

KINGDOM OF CAMBODIA
NATION RELIGION KING



ROYAL GOVERNMENT OF CAMBODIA

NATIONAL STRATEGY ON STARTUP DEVELOPMENT 2026-2030



2026

"Foster a vibrant, resilient, and inclusive Cambodian startup ecosystem that nurtures innovative entrepreneurs to develop new solutions, strengthen existing markets, create new markets, and grow startups into scalable and competitive companies, while strengthening Cambodia's connectivity with the regional and global innovation ecosystem to contribute to national economic development"

PREAMBLE

In the modern era, technology is a vital new catalyst capable of driving innovation and growth across all veins of the economy and society. In line with the momentum of regional and global digitalization and digital transformation, the Royal Government of Cambodia of the Seventh Legislature of the National Assembly has inscribed "**institutional reforms and strengthening**" within the Pentagonal Strategy-Phase I as the strategic core for sustainable, inclusive, crisis-resilient, and equitable economic and social development. Therein, "**technology**" is designated as a new key priority in accelerating the development of Cambodia's digital economy and society to achieve the Cambodia Vision 2050, aimed at serving the noble cause of the nation, motherland, and people under the shade of peace, prosperity, and progress in all sectors.

In a long-term vision full of hope, confidence, and relentless will, the Royal Government of Cambodia has been paying great attention to developing the digital innovation system and driving economic productivity growth with diversification and dynamism, with contributions from the private sector, particularly startups. This great attention is clearly demonstrated through institutionalization such as the establishment of Techo Startup Center and Khmer Enterprise, financial support in the form of creating funds such as Entrepreneurship Development Fund, the support and development of digital platforms and/or systems such as the Online Business Registration system and the Startup Cambodia Digital Platform (startupcambodia.gov.kh), as well as support for other initiatives. In addition, the Royal Government of Cambodia has also introduced key startup support policies and strategies, including the Cambodia Digital Economy and Society Policy Framework 2021-2035 and the Cambodia Financial Technology Development Policy 2023-2028, along with various laws and regulations that serve as valuable legal and regulatory foundations for building the path of legality and regularity for startups in Cambodia.

In this regard, to harness the opportunities and unlock the potential of startups, which serve as a key driving force of innovation and a strategic tool, contributing to building a new growth model in line with international experiences, best practices, and trends, the Royal Government of Cambodia has introduced the "**National Strategy on Startup Development 2026-2030**," with the vision "**to foster a vibrant, resilient, and inclusive Cambodian startup ecosystem that nurtures innovative entrepreneurs to develop new solutions, strengthen existing markets, create new markets, and grow startups into scalable and competitive companies, while strengthening Cambodia's connectivity with the regional and global innovation ecosystem to contribute to national economic development.**"

I firmly hope that this National Strategy will become a key document and an efficient and effective driving force in accelerating startup development by leveraging the strengths and addressing the shortcomings of relevant actors in the ecosystem, aimed at achieving the objective, goals, and vision of this National Strategy, while providing protection and mitigation against potential risks arising from the infancy of the startup ecosystem in developing the digital economy and society. This National Strategy sets forth 5 priority strategies, namely 1) **formulating startup support regulatory frameworks**, 2) **improving access to finance**, 3) **expanding talent pool**, 4) **strengthening the capacity of startup ecosystem actors**, and 5) **enhancing network connectivity and market expansion**. These 5 priority strategies are laid out for ministries and institutions to implement based on the experience, knowledge, and expertise of each respective ministry and institution as well as based on input gathered through numerous consultation meetings and workshop with relevant stakeholders in the startup ecosystem, combined with deep studies of best practices in jurisdictions with robust resilience in startup development.

In my capacity as the Head of the Royal Government of Cambodia, I would like to commend and highly appreciate the efforts of **His Excellency Akka Pundit Sapheacha AUN Pornmoniroth, Deputy Prime Minister, Minister of Economy and Finance, and Chairman of the Digital Economy and Business Committee**, for his leadership and guidance in preparing and delivering this National Strategy. In addition, I would like to highly appreciate **His Excellency Dr. KONG Marry**, who led the working group of the Techo Startup Center and the General Secretariat of the Digital Economy and Business Committee, for their dedication and hard work in drafting this National Strategy to complete fruition. I would like to encourage all relevant ministries and institutions to participate in implementing this National Strategy with utmost responsibility and imbued by the spirit of proactivity, interactivity, co-development, co-innovation, and cooperation, aimed at ensuring the realization of this National Strategy's objective, goals, and vision.

Phnom Penh, May 28, 2026

Prime Minister

(Signature and Seal)

Samdech Moha Borvor Thipadei HUN Manet

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ABBREVIATIONS

AI	Artificial Intelligence
ARDB	Agricultural and Rural Development Bank
CADT	Cambodia Academy of Digital Technology
CDC	Council for Development of Cambodia
CGCC	Credit Guarantee Corporation of Cambodia
CSX	Cambodia Securities Exchange
DEBC	Digital Economy and Business Committee
EDF	Entrepreneurship Development Fund
ESOs	Entrepreneurial Support Organizations
FinTech	Financial Technology
FSA	Non-Bank Financial Services Authority
GDP	Gross Domestic Product
GII	Global Innovation Index
HEIs	Higher Education Institutions
KE	Khmer Enterprise
KPIs	Key Performance Indicators
MEF	Ministry of Economy and Finance
MFAIC	Ministry of Foreign Affairs and International Cooperation
MINFO	Ministry of Information
MISTI	Ministry of Industry, Science, Technology and Innovation
MLVT	Ministry of Labor and Vocational Training
MVP	Minimum Viable Product
MoC	Ministry of Commerce
MoEYS	Ministry of Education, Youth and Sport
MoI	Ministry of Interior
MoWA	Ministry of Women's Affairs
MPTC	Ministry of Post and Telecommunications
NBC	National Bank of Cambodia
NICC	National Incubation Center of Cambodia
NIS	National Institute of Statistics
RGC	Royal Government of Cambodia
SDF	Skills Development Fund
SEPI	Startup Ecosystem Performance Index
SMEs	Small and Medium Enterprises
SME Bank	Small and Medium Enterprise Bank of Cambodia
TSC	Techo Startup Center
TVET	Technical and Vocational Education and Training
VCs	Venture Capitalists
WEE-DC	Women's Economic and Entrepreneurship Development Center

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EXECUTIVE SUMMARY

The Royal Government of Cambodia regards startups as a catalyst and a potential driving force capable of significantly contributing to the transformation of the national economy. In recent years, the Royal Government of Cambodia has actively engaged with various actors in the startup ecosystem on numerous initiatives, enabling startups in Cambodia to enhance their capacity to grow through each stage of development and ultimately become successful companies. These achievements are clearly reflected in the improved performance of both national and international startup ecosystem indices. Nevertheless, the development of startups continues to face a number of challenges relevant to startup support regulations, funds, investments, talent, startup support programs, network connectivity, and markets. This further underscores the greater urgency and necessity than ever before for the Royal Government of Cambodia to consider more rigorous, targeted, and standardized approaches.

