Cambodia Development Resource Institute

Economic Research Institute for ASEAN and East Asia

Proposed Programme of Intervention to Integrate Cambodian Returnees into the Cambodian Economy

CDRI and ERIA

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This special report has been put together by the Cambodia Development Resource Institute (CDRI) and the Economic Research Institute for ASEAN and East Asia (ERIA) to create a roadmap based on discussions with representatives from 19 ministries and agencies to tie together existing government responses, needs expressed and ideas that could contribute to a positive solution to the current issues relating to the return of Cambodian workers.

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List of abbreviations

ADB	Asian Development Bank
CCC	Cambodia Chamber of Commerce
CDC	Council for the Development of Cambodia
CDRI	Cambodia Development Resource Institute
CGCC	Credit Guarantee Corporation of Cambodia
ERIA	Economic Research Institute for ASEAN and East Asia
EPS	Employment Permit System
FAO	Food and Agriculture Organization of the United Nations
FDI	Foreign Direct Investment
IDPoor	Identification of Poor Households Programme
IFC	International Finance Corporation
ILO	International Labour Organization
IOM	International Organization for Migration
JICA	Japan International Cooperation Agency
MAFF	Ministry of Agriculture, Forestry and Fisheries
MEF	Ministry of Economy and Finance
MFAIC	Ministry of Foreign Affairs and International Cooperation
MISTI	Ministry of Industry, Science, Technology and Innovation
MLVT	Ministry of Labour and Vocational Training
MOEYS	Ministry of Education, Youth and Sport
MOH	Ministry of Health
MOP	Ministry of Planning
MPWT	Ministry of Public Works and Transport
MPTC	Ministry of Post and Telecommunications
MRD	Ministry of Rural Development
NBC	National Bank of Cambodia
NCDD	National Committee for Sub-National Democratic Development
NEA	National Employment Agency
NGO	Non-Governmental Organisation
NSSF	National Social Security Fund
NSPC	National Social Protection Council

OCM	Office of the Council of Ministers
RLD	Returnee Labour Database
RPL	Recognition of Prior Learning
SDF	Skills Development Fund
SEZ	Special Economic Zone
SMEs	Small and Medium-Sized Enterprises
SMS	Short Message Service
SSW	Specified Skilled Worker
TVET	Technical and Vocational Education and Training
UN	United Nations
WB	World Bank

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Executive summary

As of mid-August 2025, around 910,000 of an estimated 1.3 million Cambodians working in Thailand – almost 10 percent of the labour force – have returned to Cambodia since July following the border conflict between the two countries. They are predominantly of working age (96 percent aged 18–40), with limited education (57 percent with only primary schooling, 36 percent with some secondary, and less than 1 percent with higher or vocational training). The gender balance is almost even (50.8 percent male, 49.2 percent female). More than 70 percent originate from border provinces such as Banteay Meanchey, Battambang, Preah Vihear, Oddar Meanchey, and Pailin. Employment history highlights that 42 percent were in construction, 15 percent in agriculture, 12 percent in services, and 8 percent in manufacturing, while remittances, averaging USD400 per month per worker, accounted for about half of household incomes. Debt levels are high: 31–46 percent of returnee households are indebted, with average formal debts of USD5,000–8,000 and informal debts around USD2,500. This combination of job loss, debt pressure, and loss of remittances risks doubling poverty rates amongst returnee households to nearly 50 percent. While this sudden influx creates an immediate humanitarian and employment crisis, it also creates a strategic opportunity for Cambodia to harness returnees' skills and stimulate growth. In response to this situation, this Programme of Intervention, developed by the Cambodia Development Resource Institute (CDRI) and the Economic Research Institute for ASEAN and East Asia (ERIA), sets out possible short-term (0–12 months) and medium-term (1–3 years) interventions.

Short-term priorities (0–12 months) focus on emergency relief and rapid labour market integration. A Returnee Labour Database (RLD) will register and profile returnees, linking them to social protection systems, job vacancies, and employers. Vulnerable households will receive cash transfers through the Identification of Poor Households Programme (IDPoor), alongside expanded National Social Security Fund (NSSF) coverage and debt relief measures. Large-scale cash-for-work programmes will provide 200,000–300,000 jobs, particularly in rural infrastructure, with gender quotas to ensure women's inclusion. Skills activation initiatives – such as Recognition of Prior Learning (RPL), short training bootcamps, and job fairs – will speed up job placement, supported by employer subsidies. Safe migration channels to Japan, the Republic of Korea (henceforth, Korea), Malaysia, and the Gulf States will also be expanded, using the RLD as a digital skills passport.

