sweatshirt, Zipper pullover, Pollo	Mr. Hort Tara Mr. Ban Phirom

2	MISOTA Food Import Export co., Ltd.	Food processing	Dried fruit	Mr. Chin Vuthy
3	Seng Hout FaFa Food	Food processing	Jelly	Mr. Doul Peng Kry
4	Leang Leng Enterprise	Food processing	Fish sauce, oyster sauce, soy sauce, chili sauce	Mr. Leang Leng
5	LyLy Foods Industry Co., Ltd	Food processing	Snack Cracker, Rice Cracker	Mr. Eang Mong
6	Eurotech Import & Export Co., Ltd	Food processing	Drinking Water	Ms. Sothy Chandravay
7	Uot App		Digital Trip	Mr. Pech Soveaddh
8	Ky Siv Chheng Protein Food Co., Ltd	Food processing	Dried meat and fruit	Mr. Chour Chheng
9	Navita Food Production	Food processing	Produce natural died fruit	Ms. YA Sreynich
10	TEUKDORM PKA KMER Co.,LTD		Promoting biodiversity and pollination service by Beekeeping	Ms. TAN SREYPOUV
11	CBRE CAMBODsIA		Real Estate Company	Mr. Leang Heng Yout
12	Cambodia Natural Agriculture Development	Food processing	Natural Fertilizing, Yeast, and animal feeding product	Mr. Chav Pengnam
13	Heng Hort Meat Ball Handicraft	Food processing	Meat Ball and dried meat	Ms. Sok Khim
14	Khmer Fresh Milk Co., Ltd	Food processing	Fresh milk & yogurt	Kheng Chanbornei

❖ Dissemination Workshop on CGIA

To secure to awareness of CGIA; the CGIA team organized virtually the dissemination workshop on Cambodia Green Industry Award on 13th August 2021 under the prestige of **H.E. Dr. Tung Ciny**,

secretary of state and project director. The dissemination workshop focused on overview and benefits from participating in CGIA competition.

During the workshop, there were two important presentations. The first presentation is about **“Overview, condition and how to register to apply for Cambodia Green Industry Award”** by **Mr. HIM Phanith**, Director of NPCC as GIA Coordinator. The second presentation is about **“How to fill-up the application form and data collection for supporting green industry activities”** by **Dr. Rey Sopheak**, National Project Coordinator. There was total of 86 participants while 12 of them were female; from MISTI, MoE, UNIDO, EuroCham Cambodia, GMAC, Cambodia Chamber of Commerce, Cambodia Food Manufacture Association, Young Entrepreneurs Association of Cambodia, Federation of Associations for SMEs of Cambodia and Cambodia Women Entrepreneurs Association.

Figure 1: Dissemination Workshop on CGIA



From mentioned in the above activities, the MISTI team achieved most of activities in output 2 of the project as planned. However, due to the Covid-19 and its variants outbreak in Cambodia, Cambodia Royal Government lock down some parts of Phnom Penh City and other provinces, therefore the factory and SMEs have less employees working; that is quite challenging for the employee for applying and filling the application form thank to the limited information and needed clarification as well as the approval from the top management of the company. In this regard, the MISTI must delay some activities confront those challenging (for the detail of CGIA execution see in annex 2).

IV. Output 3: TEST integrated approach implemented at the national level through trainings and demonstration in selected enterprises (D9-D13)

III.1. Training and assistance on Environmental Management System (EMS) and Environmental Management Accounting (EMA)

Due to the Covid-19 and its variants outbreak in Cambodia, Cambodia Royal Government lock down some parts of Phnom Penh City and other provinces, therefore the factory and SMEs have less employees working. Moreover, it is quite tough for UNIDO PMU to find and recruit the qualified EMS and EMA international experts to conduct the online training. MISTI team faced quite challenging to organize the training and onsite assistance; therefore, the team could not execute on time as expected. Nevertheless, MISTI team and UNIDO PMU drafted the concept note and ToR for the EMS and EMA international experts (for the detail of concept note and action plan see in the annex 3).

III. 2. Call for Companies and Initial review for Second Batch

III.2.A. Criteria of Factories for Second Batch

There are five criteria for selecting the demo-company for the second batch:

- Located in priority regions: Phnom Penh and its surrounding areas, Preah Sihanouk, Siem Reap and Battambang
- Belong to manufacturing sector such as garment, footwear, food and beverage
- Have more than 2 years of operation
- Have at least 20 employees
- An energy consumption average of at least 100 000 kWh/Year

III.2.B. Call Time Frame

The PMU and MISTI Team had set the call time frame from early Call from Mid-2020 and got several factories who expressed of interests via media and through meetings with other development partners and brands such as ILO, H&M, VF, EuroCham.