In this regard, to establish a common framework and address the aforementioned challenges, the Royal Government of Cambodia has decided to prepare and issue **the National Strategy on Startup Development 2026-2030**, with the vision to **"foster a vibrant, resilient, and inclusive Cambodian startup ecosystem that nurtures innovative entrepreneurs to develop new solutions, strengthen existing markets, create new markets, and grow startups into scalable and competitive companies, while strengthening Cambodia's connectivity with the regional and global innovation ecosystem to contribute to national economic development."** This National Strategy aims to **"develop an enabling and well-connected startup ecosystem in Cambodia that supports startups at every stage of their journey to start, grow, expand markets, access capital, build the capacity to compete in domestic, regional, and international markets, and increase the contribution of startups in the gross domestic product."** The implementation of this National Strategy shall be grounded on 3 approaches, which are 1) government as a developmental enabler, 2) ecosystem-based startup development, and 3) co-evolution for startup development.

To achieve the above vision and objective, this National Strategy determines 5 goals that include 1) to establish startup recognition to enable access to various benefits and incentives, 2) to enhance the startup investment climate and access to broader investments, 3) to create a supportive environment to cultivate and attract a greater pool of startup talent, 4) to improve startup support programs to ensure quality, structured support across all startup development stages as well as interconnectedness to foster fast growth, and 5) to enhance startup capacity in developing products or services as a solution to open up new markets. Furthermore,

this National Strategy sets out five strategic priorities, which are 1) formulating startup support regulatory frameworks, 2) improving access to finance, 3) expanding talent pool, 4) strengthening the capacity of startup ecosystem actors, and 5) enhancing network connectivity and market expansion. These 5 strategic priorities comprise a total of 32 key measures.

Indeed, the effective and efficient implementation of this National Strategy requires close cooperation and resolute will from all relevant implementing ministries and institutions as well as from other relevant actors in the startup ecosystem, under the coordination, monitoring, and evaluation of the Digital Economy and Business Committee. Overall, **the National Strategy on Startup Development 2026-2030** will serve as a crucial guide to ensure that startups in Cambodia possess enhanced capacity and can grow into successful companies through the dedicated and full participation of relevant ministries and institutions, particularly in collaboration with other key actors.

This National Strategy is considered a "**living document**," subject to further adjustments in the future, when necessary, in accordance with regional and global startup development trends as well as the evolution of overall economic and social circumstances.

1- INTRODUCTION

The private sector has served as a core driving force that has helped develop Cambodia's economy over the past two decades, becoming a primary source of job creation, innovation, investment attraction, and productivity enhancement, aimed at boosting Cambodia's competitiveness in both regional and global markets. The private sector has been significantly contributing to sustaining gross domestic product (GDP) growth through the generation of numerous economic activities, particularly in the textiles, tourism, construction, and services sectors, making the private sector the backbone of Cambodia's rapid economic progress. Private sector development remains a key priority of the Royal Government of Cambodia (RGC), as clearly articulated in the Pentagonal Strategy-Phase I, recognizing the importance of businesses in building the nation's excellence and prosperity going forward. The Cambodian private sector comprises a collection of both formal and informal businesses, including micro, small, medium, and large enterprises as well as startups.

According to 2018 data from the former Ministry of Industry and Handicrafts, now reconstituted as the Ministry of Industry, Science, Technology, and Innovation (MISTI), small and medium enterprises (SMEs) contributed 58% to the GDP and generated over 70% of total employment. Based on the 2022 Economic Census, Cambodia has 753,679 enterprises, which have provided employment to 2,980,569 citizens and generated annual sales revenue of up to USD 50.7 billion. Among all enterprises, only 12.4% are registered with the Ministry of Commerce (MOC). This indicates that numerous enterprises in the country are operating within the informal economy. Consequently, the RGC has issued the National Strategy on the Development of the Informal Economy 2023-2028, aimed at improving the living standards and strengthening the capacity of informal economy actors to enable their integration into the formal economy as well as to allow them to fully contribute to the national economic development process to the best of their potential.

In addition, the RGC has identified the promotion and advancement of startups as one of its important priorities to accelerate economic growth, aimed at achieving the vision of becoming a high-income country by 2050. Startups differ from enterprises in that they utilize innovation and/or technology as a core element for creating business models in new markets rather than existing ones, operating under conditions of uncertainty yet possessing the potential for rapid scaling, and are expected to quickly exit from the startup status in the foreseeable future. Startups serve as catalysts and active agents of change, bringing innovative ideas to all sectors, and they exhibit high flexibility and creativity, enabling rapid adaptation to shifting market conditions and customer demands. Startups will also significantly contribute

to building the digital economy, which serves as a new engine for sustainable, inclusive, and prosperous economic development, through the integration of innovation, entrepreneurship, and digital technology across all sectors, aimed at generating vibrant, dynamic, and disruptive economic activities.

Currently, state institutions, private institutions, and development partners in Cambodia have been regularly engaging in startup incubation activities and actively participating through the provision of support activities and startup incubation platforms. However, private institutions have not yet been able to generate revenue from incubation or startup support services; that is, most still utilize funds from corporate social responsibility programs or from various donor institutions to cover the costs of organizing startup support programs. Consequently, the number of startups in Cambodia remains limited. According to the Startup Cambodia Digital Platform (startupcambodia.gov.kh) as of May 2026, only 256 startups have registered on this digital platform. Furthermore, looking at investment and fund provision to startups in Cambodia, the scale of investment capital remains very limited, approximately USD 9 million, due to the limited capacity of domestic startups and venture capitalists (VCs)' reluctance to take high investment risks, which is a primary factor hindering the rapid growth of startups. This situation has resulted in a shortage of early-stage financing for startups in Cambodia. Additionally, startups continue to encounter other systemic bottlenecks, including technical and digital skills gaps, regulatory and compliance complexities, and scalability difficulties.

Based on the crucial role of startups in contributing to economic diversification and competitiveness enhancement in the digital economy as well as to address the challenges and systemic bottlenecks hindering the growth of startups, the RGC finds it necessary to formulate a dedicated strategy for the development of the startup sector. The Techo Startup Center (TSC) has been entrusted with the highest confidence by the RGC to prepare the National Strategy on Startup Development 2026-2030, under the coordination of the Digital Economy and Business Committee (DEBC), to support startups in accelerating their progress beyond the current pace.

2- THE STATE OF STARTUP DEVELOPMENT IN CAMBODIA

2.1- Overview of Cambodian Startup Ecosystem

The concept regarding startups in Cambodia first emerged in 2006 through the creation of a national business plan competition by the National University of Management, which laid the foundation for fostering entrepreneurship spirit and pitching skills. This sector has continuously evolved through the emergence of the technology community known as BarCamp Cambodia in 2008 and the establishment of the first co-working space by SmallWorld in 2011. Concurrently, the organization of the international startup creation event called Startup Weekend also spurred the creation of approximately 50 technology startups in 2013. By 2019, the Cambodian ecosystem performance had entered an initial phase and experienced rapid growth, with the number of startups increasing at least 5 times to approximately 300. Moreover, the ecosystem has seen an increase in other diverse actors, including entrepreneurial support organizations (ESOs), co-working spaces, startup support programs such as hackathons, incubation programs, and acceleration programs, as well as major international startups. Despite this good progress, the growth of the startup ecosystem between 2013 and 2019 is characterized as growth at a nascent stage, albeit with high potential for future advancement.