Medium-term priorities (1–3 years) should focus on self-employment, small and medium-sized enterprises (SMEs) development, and structural transformation to ensure sustainable reintegration of returnees. Many returnees may aspire to start microbusinesses, yet high debt burdens limit their access to start-up capital. Larger entrepreneurial ventures also require business, financial, and sectoral skills. The Credit Guarantee Corporation of Cambodia (CGCC) has guaranteed over USD365 million in loans to SMEs in 2025, showing that financial access can be scaled, but demand far exceeds supply. A 'Returnee Enterprise Fund', designed through public–private partnerships and supported by development partners, could combine loan guarantees, micro-grants, and training in agro-processing, services, and digital businesses. Infrastructure gaps remain a binding constraint. In provinces such as Battambang and Oddar Meanchey, over 90 percent of households hold less than 1 hectare of land, limiting reintegration through agriculture. At the same time, the absence of cold chain and logistics facilities prevents value addition in crops like cassava, cashew, and mango. Linking the Master Plan on Transport and Logistics, 2023–2033 directly to reintegration, through agro-industrial Special Economic Zones (SEZs), border logistics parks, and cold chain systems, will create jobs while strengthening regional trade. Over the next 3 years, scaling agro-processing, supporting SMEs, and investing in health, housing, and digital labour systems will expand Cambodia's absorptive capacity and lay the groundwork for longer-term diversification and resilience.

If implemented effectively, this programme has the potential to reduce the risk of poverty, strengthen resilience, and boost gross domestic product (GDP) by nearly 10 percent.

Short-term priorities (0–12 months)

1. Rapid data and registration

A Returnee Labour Database (RLD) will serve as the central digital platform to register, profile, and track all returned Cambodian workers, ensuring timely service delivery and supporting labour market integration. This will help to provide the following immediate benefits:

- Rapid identification of vulnerable returnees for cash transfers and debt relief.
- Streamlined job matching for the 190,000+ vacancies already reported nationwide.
- Stronger coordination amongst government agencies, employers, and development partners, reducing duplication and delays.

Core functions of the RLD:

- Comprehensive profiling: Each returnee will have a digital profile, capturing demographics (age, gender, province of origin, and household size); employment history (sector and occupation in Thailand), skills, and languages; health status; registration with the NSSF; and financial status (loans, savings, and remittances lost).
- Integration with national systems: The RLD will link directly with the IDPoor database to identify vulnerable households eligible for cash support, and with the NSSF to expand health and pension coverage. Provincial job centres and the National Employment Agency (NEA) Labour Market Information System will also be connected, allowing rapid matching of returnees to vacancies.
- Employer interface: Employers in SEZs, large-scale farms, logistics parks, and construction projects will be able to post vacancies directly. The RLD will automatically match jobseekers to openings based on skills, location, and preferences.

Multi-channel registration mechanisms:

- Mobile-based channels: Quick self-registration via a Telegram bot and Short Message Service (SMS)/ Unstructured Supplementary Service Data (USSD) codes, available in Khmer and Thai, to capture basic information.
- District and commune kiosks: Digital kiosks at border crossings, provincial halls, and commune offices where returnees can input or update their profiles with assistance.
- Non-governmental organisation (NGO) and International Organization for Migration (IOM) referrals: Data-sharing agreements with NGOs, community-based organisations, and IOM returnee support teams to ensure no groups are left unregistered.
- Mass job fairs and hotline (1297): Events and hotlines will funnel data into the RLD in real time.

Governance and data security:

- o The Ministry of Labour and Vocational Training (MLVT) will host and manage the RLD through its National Taskforce Secretariat, with information technology (IT) support from the Ministry of Post and Telecommunications (MPTC).
- o Data privacy and protection protocols will be embedded, following international standards, ensuring that returnees' personal and financial information is secure.
- o Regular dashboards will provide decision-makers in the Ministry of Economy and Finance (MEF); the Council for the Development of Cambodia (CDC); the Ministry of Agriculture, Forestry and Fisheries (MAFF); and provincial governors with up-to-date analytics on returnee status, service uptake, and job placement outcomes.

2. Emergency income and debt protection

Deliver cash transfers via IDPoor:

- o IDPoor is Cambodia's national poverty targeting database, already used for cash transfer programmes during the coronavirus disease (COVID-19). Leveraging this infrastructure allows for rapid identification of vulnerable returnee households. Newly vulnerable households will be added on a rolling basis through fast-track verification at border reception centres, communes, and mobile registration. Monthly emergency cash transfers will help cover food, housing, and health needs, reducing the risk of distress sales of assets. Digital/mobile payment systems should be prioritised for speed and transparency.

Expand NSSF health and pensions coverage:

- o The NSSF provides health insurance, pensions (if possible, depending on the budget), and employment injury protection for formal workers. Most returnees are informal and excluded. The intervention proposes temporary voluntary enrolment for returnees, subsidised for at least 12 months, covering:
  - ✓ Health services: outpatient, inpatient, maternity, preventive care.
  - ✓ Pensions (pilot basis): contribution credits for returnees re-entering the workforce. Expansion of NSSF coverage reduces the financial burden of health shocks, a major cause of debt for poor households.