III.2.C. STEP of Calling Process

Regarding the calling process, the MISTI and PMU follow through each step as illustrated below:

Figure 2: The call of factories to join for the second batch

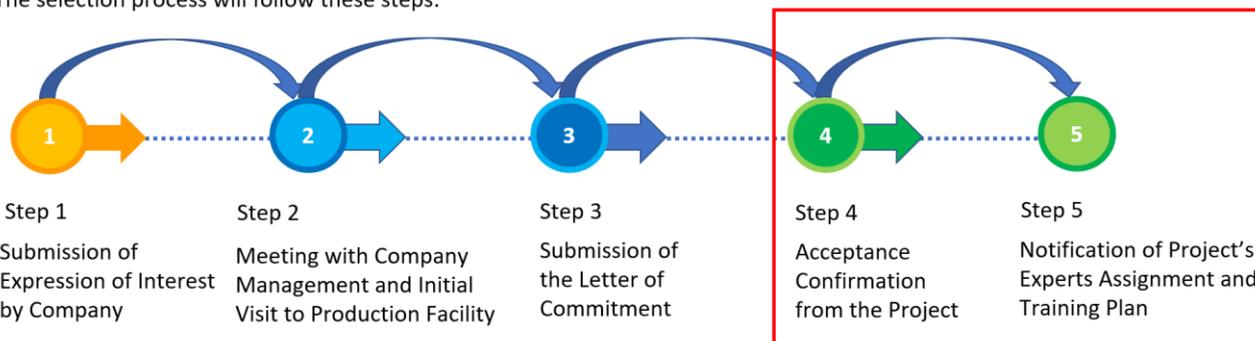


Figure 3: Steps of Calling



Selection Process and Contact

The selection process will follow these steps:



Interested Factories/SMEs, please contact and submit Expression of Interest (Eol) to:

Dr. REY Sopheak, National Project Coordinator, Email: S.REY@unido.org, Tel: 017668964



III.2.D. Workshop on Raise Interest for Companies

Due to the Covid-19 pandemic situation in Cambodia and Royal Government's decision to avoiding any conducting any events and workshop programs. The project team decided to organize jointly with the Department of Climate Change; Ministry of Environment for Raising the Interest and Awareness to the Demo-Companies on 26 February 2021; from 8:30 to 11:30 am. The training workshop was

attended by a total of 43 participants of which 11 of them were women. While 13 participants were government officers and 34 staffs came from demo-companies.

The session plans were designed to make participants having deep understanding and insightful about the TEST methodology. The session plans consist of followings:

1. Presentation on **Assessment of Current Policy and Institutional Framework Targeting Industrial Development and Recommendations to Include Resource Efficiency Within the Existing Legal Framework** by **Dr. Rey Sopheak**
2. Presentation on **Overview on TEST integrated approach implementation in Industries** by **Mr. Lim Vichhey**
3. Presentation on **“The Implementation of TEST Methodology and Climate Change Mitigation in Industrial Sector to Key Stakeholders”** by **Mr. Leang Sophal**
4. Presentation on **Case Study on Implementation of the Optimizing Compressed Air Usage in Garment Industry in Cambodia** by **Mr. Pich Sokhim**

After the presentation, there were question and answer session for the participants to raise up their question and curiosity about the project implementation.

III.2.E. Signing participation agreements ceremony

Signing ceremony with the Demo-Companies was organized virtually on 29 June 2021 from 8:30 to 11:30 am. The ceremony was attended by a total of 81 participants of which 25 of them were women. While 43 participants were government officers and 38 staffs came from demo-companies.

This event there were two representatives of demo-companies from first batch sharing about the expression of interest and benefits from participating in the project; and another four representatives of demo-companies from second batch for addressing their interests and expectation from joining the project. Expression of interest and benefits of representatives of demo-companies from first batch were delivered by:

- **Mr. Chhorm Chhora** from Manufacturing Company Limited (JIT Textile Limited)
- **Mr. Leang Leng** from Leang Leng Enterprise

Expression of interest and expectation of representatives of demo-companies from second batch were delivered by:

- **Ms. Choeung Kim Yi** from Kirirom Food Production (K.F.P)
- **Mr. Som Lady** from Cerie Garment

- **Ms. Clare Tham** from Great Bestway Manufacturing
- **Mr. Vincent chiu** from LIN WEN CHIN SUBOW ENTERPRISE Co., Ltd

III.2.F. List of Demo-companies

Here is the list of demo-companies which signed on letter of commitment to participant in the project; due to the covid-19 pandemic and government restriction on conduction the meeting or any gathering. The MISTI team and PMU agreed to use the E-signature on the letter of commitment for proceed the project activities (For the detail of proceeding the Call for companies and initial review the demo-companies see in annex 4).