Despite its nascent stage, the Cambodian startup ecosystem has been undergoing continuous progress in recent years. According to the 2025 Global Startup Ecosystem Index by StartupBlink, which studies and evaluates startup ecosystems worldwide, Cambodia ranks 105th, marking an improvement of 7 positions from the previous year. Furthermore, the Global Innovation Index (GII), used to assess the innovation capacity and success of nations globally, indicates that Cambodia's innovation index increased from 19.9 in 2024 to 22 points in 2025. The 2025 assessment by TSC also found that the Startup Ecosystem Performance Index (SEPI) stands at 51 out of 100 points, characterizing Cambodia as an Emerging Ecosystem. This outcome is clearly reflected in the increase in support activities and events relevant to startups as well as in diverse actors. As illustrated in Figure 1 below, the Cambodian startup ecosystem serves as a convergence point for numerous institutions that interact with one another based on functions, duties, capacity, and resources. In this regard, some institutions generally play versatile roles simultaneously in this emerging startup ecosystem. A notable example is TSC, which operates flexibly as a government institution in the capacity of a public administrative institution, as an accelerator, as a co-working space, and so on. This situation reflects a positive characteristic of the nascent Cambodian startup ecosystem that, on one hand, it allows many institutions to participate in startup development by wearing

different hats without restrictive boundaries; on the other hand, it presents an opportunity for fast advancement into a more sophisticated ecosystem through targeted interventions.

Notably, the number of operational startups has gradually increased year by year, from nearly 100 in 2021 to approximately 256 as of May 2026. Among these 256 startups, 205 are currently active at various stages, with approximately 94% of these startups being in the early-operation and operation stages. Only about 4% of startups are in the scaling stage. Among these, the majority of startups possess technology-driven business models, including software as a service, digital media, e-commerce, financial technology (FinTech), artificial intelligence (AI), and educational technology. These business models reflect the trend of utilizing technology to address market problems, aimed at adapting to the regional and global contexts of the digital economy.

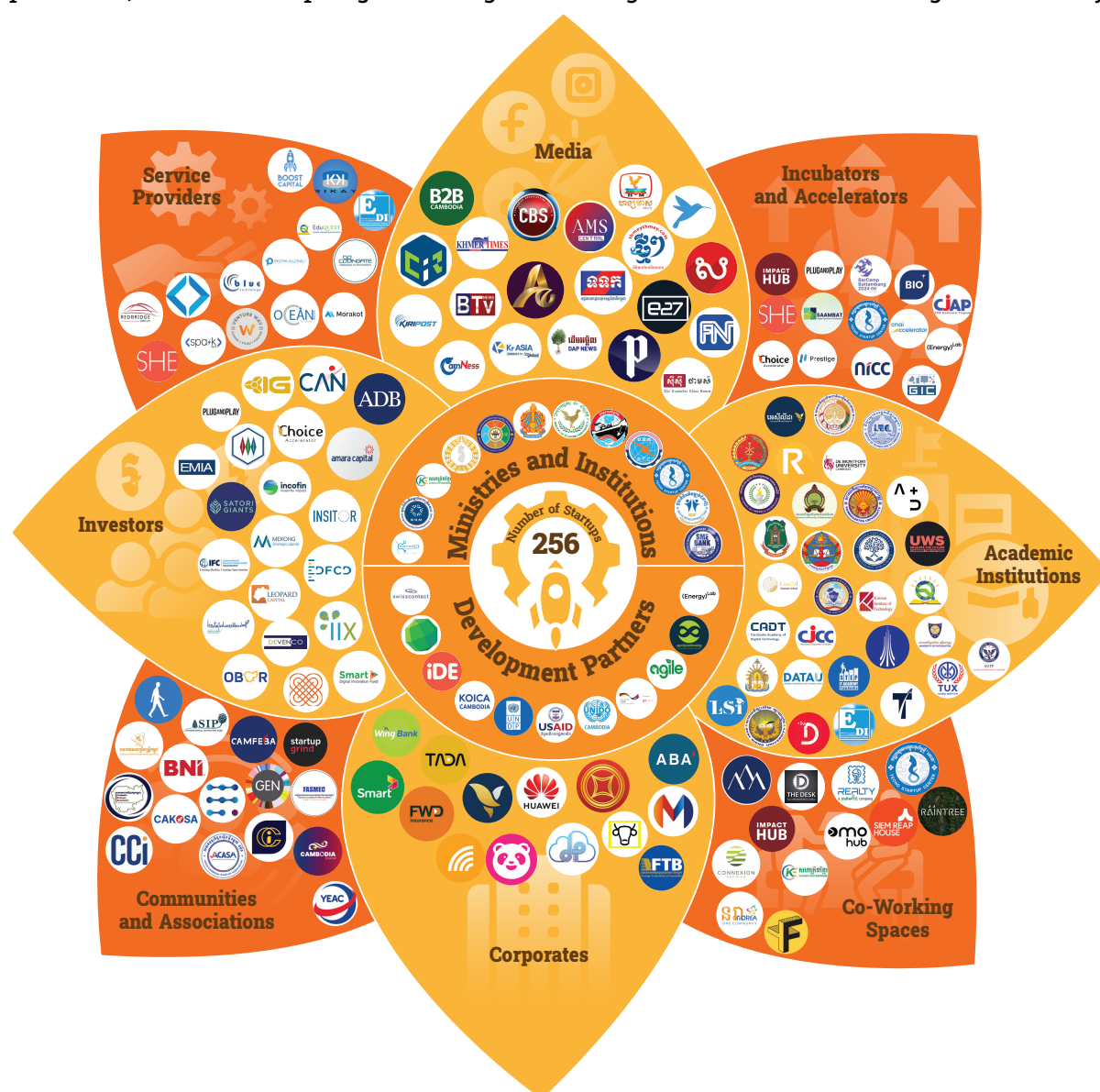


Figure 1. Key Actors in Cambodian Startup Ecosystem

2.2- The Development of Cambodian Startup Ecosystem

The startup ecosystem is positively evolving and has many notable points. The following demonstrates the progress of startups in accordance with key aspects, including startup support regulations, startup support programs, funds and investments, talent, as well as networks and markets.

1- Startup Support Regulations

In the last few years, the RGC, with its ministries and institutions as sectoral arms, has consecutively rolled out relevant key interventions that have been able to contribute to developing startups in Cambodia to a certain degree. Up until now, key national-level policies which clearly highlight the development of startups include the Pentagonal Strategy-Phase I, the Cambodia Digital Economy and Society Policy Framework 2021-2035, the National Strategic Development Plan of the Royal Government of Cambodia for the Seventh Legislature of the National Assembly, the Cambodia Digital Government Policy 2022-2035, the Cambodia's Science, Technology & Innovation Roadmap 2030, the Cambodia Financial Technology Development Policy 2023-2028, and so on. Concurrently with the policy foundation, the RGC has also been strengthening the legal foundation in key sectors such as the enactment of the Law on Electronic Commerce, the Sub-Decree on the Management and Incentivization of Digital Startups, the Sub-Decree on Business Registration Through Information Technology System, and the Sub-Decree on Tax Incentives for Small and Medium Enterprises in the Priority Sectors.