Implement NBC directive for debt relief:

- o As of mid-2025, 31 percent of migrant households carry loans averaging USD5,000, mainly from microfinance institutions (MFIs) and commercial banks. Without remittances, these households risk default. The National Bank of Cambodia (NBC) has instructed MFIs and banks to reschedule loans, suspend penalties and late-payment interest, and allow temporary interest moratoriums for those in hardship. The MEF, with the CGCC, should backstop the sector by offering partial guarantees on restructured loans to safeguard stability. Debt relief must be tied to financial literacy and monitoring to prevent over-indebtedness and predatory lending. This action will generate the following immediate outcomes:

- ✓ Prevents sharp increases in poverty amongst 150,000–200,000 vulnerable returnee households.
- ✓ Stabilises microfinance and banking sectors by reducing default risk.
- ✓ Provides breathing space for households to join cash-for-work, training, or small-enterprise programmes without immediate debt stress.

3. Mass public works programme

Nationwide cash-for-work programmes

The Royal Government of Cambodia should launch large-scale, labour-intensive public works programmes that immediately absorb returnees into productive activities. These activities are designed to be quick-start projects that can employ thousands of workers within weeks, stabilising incomes in provinces with the highest influx of returnees. Priority projects could include:

- o Rural road rehabilitation to improve connectivity between villages, markets, and schools.
- o Irrigation canal repair and expansion to support rice and vegetable farming, reduce climate risks, and increase food security.
- o Reforestation and land rehabilitation, particularly in degraded areas vulnerable to flooding or erosion.
- o School and health facility repairs, creating immediate jobs while strengthening essential social services.

Social inclusion and safeguards

The programme promotes equitable participation by ensuring women, widows, and other vulnerable groups have fair access to income opportunities, while building trust and accountability in public works through transparent, standardised wage systems that guarantee fair compensation. At the same time, it strengthens Cambodia's digital financial ecosystem by expanding financial inclusion and delivering long-term gains in household resilience, savings culture, and financial literacy.

Gender quotas for participation

- o A target participation quota of 40 percent women will be applied across all cash-for-work projects.
- o Special measures will ensure the inclusion of female-headed households, widows, and single mothers, who may otherwise be excluded from construction-type work.
- o Projects will be designed with gender-sensitive roles: lighter tasks (tree planting, community health outreach, and school refurbishment support) will complement heavier construction tasks.
- o Provision of on-site childcare facilities or stipends will further enable women's participation.

- This approach prevents widening of gender gaps and ensures that women benefit equally from income-support programmes.

Transparent and fair daily wage rates

- Standardised wage schedules will be set nationally by the MLVT and the Ministry of Rural Development (MRD), with adjustments for regional cost of living.
- Wage levels should align with or slightly exceed prevailing agricultural day-labour rates, so that cash-for-work is competitive and attractive, especially during the farming off-season.
- Public posting of wage rates at worksites (in Khmer and local dialects) will ensure transparency and prevent intermediaries or contractors from exploiting workers.
- Workers will be issued signed attendance and payment slips, creating accountability and paper trails for monitoring.

Mobile payment systems for direct transfers

- Payments will be channelled through mobile money platforms (e.g., Wing, TrueMoney, or ABA Pay) linked to verified returnee profiles in the IDPoor system or the RLD.
- This approach reduces leakage by cutting out intermediaries; ensures timely and predictable wage disbursement, which is critical for indebted households; facilitates digital financial inclusion, introducing returnees to savings, insurance, and credit products.
- Workers without mobile accounts will be assisted by commune officials or NGOs to register.
- The MEF will oversee the financial flows, while the NBC will ensure compliance with financial regulations and consumer protections.

Governance and delivery

The cash-for-work programme is expected to provide short-term employment for 200,000–300,000 returnees within the first year while building climate-resilient and productive rural infrastructure such as roads, irrigation canals, and schools. By doing so, it helps to prevent a surge in underemployment, poverty, and food insecurity in provinces most affected by the influx of returnees. At the same time, the programme creates a vital bridge for workers to transition into longer-term employment, vocational training, or enterprise development opportunities under the medium-term strategy.

- The MRD will take the lead in coordinating nationwide cash-for-work programmes, working closely with provincial administrations and commune councils to identify priority projects and mobilise returnee workers. This ensures that interventions are tailored to the specific needs and absorptive capacity of each province, particularly in high-returnee border regions such as Banteay Meanchey, Battambang, and Oddar Meanchey.
- Funding flows will be channelled through the MEF, with resources allocated to local authorities based on returnee concentration and infrastructure gaps. To guarantee effective alignment

between national policy and local delivery, the National Committee for Sub-National Democratic Development (NCDD) will provide technical oversight, monitoring fiscal discipline and ensuring that labour-intensive projects meet both employment and infrastructure objectives.