Table 2: List of Demo-Company in TEST Project, Second Batch

No.	Company name
1	Olive Apparel (Cambodia) Co., Ltd
2	Berry Apparel (Cambodia) Co., Ltd
3	Trinity Handbags Co., Ltd
4	Cerie Garment
5	Kirirom Food Production (K.F.P)
6	Elite (Cambodia) Co., Ltd
7	Wah Sun HK Factory (Cambodia) Co., Ltd
8	Makalot Garments Cambodia
9	Navita Dried Fruit
10	Eche Ngov Heng Food Production Kampot
11	Horizon Outdoor (Cambodia) Co., Ltd
12	Top Summit Garment Inc
13	Cambo Handsome
14	LIN WEN CHIH SUBOW ENTERPRISE Co., Ltd
15	Cambo Unisoll Ltd
16	Super Link Fashions (Cambodia) Co., Ltd
17	Great Bestway Manufacturing
18	Vanco Industrial Co., Ltd
19	Marvel Garment Co., Ltd.
20	Shenzhou Cambodia Co., Ltd

III.3. Training program on TEST methodology and related tools (D14)

To ensure the expected outcome and the objective of the project can be accomplished effectively and effectiveness. For capacity building for demo-company's staff or representative, MISTI key staffs and UNIDO staff cooperate with Green Move Consulting Company organize two training programs for equipping and transferring new idea, know-how, technology in TEST methodology to the demo-company's staff or representative to have a big image of TEST methodology and its comprehensive tools. The one of the two training programs is about "Training on TEST Approach and RECP Methodology" and another on is about "Energy Efficiency: Audit method and cost saving opportunities", which will be conducted later.

III.3.A. Training on TEST Approach and RECP Methodology

The training workshop on the TEST Approach and RECP methodology is an integral part of a technical assistance program in Cambodian industry under UNIDO's "Low-Carbon Development for Productivity and Climate Change Mitigation through the Transfer of Environmentally Sound Technology (TEST) Methodology" project. As part of the project implementation, the training workshop will be carried out at the start of the TEST program implementation for demonstration companies so that the company TEST teams can have knowledge and skills to support the project team to conduct an onsite Resource Efficiency and Cleaner Production (RECP) assessment as part of the TEST tools. The training will also support the factory to understand more about the RECP methodology and the TEST approach so that the methodology can be used and applied in the demo factories continuously.

The training workshop on TEST Approach and RECP methodology was conducted virtually from 12th to 13th May 2021; the training workshop is a strategy designed to strengthen capacity of the company teams for better understanding of the methodological approach implemented during the RECP and energy assessment and create capacities to follow up and continue improvement after the project ends. Members of company team formed in each participant companies. These members will be part of the following areas: top management representative (e.g., technical director), process or technology (e.g., chief engineers, production managers, production planning, information specialists); management systems (e.g., managers of EMS, QMS, H&S, etc.), and accounting or financial specialists. 2 members from this are delegated to join the RECP training workshop. Additionally, national advisors assigned to participant companies attended the workshop, for approximately 54 participants, among which 30% of the total participants was women members from this are delegated to join the RECP training workshop. Additionally, national advisors assigned to participant companies attended the workshop, for approximately 54 participants, among which 30% of the total participants was women.

III.3.B. Energy Efficiency: Audit method and cost saving opportunities

Due to the Covid-19 pandemic, the team decided to conduct during October 2021; as there was suggestion from the demo-companies to delay the training program; thanks to some demo-companies suspended their operation or reduce number of their staff (for the detail of training workshop for demo-company see in annex 5).

V. Conclusion

Regarding well cooperation between MISTI team and UNIDO PMU, most of the project activities were completed; even some of the activities could not be implemented on time caused by Covid-19 and its variants as well as the Royal Government of Cambodia's restriction for organizing any events and gathering; MISTI team and UNIDO PMU tried all of the best to bring off planned activities with remarkable and fruitful results.

VI. Annex:

1. Report on Necessary Policy Measures and Technical Guidelines Strengthened to Ensure Industrial Low Carbon Development and Resource Efficient Operations (D1)
2. Report on Incentives established to encourage industries improve the economic, social and environmental dimensions of their activities (D2 - D8)
3. Concept note and Workplan of Training and assistance on Environmental Management System (EMS) and Environmental Management Accounting (EMA) (D9 - D12)
4. Report on Call for companies and initial review (D13)
5. Report on Training program on TEST methodology and related tools (D14)