Simultaneously, the RGC, through the Non-Bank Financial Services Authority (FSA), has rolled out FinTech regulatory sandboxes in the insurance, securities, and trust sectors, which provide the opportunity for companies to pilot-test their products or services with customers in a predetermined size and period before rolling out and promoting widespread use. Furthermore, the RGC has also established certain key and crucial initiatives such as the Entrepreneurship Development Fund (EDF), the Small and Medium Enterprise Bank (SME Bank), the Khmer Enterprise (KE), the Cambodia Academy of Digital Technology (CADT), TSC, the National Incubation Center of Cambodia (NICC), Plug and Play Cambodia Technology Center, the startupcambodia.gov.kh, the National E-Commerce Marketplace Platform (cambodiatrade.com), the Cambodia Digital Award, and so forth. The Startup Cambodia National Program was also launched in late 2019 with the role of promoting the startup ecosystem in Cambodia by providing support mechanisms and coordinating between and among relevant stakeholders in the startup ecosystem.

2- Funds and Investments

Startups that participated in incubation and acceleration programs as well as other competitions have the opportunity to receive some pre-seed fundings or financial support packages to further develop their products or services. Despite the small investment sizes, they contribute greatly to building and developing startups to a certain degree, especially startups in the ideation and prototype stages. Moreover, certain startups, especially those with high potential that are in the operation stage, receive some support from VCs, mainly in the forms of equity investment, strategic guidance on venture building, and network expansion with other investors and talented individuals. In 2025, recorded seed fundings and financial support for startups, mostly provided by institutions that organize startup support programs, amounted to approximately KHR 2.1 billion or around USD 525,000. Although there are no specific figures on investments and the number of startups that received investments, we sometimes observe some startups receiving investments to further expand their business as well. The acquisition of Nham24 by Grab can be counted as a success story in startup building in Cambodia and has positively impacted the whole ecosystem. In addition, in early May 2026, among the 127 startups from around the globe that applied for the Catapult: Inclusion SEA 3rd Edition accelerator program organized by the Asian Development Bank and the Luxembourg Directorate for Development Cooperation & Humanitarian Affairs, BanhJi, a Cambodian FinTech company, was selected as the startup that promotes financial inclusion in Southeast Asia. This will give the company the opportunity to receive investments in the near future. This victory not only demonstrates the effort, capability, and potential of Cambodian startups, but it also reflects the past efforts of the RGC in building the startup ecosystem.

3- Talent

Higher education institutions (HEIs) play the role of a crucial platform for nurturing innovative, entrepreneurial, and startup mindsets by modernizing curricula, connecting students to various relevant programs, and developing innovation centers within university campuses. The number of both public and private HEIs that teach entrepreneurship subjects and organize business competitions is continuously increasing, reflecting the connection between coursework and real-world practice. At the level of general education, the promotion of STEM and the dissemination of knowledge in finance and entrepreneurship have become the foundation for developing human resources for the digital economy. Through close cooperation with ESOs, students are encouraged to participate in hackathons, incubation programs, and acceleration programs in order to transform creative ideas into real businesses. In

fact, in late 2025, the Ministry of Education, Youth, and Sports (MoEYS) enacted the Decision on the Implementation of the National Statute of Business Student, abbreviated from French as SNEE (*Statut National d'Étudiant-Entrepreneur*), in Higher Education Institutions in order to promote an entrepreneurial mindset and startup development among students. According to the latest data, the 187 tech startups in operation in Cambodia contribute crucially to the creation of high-skilled jobs for approximately 2,113 youths, a number that can increase alongside the expanding scope of the ecosystem.

Regarding the aspect of attracting talent, the RGC has also implemented the courtesy visa, business visa (type E1, E2, and E3), and other visa extension schemes with the purpose of attracting and offering convenience for businesspeople or workers coming to Cambodia. This mechanism not only provides convenience for accommodation and doing businesses but also contributes greatly to promoting the transfer of knowledge and technology from international experts to local human resources, aimed at closing the skill gap and accelerating the development of a more competitive Cambodian startup ecosystem.

4- Startup Support Programs

The development of startups in Cambodia is reflected in the emergence of support activities from various actors in the ecosystem. As of May 2026, not factoring in the number of startups, the total number of actors in the startup ecosystem approximates 245. These actors include institutions that provide co-working spaces, ESOs, mentors, investors, ministries and institutions, educational institutions, service providers, development partners, associations, communities, corporations, and media agencies. Through these actors, approximately 438 programs were organized within the period of 4 years from 2022 to 2025. These programs were organized in the forms of incubation programs, acceleration programs, competitions and investment pitches, mentoring and training, entrepreneurial education, support for study trips abroad, and investor networking. Although these programs may differ according to the functions, scope, and experience of the organizing institutions, they all contribute to creating a supportive environment to a certain degree for the startup development journey. Concurrently, ESOs have also provided close support both through incubation and acceleration programs as well as provided specific technical support according to the startups' needs such as how to develop and manage information systems and marketing and so on. At a more macro level, startups also receive various support, especially from other support actors, including associations that regularly organize founder meetups to expand knowledge and skills by topic as well as other meetings and meet-and-greets in order to promote the voice of startups in the ecosystem.

Furthermore, startups also receive various direct and indirect benefits from development partners, especially in the form of technical assistance in incubation and acceleration programs, investments, as well as mobilizing participation from other actors in developing startups.

5- Networks and Markets

Regarding the aspect of network connectivity and market expansion, the RGC has implemented initiatives in the forms of various digital platforms and events, including the launch of the startupcambodia.gov.kh, the KhmerSME, the cambodiatrader.com, and so forth. In addition to these platforms, various events were organized in the last 4 years in different forms such as online and in-person workshops, conferences, startup showcases, podcasts, meetups, exhibitions, and so on. Among these, large-scale events are organized regularly such as the National Science, Technology, and Innovation Day, the Digital Government Forum, the Digital Economy Forum, the Startup Ecosystem Forum, the Cambodia Digital Trade Forum, the Cambodia Digital Award, and the CODE-C. Besides demonstrating the determination of ministries and institutions by incentivizing, supporting, and providing opportunities to work with startups for the promotion of public service efficiency, the organization of these events also contributed significantly to strengthening and increasing networks as well as expanding markets for startups.

Through ESOs' programs, some startups have had the opportunity to participate in major events abroad to learn and gain experience, expand networks, and showcase Cambodia's potential. Not only that, but the Cambodian startup ecosystem has seen the emergence of key international actors, including Seedstars, Angkor 500, and Plug and Play. The presence of these actors has contributed to the development of Cambodian startup ecosystem through exchanges, startup capacity building, the expansion of the scope of network building, and the introduction of new culture related to startup development.

2.3- Challenges

Cambodian startup ecosystem is an emerging ecosystem. Although the RGC and relevant stakeholders are striving to provide support, startups are still facing certain challenges that prevent them from receiving the full benefits in order to transform themselves. These challenges are as follows:

1- Startup Support Regulations

In general, startups operate their business under uncertain conditions. This factor hinders the startups' decision to register their business, particularly startups in the early-operation stage. Since the past, Cambodia has still lacked distinct legal frameworks to support startups, especially regarding business registration procedures,

tax incentives, and startup exit. In fact, the RGC has enacted Sub-Decree No. 102, dated 29 June 2025, on the Management and Incentivization of Digital Startups, which determines the mechanisms, rules, and procedures for recognizing, incentivizing, facilitating, and training digital startups; however, it has yet to be fully implemented. Moreover, the legal frameworks have yet to recognize startup's business and have yet to determine the differences or distinctions from enterprises. In this regard, startups that wish to receive support have to register their business and must be within the sectors determined by the RGC in order for them to receive support in accordance with the regulations supporting commercial enterprises. As such, before registering their business, most startups depend on the benefits from ESO's support programs and the support from other actors in the ecosystem.