- Equally important, community participation will be embedded at every stage. Commune councils, local civil society groups, and returnee representatives will be involved in project prioritisation, design, and monitoring. This participatory approach ensures that infrastructure investments – whether feeder roads, irrigation systems, or school repairs – address genuine community needs, build local ownership, and deliver lasting social and economic benefits well beyond the short-term employment impact.

4. Skills activation and fast matching

Recognition of prior learning

- Many returnees gained valuable skills abroad but lack formal certification. The RPL system will assess and certify these competencies in sectors such as construction (masonry, carpentry, and welding); agriculture (crop handling and machinery use); hospitality (food service and housekeeping); and manufacturing (assembly and machine operation). Certification will be delivered through the MLVT in partnership with the NEA and technical and vocational education and training (TVET) institutes. RPL reduces the need for lengthy retraining, allowing skilled workers to be placed quickly in available jobs.

Short-cycle training bootcamps (2–8 weeks)

- For returnees whose skills need upgrading or redirection, modular bootcamps will provide intensive, hands-on training. These short courses (lasting 2–8 weeks) will focus on fast-growing sectors with high labour demand:

  - ✓ Agro-processing (packhouse operations, food safety, and cold-chain handling).
  - ✓ Construction (plumbing, electrical wiring, equipment operation, and safety standards).
  - ✓ Logistics and transport (forklift driving, warehouse management, and delivery systems).
  - ✓ Hospitality and tourism (front office, catering, housekeeping, and customer service).
  - ✓ The Skills Development Fund (SDF) under the MEF can co-finance these bootcamps with employers, ensuring that training is linked to real vacancies and industry standards.
  - ✓ Job fairs and employer incentives
  - ✓ Nationwide job fairs will be organised in border provinces and urban hubs to connect returnees directly with employers in garments, footwear, electronics, tourism, agro-industry, and services. To encourage hiring, the

government will introduce wage subsidies and tax credits for employers who recruit and train returnees, particularly women and youth. For example:

- ✓ Wage subsidies could cover 30–50 percent of a returnee's salary for the first 3–6 months.
- ✓ Hiring bonuses could be provided to firms that place returnees in permanent roles.
- ✓ Payroll tax credits could incentivise companies in SEZs and industrial parks to absorb large numbers of workers quickly.

- o Through the rapid certification and validation of existing skills, returnees can be placed in jobs more quickly, while short-cycle training programmes will enable thousands of workers to be reskilled into labour-hungry sectors within weeks rather than years. At the same time, stronger partnerships between government agencies, training providers, and employers will ensure that interventions are demand-driven and closely aligned with the real needs of the labour market.

5. Safe labour migration channels

Reopening and expanding pathways

Safe, legal labour migration will continue to play an important role as a 'pressure valve' for Cambodia's domestic labour market, especially in the short term when job creation at home may not keep pace with the influx of returnees. The government should reopen and expand bilateral labour agreements with key partner countries, including:

- o Japan through the Specified Skilled Worker (SSW) programme, which offers employment opportunities in construction, agriculture, caregiving, and manufacturing.
- o Korea through the Employment Permit System (EPS), which has historically absorbed thousands of Cambodian workers annually.
- o Malaysia for manufacturing and domestic work, with stronger safeguards for worker rights and welfare.
- o Gulf States (e.g., Qatar, the United Arab Emirates (UAE), Saudi Arabia, and Kuwait) for construction, hospitality, and service-sector jobs, provided recruitment processes are regulated and protections are enforced.

These pathways will help reduce immediate unemployment pressures at home while continuing to provide remittance inflows that support household consumption and debt repayment.

The RLD as a 'skills passport'

The RLD, established under the MLVT, can serve as a digital skills passport for overseas recruitment. By linking verified worker profiles, including skills, prior occupations, language ability, and health/NSSF status, with overseas recruitment agencies and host-country employers, the RLD will:

- o Streamline pre-departure selection and placement, reducing delays and costs.
- o Minimise dependence on informal or exploitative brokers, protecting workers from abuse.

- Ensure that only registered and trained workers are deployed, improving Cambodia's reputation as a reliable labour source.
- Provide continuity between domestic job matching and overseas recruitment, so that returnees can pursue opportunities abroad or at home depending on market demand.

Governance and worker protection

- The MLVT, in collaboration with the Ministry of Foreign Affairs and International Cooperation (MFAIC), will negotiate expanded quotas and agreements with partner countries. Pre-departure orientation, standard contracts, health checks, and financial literacy sessions will be mandatory to ensure safe migration. Reintegration measures will also be built in, so workers who eventually return can transition back smoothly into domestic programmes.

Meduim-term priorities (1–3 years)

1. Agriculture and agro-processing expansion

Cambodia already produces cassava, cashew, mango, and rice at world-scale volumes, which creates immediate headroom to capture more value at home and absorb large numbers of returnees. According to the Food and Agriculture Organization of the United Nations (FAO), cassava output reached about 17.7 million tons from 759,000 hectares in 2023, placing Cambodia amongst the world's top producers. This scale provides a strong base for investment in starch, pellets, and ethanol production. Cashew contributed an estimated USD1.07 billion in value added in 2024 (about 3.8 percent of GDP), with the potential to nearly double by 2035, yet 95 percent of nuts are still exported raw. Mango exports exceeded USD140 million in 2024, supported by new market access to China, though most value is lost without domestic drying and puree facilities. Rice continues to anchor Cambodia's agri-food sector, with the government's long-standing target of 1 million tons of milled rice exports annually, a goal that requires steady investment in milling efficiency, storage, and logistics. The CDC approved USD5.8 billion in projects during the first half of 2025, much of it in agro-processing, packaging, and cold-chain logistics – pointing to strong demand for labour and training in this sector.

Job absorption pathways for returnees

- On-farm and outgrower services: contract farming, land preparation, harvesting, irrigation operation and maintenance, and pump and tractor servicing. This provides immediate entry for returnees with prior agricultural or construction experience.

- Packhouses and cold-chain hubs: grading, sorting, food safety compliance, pre-cooling, inventory management, and dispatch. These jobs are especially relevant around border-province logistics hubs such as Stung Bot / Poipet.
- Processing plants: cassava starch production, cashew shelling and roasting, mango drying and puree, rice milling, and by-product industries (bran oil and husk-to-energy).
- Warehousing and logistics services: forklift driving, inventory management, quality assurance sampling, and transport coordination to Phnom Penh, Sihanoukville, and cross-border markets.

Concrete actions (12–36 months)
Cassava:

- Establish three to five starch and modified starch plants in high-output provinces.
- Convert part of dried-chip exports into locally processed starch.
- Pilot test one ethanol facility using cassava feedstock.
- Target: create 15,000–20,000 new jobs in starch and ethanol processing within 3 years.

Cashew:

- Develop integrated shelling, roasting, and oil-extraction clusters in Kampong Thom and Ratanakiri.
- Raise domestic processing share from 5 percent to 20 percent by 2028.
- Promote female employment in cashew plants, which are traditionally women-intensive.
- Target: generate 25,000 new jobs, with at least 50 percent for women.

Mango:

- Construct pre-cooling, packhouse, and tunnel-dryer facilities in Banteay Meanchey and Battambang.
- Expand dried mango and puree exports to China, Korea, and the Association of Southeast Asian Nations (ASEAN) markets.
- Support smallholders with training on harvesting and post-harvest handling.
- Target: add 10,000–12,000 packhouse and drying jobs by 2027.

Rice:

- Modernise 10–15 rice mills with parboiling, colour sorting, and silo storage.
- Integrate waste-to-energy systems (using rice husk) to cut costs.
- Strengthen rail and port access for bulk exports.
- Target: expand milling jobs by 20,000 positions and reach the 1 million ton export target by 2028.

Short-cycle training modules (2–12 weeks)

Delivered through TVET centres, co-financed by the SDF and employers, with RPL to fast-track experienced workers:

- Food safety and Hazard Analysis and Critical Control Point (HACCP) basics (2–4 weeks): mandatory for all packhouse and processing workers.
- Cold-chain handling (2–4 weeks): pre-cooling techniques, temperature monitoring, and traceability.

- Forklift and warehouse operations (2–3 weeks): driving, racking, barcoding, and safety.
- Boiler and dryer operation and preventive maintenance (4–6 weeks): critical for cassava and mango processing facilities.
- Irrigation operation and maintenance (4–8 weeks): pumps, valves, fertigation systems, and canal upkeep.
- Quality assurance, inspection, and basic mechatronics (6–12 weeks): line monitoring, sensor calibration, and basic machine repair.
- Target: train 50,000 returnees within 24 months, with at least 40 percent women.

Governance and financing

- Lead agencies: MAFF for crop development, the MLVT for training and certification, and the CDC for investment facilitation.
- Financing tools: SDF co-financing for training, the CGCC to backstop SME loans, and concessional financing from development partners for cold-chain and logistics parks.
- Local implementation: Provincial administrations and commune councils to manage packhouses and training enrolment.
- Monitoring: Regular dashboards integrated into the RLD to track employment outcomes, gender equity, and training completion.

2. SME and entrepreneurship development

The reintegration of returnees requires not only wage employment but also pathways to self-employment and small business creation. Many returnees bring back savings, entrepreneurial experience, and skills from Thailand. By combining targeted financial support with capacity building and market access, Cambodia can transform returnees into micro-entrepreneurs, suppliers, and job creators.