In the registration process, although the RGC has been lessening administrative burden to a certain degree, especially through the Online Business Registration system, startups still do not have adequate capacity to formally register and close their business like enterprises, thereby facing compliance issues. Similarly, upon registration, startups are responsible for compliances related to tax and other compliances. This requires startups to have a clear technical understanding and to receive close and full support in order to proceed. This issue is further complicated due to the lack of consistency and congruency between and among ministries and institutions in facilitating the provision of various essential services to startups. In fact, startups in certain sectors such as health, digital, and agriculture face difficulties in further requesting relevant permits from other ministries and institutions, despite having registered their business. The lack of systematic inter-institutional support mechanisms has forced startups to assume heavy administrative burdens and to interpret various requirements without consistency. The fragmentation of these mechanisms creates confusion and difficulties for startups in finding targeted support.

2- Funds and Investments

The use of funds for business operations of startups and enterprises has separate distinctions. Most enterprises use their own funds, especially collateral loans, to operate their business. Separately, in addition to their own funds, startups have to depend on funds in the forms of pre-seed fundings or financial support packages to develop their products or services in the initial stages. In the subsequent stages, they mostly utilize investments from VCs or angel investors to operate and expand their business. At present, the RGC's investment mechanisms are mostly in the form of early-stage investments, especially in the ideation and prototype stages. ESOs also mostly provide funds in similar forms. These investments and funds are still small in size and could only be provided to a small number of startups. From 2023 to 2025,

the volume of equity investments in startups in Cambodia approximated USD 7.2 million. In addition, investments from VCs require startups to register and are mostly invested in the operation stage. To date, angel investors have contributed to investing in some startups; however, this contribution is still relatively limited. Furthermore, the lack of investment data is also becoming an obstacle to building the startup ecosystem, especially in building startup-relevant culture. According to the 2025 GII, although Cambodia ranked 29th among 139 countries around the globe on the 4th pillar associated with market sophistication, the ranking related to investment under this pillar is still relatively low on the global stage, whereby Cambodia only ranked 116th. Overall, most startups still depend on personal funding sources, including loans from close associates and grants from ESOs, to operate their business. This demonstrates the challenges that startups in the early-operation stage face in terms of lack of support to transform themselves, while most startups in Cambodia are still in this stage.

Besides the aspect of investment, there are frequent differences in perspectives and expectations between startups and investors. This issue arises from a number of factors such as the lack of investment readiness among startups and the inadequate understanding of how to work with investors. Some support programs also do not focus on training or instilling a deep understanding in startups on how to communicate with investors. This has caused startups to encounter difficulties when starting to seek funds or investments.

3- Talent

Higher and general education have observed better participation in the forms of education in entrepreneurial, business, or technical skills. However, some necessary skills for providing a foundational basis to building and developing startups are still limited, especially deep tech, digital product or service management, and fundraising skills. Mostly, students participate in extracurricular activities for the opportunity to develop their capacities in these areas. In fact, education focusing on entrepreneurial and business mindsets heavily depends on extracurricular activities which do not yet have solid frameworks and are not included as conditions for credit allocation like other curricula. As a result, even students with the opportunity to work or intern in startups have difficulties adapting their mindset to the startup work culture. As for HEIs, they also do not have enough startup experts who can provide quality guidance and support on entrepreneurship and startups. So far, although there have been cooperations with ESOs to connect experts with students through startup support programs, these mechanisms are conducted irregularly and do not have a wide scope. It should be highlighted that among the 7 pillars of the GII, Cambodia's 2nd pillar

associated with human capital and research ranked 114th in 2025. This proves that Cambodia is still at a relatively low-level regarding education and research in comparison to most countries around the globe.

Regarding the skill and knowledge absorption of talented individuals relevant to startups, both Cambodian and foreign, existing good interventions such as courtesy visa, business visa, and work permits have all made some contributions. However, these mechanisms are not connected to other relevant mechanisms through an integrated incentive system to attract targeted talented individuals specifically for startups.

4- Startup Support Programs

Relevant actors that are ESOs have increased significantly, and support programs have also grown in number. However, these programs seem to be conducted separately and do not link or interconnect each other into a complete, systematic program. Data on each program is also not shared with one another, leading to each organizer facing difficulties in finding participating startups. Some programs do not specify their objectives clearly, nor do they define which development stage of startups qualifies for participation. Moreover, some startups perceived these programs merely as competitions to win awards or monetary prizes. This has caused participants, especially startups in the ideation stage, to hesitate to participate, believing they have to compete with higher-potential startups.

Regarding program participation, startups face difficulties in being able to participate regularly and fully due to the lack of flexibility of these programs, while having a busy business schedule and only small teams. Moreover, some knowledge received from these programs is too theoretical, making it difficult to apply in practical situations. As for mentors, most programs only select staff from within their own ESOs, experts in the education sector, investors, and enterprise owners. In fact, some mentors do not have enough startup-relevant experience to serve this crucial role. Moreover, post-program support is limited, lacks thoroughness, and does not have clear mechanisms to provide further support to startups. This lack of further monitoring and support leads many startups to lose their growth momentum or to face immediate closure after the programs end. Although there is better progress in cooperation, some ESOs are still accustomed to working on their own, causing difficulties in creating a support chain from start to finish and hindering the exchange of important information or data in the ecosystem.

5- Networks and Markets

In the present, mechanisms connecting startups with customer groups and potential, collaborative partners are not strong and effective yet. This is the main

factor that limits market demand for these products or services. This issue not only stems from the lack of networks but is also deeply rooted in the lack of in-depth understanding as well as the lack of concrete data on the actual behaviors and needs of target customers. Consequently, most startups are forced to prepare business strategies that are based on speculation or adopt models from abroad that are not suitable for the market context in Cambodia.

Concurrently, trends towards supporting local products or services, especially tech-based ones, are not strongly bustling yet due to the lack of trust in both data usage and management functions. Another challenge is that large companies or institutions refuse to pilot-test startups' products or services as early adopters, citing lack of trust as the reason. Contrarily, they create similar products to compete with these startups instead. Regarding the facilitating mechanism for the ecosystem as a whole, although there are national-level mechanisms such as startupcambodia.gov.kh, this platform has yet to receive active participation from actors in the ecosystem and has only been developed to a certain degree which requires the development of additional functions, especially in terms of connecting startups with other relevant actors. Therein, the lack of cooperation among actors in the ecosystem has been making work coordination within the ecosystem seem fragmented.

2.4- The Global Concept of Startup Ecosystem Development

Countries around the globe, regardless of their startup ecosystem performance, face similar challenges which generally include regulatory barriers, limited access to funds and investments, capacity gaps among actors in the ecosystem, fragmented support system and programs, and difficulties in connecting startups to the market. International experience has shown that despite the different contexts of each country, governments tend to respond to these challenges with similar strategies, focusing on strengthening the overall ecosystem rather than addressing startup issues through isolated interventions. The preparation of many national startup development strategies is mostly inspired by Daniel Isenberg's framework which focuses on six closely interacting targets, namely, laws, funds and investments, talent, support system, markets, and culture, as adapted in Figure 2 below. The implementation across various countries has demonstrated that efficient and effective startup development strategies are not executed solely on any single target in isolation; instead, they require the government of each country to recognize that almost all targets are interconnected and interdependent, meaning a reliance on one another, which requires the government's facilitation. In this regard, governments particularly act as enablers that create favorable conditions, mitigate challenges, and mobilize

relevant actors in the ecosystem, rather than acting directly as the leader in every activity.