Launch a returnee enterprise fund

- Design: The Returnee Enterprise Fund (REF) will provide small grants of USD500–1,500 to support microbusiness start-ups (street food, tailoring, repair shops, logistics services, and agri-trading).
- Leverage: Grants will be paired with CGCC-backed loans from MFIs and banks, reducing collateral barriers and de-risking lending.
- Target: 50,000 returnee micro-entrepreneurs supported in the first 2 years.
- Action: MEF and the MLVT to launch the REF by mid-2026, in partnership with the CGCC and commercial banks.

Expand SDF bootcamps into micro-MBA modules

- Design: Add business-focused bootcamps (2–6 weeks) covering bookkeeping, costing, marketing, and e-commerce skills.
- Delivery: Provincial TVET centres and private providers.
- Action: Employers and chambers of commerce co-finance the bootcamps, ensuring relevance to supply chain opportunities.
- Target: 30,000 returnees complete micro-MBA modules by 2027, with at least 40 percent women.

Introduce procurement quotas for returnee SMEs

- Policy: Government ministries, SEZs, and state-owned enterprises to allocate 5–10 percent of procurement for returnee-owned SMEs.
- Sectors: Catering, uniforms, cleaning, transport, equipment maintenance, and areas with low entry barriers and steady demand.
- Action: MEF and the CDC to embed quotas in procurement guidelines by 2026.
- Impact: Provides reliable demand, allowing returnee businesses to scale sustainably.

Public–private co-financing model

- Encourage Cambodian conglomerates (e.g., Chip Mong, Prince Group, Anco Brothers, and Royal Group) to match government funding in the REF as co-investors or anchor sponsors.
- Offer branding and corporate social responsibility recognition (e.g., 'Tycoon X Entrepreneurship Fund for Returnees') to incentivise contributions.

Investment incentives

- Tax deductions of up to 150 percent of contributions to the REF or SME training programmes.
- Fast-track approvals and land-use rights in SEZs for tycoons who invest in returnee SME clusters (e.g., logistics hubs, food processing, and garment workshops).

Blended finance mechanisms

- Use development partner guarantees (the Asian Development Bank (ADB), International Finance Corporation (IFC), and Japan International Cooperation Agency (JICA)) to crowd-in domestic investors.
- Pair tycoon capital with concessional funds to de-risk investments in packhouses, cold storage, and SME incubators.

Strategic partnerships with business associations

- Mobilise the Cambodia Chamber of Commerce (CCC) and sectoral associations (garment, logistics, and food processing) to link returnee SMEs with supply chains.
- Encourage tycoons to mentor or subcontract work to returnee businesses, e.g., garment tycoons outsourcing uniform contracts or food tycoons sourcing from returnee-led agro SMEs.

Skills re-matching and upgrading

- Scale RPL certifications for construction, hospitality, manufacturing, and agriculture.
- Transition returnees into industrial maintenance, quality assurance, mechatronics, and hospitality roles.
- Finance through the SDF and employer co-financing.

3. Industrial diversification, domestic direct investment, and FDI absorption

Cambodia's next phase of industrial growth must go beyond garments and construction, integrating returnees into the electronics, auto-parts, renewable by the CDC in the first half of 2025, forecasting around 255,000 jobs, the timing is ideal to direct returnee workers into new-generation industries that strengthen Cambodia's position in regional supply chains.

Electronics and auto-parts manufacturing

- o Action: Fast-track training of returnees for assembly-line, quality assurance, machine operation, and industrial maintenance roles.
- o Partnership: Link with Japanese, Korean, and Chinese investors setting up in SEZs.
- o Target: Place at least 50,000 returnees in electronics and auto-parts clusters (e.g., Phnom Penh, Kampong Speu, and Sihanoukville SEZ) by 2028.
- o Support: Wage-share subsidies covering 30–40 percent of salaries for the first 6 months to incentivise employers.

Renewable energy (solar, wind, and biomass)

- o Action: Upskill returnees in solar panel installation, wind turbine assembly, biomass plant operation, and electrical maintenance.
- o Partnership: Ministry of Mines and Energy with private renewable developers (e.g., TotalEnergies, SchneiTec, and Okra Solar).
- o Target: Train 15,000 returnees as renewable technicians by 2027.
- o Support: CGCC-backed 'Green SME Loans' to support local enterprises in solar rooftop installation, energy efficiency services, and repair/maintenance businesses.

Logistics and supply chain services

- o Action: Deploy returnees into warehousing, cold-chain operations, trucking, and port services.
- o Partnership: Integrate training with Stung Bot / Poipet logistics hub and Sihanoukville Port expansion.
- o Target: 40,000 returnees absorbed into logistics operations by 2027.
- o Support: SDF subsidies for forklift driving, inventory control, and digital logistics systems.

Financing and incentives SEZ training subsidies

- o The MEF and the CDC to cover 50 percent of training costs for investors in SEZs who hire returnees.
- o Incentive: tax credits for firms that commit to training at least 500 returnees annually.

Wage-share subsidies

- o Government provides temporary subsidies (30–40 percent of wages for 6–12 months) to companies hiring returnees, reducing employer risk.
- o Priority for firms in high-value industries (electronics, auto-parts, renewables, and logistics).

CGCC for green SMEs

- o Credit Guarantee Corporation of Cambodia (CGCC) to issue partial guarantees (50–70 percent) for loans to SMEs working in renewable energy, waste-to-energy, logistics tech, and supporting industries.

- Attract local tycoons and foreign investors to co-invest in Cambodia's green industrial base.

Investment attraction strategy

- Anchor foreign direct investment (FDI) projects: Prioritise electronics and renewable energy investors already approved by the CDC in 2025, offering accelerated licensing and labour matching via the RLD.
- Public–private partnerships: Encourage Cambodian conglomerates (Royal Group, Chip Mong, and Prince) to co-invest with FDI partners in logistics parks and renewable energy SMEs.
- Blended finance: Use ADB, IFC, and JICA funds to de-risk private investment.
- Industrial policy alignment: Position this programme as part of Cambodia's Pentagonal Strategy Phase II (Industrial Transformation) to secure long-term donor and investor confidence.

4. Infrastructure and services

The large-scale return of workers has placed enormous strain on border provinces and exposed gaps in logistics, public services, and data systems. Medium-term interventions must focus on hard infrastructure (logistics hubs, housing, health, and schools) and soft infrastructure (digital labour systems, grievance redress mechanisms, and skills tracking) to create a resilient environment for both returnees and host communities.

Develop logistics and cold-chain hubs (Stung Bot / Poipet)

- Action: Construct two integrated logistics and cold-chain hubs in Banteay Meanchey (Stung Bot) and Poipet, with warehouses, pre-cooling facilities, and last-mile distribution services.
- Partnerships: Ministry of Public Works and Transport (MPWT), CDC, and private investors (logistics operators, supermarket chains, and agri-exporters).
- Financing: Public–private partnerships with concessional loans from ADB and JICA, combined with domestic investment from tycoons engaged in agribusiness and retail.
- Target: Operational hubs handling 1 million tons of agri-products annually by 2027.
- Impact: Cuts post-harvest losses in cassava, cashew, mango, and vegetables; anchors jobs in warehousing, trucking, forklift operations, and cold-chain management.

Expand housing, health, and schools in high-returnee provinces

- Action: Launch a Returnee Service Expansion Plan in Banteay Meanchey, Battambang, Oddar Meanchey, and Prey Veng.
- Housing: Partner with private developers (e.g., Chip Mong Land and Borey Peng Huoth) to build affordable housing clusters near SEZs and agro-industrial parks. Offer tax holidays

and low-interest loans for developers investing in worker housing.

- Health: Expand provincial hospitals and health centres with mobile clinics and NSSF-backed health coverage. Prioritise maternal health and communicable disease control in migrant-heavy areas.
- Schools: Build 20 new schools and expand 50 existing ones in high-returnee communes by 2028, in coordination with the Ministry of Education, Youth and Sport (MOEYS).
- Impact: Reduces pressure on overcrowded services, stabilises families, and encourages permanent reintegration instead of re-migration.

Invest in digital labour market dashboards, grievance redress mechanisms, and skills passport systems

- Action: Build a National Returnee Labour Market Dashboard within the MLVT, linked to the RLD.
- Dashboards: Provide real-time data on vacancies, training enrolments, wage levels, and geographic job distribution.
- Grievance redress system: Establish a multilingual hotline and mobile app (Khmer, Thai, and English) where returnees can report exploitation, wage theft, or abuse, with cases routed to provincial labour departments.
- Skills passport: Integrate RPL certifications and TVET training records into a digital skills passport that returnees can present to employers at home or abroad.
- Financing: Leverage World Bank digital inclusion projects, ADB e-governance support, and private IT firms for system buildout.
- Target: By 2027, all returnees registered in the RLD have a digital skills passport, and at least 100,000 grievances resolved through the system.

Implementation timeline

0–3 Months (immediate response)

Reception and registration:

- Border checkpoints, provincial halls, and communes set up registration kiosks linked to the RLD.
- MLVT and NGOs deploy mobile teams to ensure rapid profiling of returnees (skills, health, debt, and housing).

Emergency cash transfers:

- IDPoor system extended to cover returnees.
- MEF disburses monthly cash transfers (USD30–50 per household) via mobile money platforms.