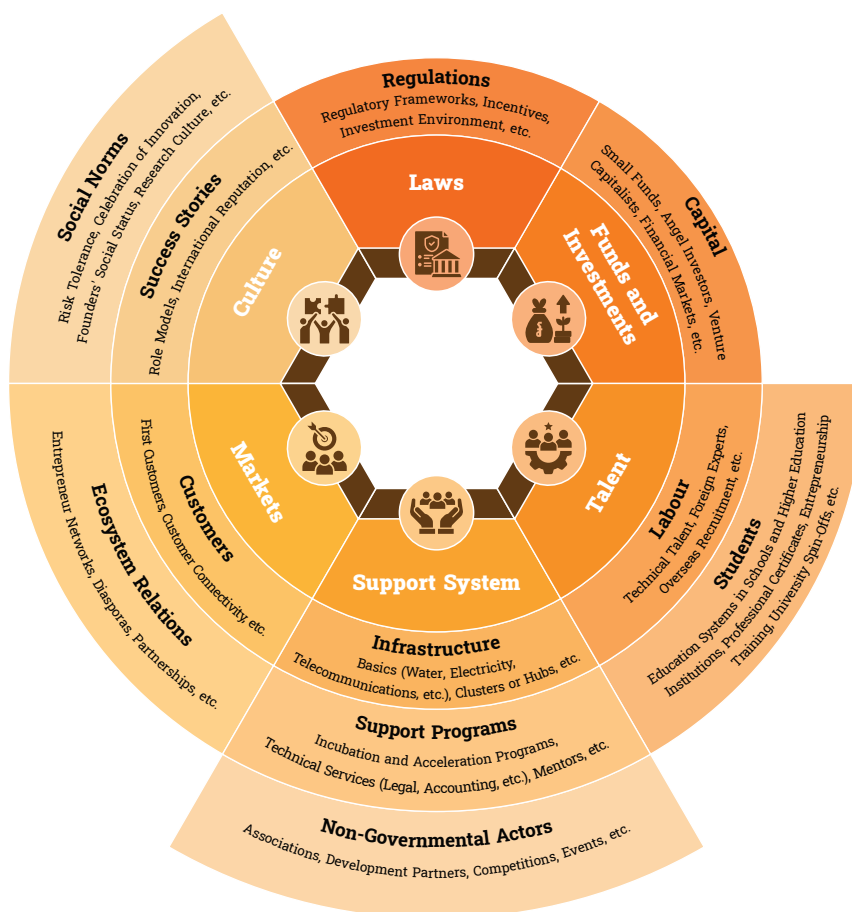


Figure 2. Daniel Isenberg's Framework (Adapted by TSC)

As shown in Figure 3 below, in many countries, particularly those with more advanced startup ecosystem performance than Cambodia, rolling out special support regulations for startups, funding and investing, as well as developing domestic human capital are always the highest prioritized targets. Governments in most countries such as those of Singapore, the Philippines, China, India, Greece, and Germany pay great attention to business registration and licensing, reducing administrative burden, and improving access to finance through grants, pre-seed and seed funding, co-investment mechanisms, enhancing the role of VCs and angel investors, as well as curriculum development. Therein, educational institutions, especially higher education, play a core role in developing startup skills and strengthening the connection between research education and industry. Beyond supplying skills from the domestic education system, talent-relevant measures also increase the capacity to absorb knowledge and skills from abroad. Many countries such as Singapore, Malaysia, the Philippines, South Korea, Israel, Türkiye, and Kazakhstan are easing visa procedures or introducing new startup visa regimes to attract startup founders and relevant experts, whether to improve skills in the job market or to mentor startups.

At the same time, the support system is also a key target which receives significant attention. According to international experience, startup development strategies related to support programs look beyond normal programs, including hackathons, incubation programs, and acceleration programs. While these programs continue to be organized, many countries, including Vietnam, Singapore, Malaysia, Indonesia, the United States, and Serbia, have added solid institutional mechanisms in providing technical services and consultation, particularly on legal and regulatory aspects, which operate independently rather than being embedded in those programs. Many governments also prioritize the considerations of digital infrastructure such as digital public services and clustering that brings together key actors, including startups, VCs, large companies, and ESOs. These clusters can be in the form of either buildings or startup blocks such as South Korea's Seoul Startup Hub and Singapore's JTC LaunchPad or innovation hubs and technology parks like Greece's Athen Innovation District and Kazakhstan's Astana Hub that can accelerate and foster closer collaboration, knowledge exchange, and network connectivity within the startup ecosystem.

Market is another important target regarding the national startup development strategies of various countries. When attempting to address challenges of connecting customers and startups, governments frequently help startups through measures that provide opportunities for product and service testing as well as measures that facilitate market entry. Supporting startups through public procurement is also prevalent in countries like Malaysia, China, India, Germany, and Türkiye through first-customer partnership, which allows startups to supply products or services to relevant state institutions. Additionally, governments in many countries emphasize creating formal national partnerships or global-level alliances, whether at the level of the entire ecosystem or only within specific aspects or groups. Concurrently, connecting startups to ecosystems overseas is also widely recognized as crucial for attracting investment and long-term growth.

Looking at the culture target, only few countries define it as a major target of their startup development strategies. However, this does not indicate that international experience disregards the promotion of startup-relevant culture. On the contrary, many governments attempt to indirectly shift the culture within other targets, particularly by utilizing social media and digital platforms. Overall, countries with startup ecosystems growing in a positive direction tend to adopt Daniel Isenberg's framework under similar forms, while adapting specific measures to fit their own national contexts.

In line with the targets of startup development, international experience also shows similar trends in the formalization of startups. Generally, startups are required to register their business, mostly in the form of a limited liability company, when they start their commercial operations. Once registered, government practices across countries in the region and around the globe reveal two distinct mechanisms. For the first mechanism, governments in countries such as South Korea, China, Germany, and Serbia do not issue official classification for startups. After registering as a company, startups can be recognized as a startup through their participation in various support programs provided by the government such as incubation and acceleration programs which also include various incentive packages. For the second mechanism, in some other countries, including Greece, Türkiye, and Tunisia, startups have the obligation to apply for official startup classification after the completion of their company registration, and usually this classification is connected to the legal eligibility to receive various support or incentive packages.

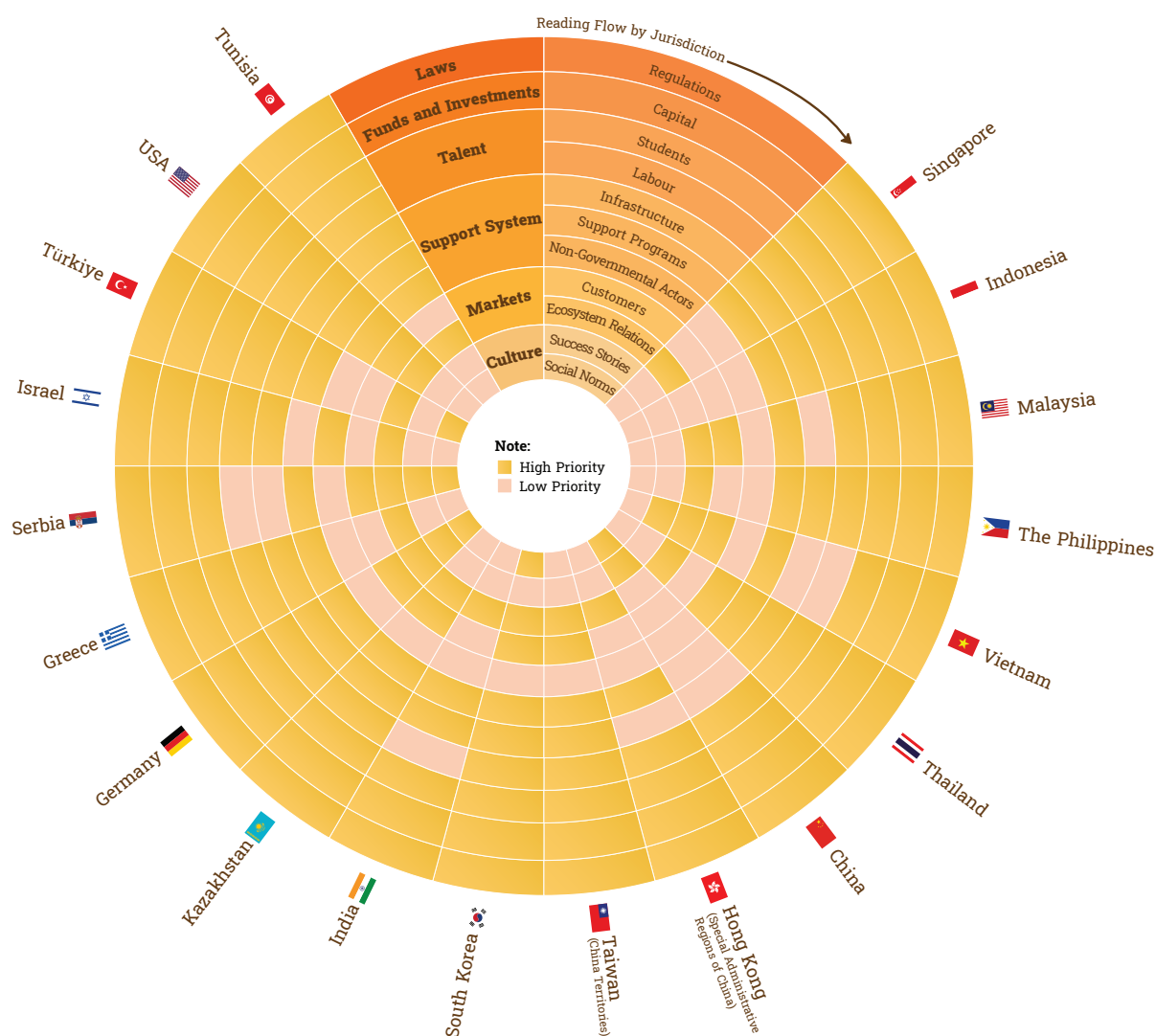


Figure 3. International Experience Based on Startup Development Targets

In summary, the National Strategy on Startup Development 2026-2030 uses Daniel Isenberg's framework as a basis, along with the international experience, through localization based on the current state of Cambodian startup ecosystem and context. This National Strategy identifies five targets from this framework as strategic priorities, responding to the major challenges that have been occurring within Cambodian startup ecosystem, including startup support regulations, funds and investments, talent, support system, and markets. As for culture, which is the 6th target, it has been integrated in the 5th strategic priority since cultural cultivation requires a longer time than the actual implementation of this National Strategy.

3- FRAMEWORK OF THE NATIONAL STRATEGY

3.1- Vision, Objective, and Goals

The vision of the National Strategy on Startup Development 2026-2030 is to **"foster a vibrant, resilient, and inclusive Cambodian startup ecosystem that nurtures innovative entrepreneurs to develop new solutions, strengthen existing markets, create new markets, and grow startups into scalable and competitive companies, while strengthening Cambodia's connectivity with the regional and global innovation ecosystem to contribute to national economic development."** The National Strategy aims to **"develop an enabling and well-connected startup ecosystem in Cambodia that supports startups at every stage of their journey to start, grow, expand markets, access capital, build the capacity to compete in domestic, regional, and international markets, and increase the contribution of startups in the GDP."**

The National Strategy defines 5 goals as follows:

- 1- Establish startup recognition to enable access to various benefits and incentives,
- 2- Enhance the startup investment climate and access to broader investments,
- 3- Create a supportive environment to cultivate and attract a greater pool of startup talent,
- 4- Improve startup support programs to ensure quality, structured support across all startup development stages as well as interconnectedness to foster fast growth, and
- 5- Enhance startup capacity in developing products or services as a solution to open up new markets.

To achieve the aforementioned goals, this National Strategy also determines 4 key performance indicators (KPIs), with details and implementation guidelines provided in Section 5- Implementation Framework and Mechanism for Coordination, Monitoring, and Evaluation.

3.2- Approaches

Startup Development under this National Strategy is built upon 3 primary approaches that reflect international best practices, which are widely recognized, and are based on the outcomes of consultations with actors in the startup ecosystem. These 3 approaches are:

1- Government as a Developmental Enabler

The role of the RGC in startup development must be characterized as an adaptive developmental state. This means that the government must provide strategic direction and maintain sufficient flexibility when deploying interventions across various levels and categories under changing conditions. The RGC will serve as a

developmental enabler through responsive coordination that meets ecosystem needs, rather than operating as an inactive actor, an actor attempting to develop the entire ecosystem single-handedly, or an entrepreneurial actor.

2- Ecosystem-Based Startup Development

Based on the Entrepreneurial Ecosystem Framework, startup development must employ a holistic ecosystem-thinking approach. Startups must not be treated in isolation from the broader ecosystem, particularly at the national level, including both the capital and the provinces. It recognizes that startups can only grow or evolve when their surrounding environment is filled with support and facilitation. Therefore, the formulation of strategic priorities must consider the shared ecosystem in order to build a structured and interconnected environment that enables startups to capture opportunities, connect to networks, and utilize resources to develop their business.

3- Co-Evolution for Startup Development

Based on the Co-Evolutionary Innovation Ecosystem model, startup ecosystem operates as a dynamic process in which various strategic priorities continuously evolve through mutual interaction. For example, improvements in startup support regulatory frameworks will build investor confidence and increase investment. If investment activities rise, the government will continue to formulate or refine relevant startup support regulations to respond to those investment mechanisms. In this regard, the key measures to be introduced must account for interdependencies and strive for harmonization to ensure systemic impact. This will elevate the quality of the ecosystem to be more responsive and adaptive. In other words, the progress of one strategic priority will drive the progress of other strategic priorities, ultimately making the ecosystem resilient and robust for sustainable startup growth.