Debt relief:

- NBC enforces loan rescheduling and interest suspension for returnee households.
- CGCC offers partial guarantees to MFIs and banks to avoid defaults.

Public works launch:

- MRD rolls out cash-for-work schemes in irrigation repair, rural roads, reforestation, and school rehabilitation.
- Target: 200,000 returnees employed within 3 months.

4–12 Months (stabilisation and skills activation)

Job fairs and placement services:

- NEA organises quarterly job fairs in Phnom Penh, Banteay Meanchey, and Battambang.
- Employers in SEZs and agro-processing hubs recruit directly from RLD profiles.

Recognition of prior learning:

- MLVT, in partnership with TVET centres, certifies returnees' overseas skills in construction, hospitality, and agriculture.
- Target: 50,000 returnees certified by month 12.

Short-cycle training (2–12 weeks):

- SDF co-finances bootcamps in logistics, agro-processing, cold-chain handling, hospitality, and industrial maintenance.
- Target: 30,000 returnees trained within the first year.

Micro-grants and start-up support:

- Launch of the REF with USD500–1,500 grants paired with CGCC-backed loans.
- Priority for women-led and youth-led enterprises.

Employer incentives:

- Introduction of wage-share subsidies (30–40 percent of wages for 6 months) for companies hiring returnees.
- Procurement quotas for returnee SMEs in catering, uniforms, and maintenance.

13–36 Months (structural transformation and expansion)

Agro-processing buildout:

- o Establish starch plants, cashew shelling units, mango drying lines, and modern rice mills in border provinces.
- o Cold-chain hubs operational in Stung Bot / Poipet, handling over 1 million tons annually.

Special economic zones:

- o Electronics, auto-parts, and renewable energy factories operational under CDC-approved FDI projects (USD5.8 billion pipeline, about 255,000 jobs).
- o Returnees placed in assembly, logistics, and industrial maintenance roles.

SME scaling:

- o Returnee-owned SMEs supported through micro-MBA bootcamps, procurement quotas, and cluster-based incubators.
- o Target: 50,000 SMEs launched or expanded by year 3.

Industrial diversification:

- o Returnees mobilised into electronics, auto-parts, logistics services, and renewable energy industries.
- o Wage subsidies and training incentives continue in SEZs.

Service expansion:

- o Build affordable housing clusters, expand provincial hospitals, and construct new schools in high-returnee provinces.
- o Digital labour dashboards and skills passport systems fully integrated by 2028, linking returnees to both domestic and overseas jobs.

Annexe: Programme of intervention – summary table for policymakers

Time frame	Priority area	Key actions	Lead/Partners	Expected outcomes
Short term (0–12 months)	Rapid data & registration	Establish returnee labour database (RLD); link to IDPoor, NSSF, NEA; intake via kiosks, Telegram, SMS, NGOs	MLVT, MPTC, MEF	900,000+ returnees registered; faster job matching
	Emergency income & debt relief	Cash transfers via IDPoor; NSSF voluntary enrolment; NBC debt rescheduling; CGCC guarantees	MEF, NBC, NSSF, CGCC	150,000–200,000 households protected; defaults reduced
	Emergency jobs at scale	Cash-for-work in roads, canals, reforestation, and schools; gender quotas; mobile wage payments	MRD, MEF, NCDD, communes	200,000–300,000 jobs in year 1; 40 percent women
	Skills activation & matching	RPL certification; short bootcamps (2–8 weeks); job fairs; wage subsidies for employers	MLVT, NEA, TVET, SDF	80,000+ certified/ trained; faster placements
	Safe migration channels	Reopen Japan SSW, Korea EPS, Malaysia, gulf states; RLD as skills passport	MLVT, MFAIC	Tens of thousands placed abroad; remittance inflows continue
Medium term (1–3 years)	Agro-processing expansion	Scale cassava, cashew, mango, rice processing; cold-chain/ logistics hubs (Stung Bot / Poipet)	MAFF, CDC, private sector	70,000+ new jobs; 50,000 trained in agriculture and farming related activities/ logistics
	SME & entrepreneurship development	Returnee Enterprise Fund (USD500–1,500 grants + CGCC loans); micro-MBA bootcamps; procurement quotas	MEF, MLVT, CDC, CCC, tycoons	50,000 SMEs launched; $100 million+ private capital mobilised
	Industrial diversification & FDI absorption	Mobilise returnees into electronics, auto-parts, renewables, logistics; wage/training subsidies	CDC, SEZs, MEF, private investors	100,000+ returnees in high-value sectors; FDI absorption
	Infrastructure & services	Housing clusters, expanded hospitals & schools in border provinces; labour dashboards; grievance redress mechanisms; digital skills passport	MPWT, MOEYS, MOH, MLVT, ADB, JICA	500,000 returnees with digital skills passport; improved services

Source: CDRI and ERIA, 2025

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