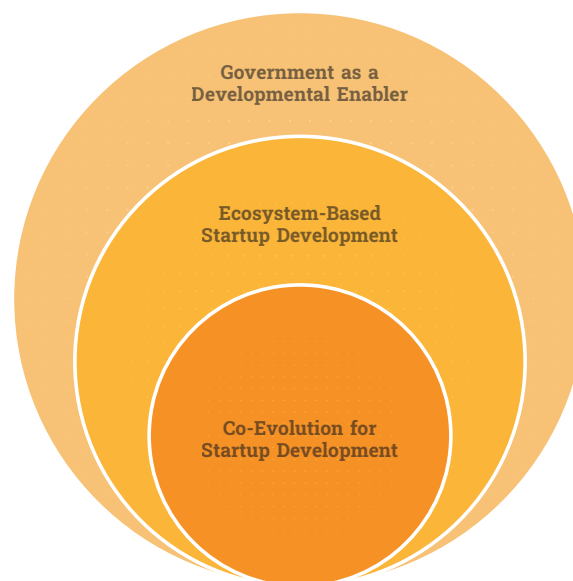


Figure 4. Approaches for Implementing the National Strategy on Startup Development 2026-2030

3.3- Definition and Startup Development Stages

Providing a clear definition for **"startups"** is essential to ensure consistency in the implementation of key measures and various coordination efforts by the RGC and all actors in the startup ecosystem. In fact, the existing definition in the Digital Economy and Society Policy Framework 2021-2035 provides an important foundation but does not yet serve as a fully comprehensive reference for deploying targeted interventions and formulating startup support regulatory frameworks that align with the latest context. As Cambodia continues its transition towards a more structured startup development mechanism, the government needs a more comprehensive definition that eliminates ambiguity. Establishing a clear definition will help sharpen the implementation of key measures tailored to startup needs, thereby maximizing the benefits accessible to them. In this National Strategy, **"a startup is a business that utilizes innovation and/or technology as the core to create its business model that is competitive in existing markets and advance to create new markets under uncertain conditions, while possessing high scalability potential along with the expectation of a quick future exit from startup status."**

This definition incorporates important characteristics that distinguish startups from enterprises. Unlike the conventional business models of enterprises, innovation is a critical element for startups. This does not refer exclusively to technology adoption but also focuses on employing novel methods in product or service development that create value-add or enhance the quality of existing offerings. In addition, technology can also serve as a vital core, particularly within Cambodia's current economic context and startup ecosystem components. The application of technology refers to integrating scientific knowledge and tools into the product or service development process. Generally, startups tend to create new markets (i.e. blue ocean) by solving previously unaddressed problems or disrupt existing markets (i.e. red ocean) by introducing entirely new products or services, lower costs, or superior quality. The specification of uncertain conditions refers to an operational nature distinct from enterprises that undergo minimal testing. Specifically, startups inherently rely on continuous exploration and experimentation to iteratively improve their business in alignment with their intent and potential for high, rapid, and exponential growth. However, startup business models, especially those pioneering new markets, do not invariably guarantee success. Emphasizing the probability of a quick exit reflects the practical reality of this sector and the requirement for startups to grow with clear milestones, whether through acquisition, merger, initial public offering (IPO), or other structural transitions. These elements collectively constitute distinctive features that separate startups from enterprises. Correspondingly, startups

also differ from new enterprises in the sense that a new enterprise is merely a recently-established business entity, whereas a startup is not defined simply by its novelty of establishment but rather encompasses the distinct characteristics described above.

In addition, as illustrated in Figure 5 below, startups generally progress through development stages ranging from ideation to exit. In the ideation stage, co-founders focus on identifying problems and formulating potential solutions with their personal financial resources. During the prototype and minimum viable product (MVP) stages, co-founders test their ideas, iterating until they build a functional solution with baseline features and begin market validation. At these stages, startups operate with small teams, and capital remains constrained to bootstrapping, pre-seed funding, and seed funding. Concurrently, startups in these 3 initial stages are highly susceptible to failure which often occurs due to team dissolution or a loss of shared ambition.

When startups transition into the operation and scaling stages, they typically possess clear organizational structures, fully functional products or services, and steady revenue streams. Capital growth through series A, B, or C investment rounds becomes increasingly critical to guarantee market expansion and strengthen operational capacity. Finally, after successfully scaling operations, startups can exit from startup status through various strategies, including transitioning into conventional companies or enterprises, merging with or being acquired by other firms, launching an IPO, or closing business operations entirely. Clearly understanding and defining these startup development stages enables the RGC to formulate and deploy appropriate key measures tailored for every startup, regardless of their development stages.

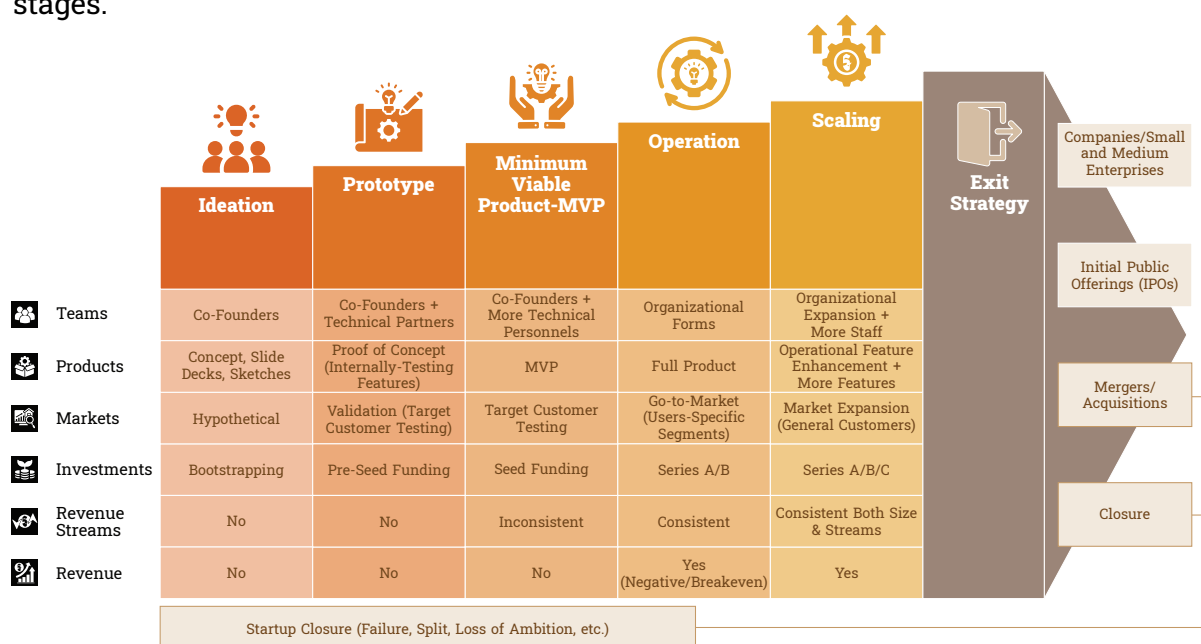


Figure 5. Startup Development Stages

3.4- Scope

This National Strategy applies to startups across all stages and sectors, including those currently being promoted by the RGC. It does not supersede existing measures enacted under current laws and regulations but rather serves to sustain support and reinforce the achievements made by line ministries and institutions. Examples include startups operating in priority sectors defined in the Pentagonal Strategy-Phase I such as education, tourism, agriculture, finance, and digital sectors. As illustrated in Figure 6, to ensure initial flexibility, startups in the ideation and prototype stages are not required to undergo business registration. At these stages, startups may operate informally while developing ideas and testing products or services. They can also access existing support mechanisms through various ecosystem support programs, particularly those provided by ESOs. Furthermore, on a voluntary basis, they may register as informal economy actors to access various benefit packages. Meanwhile, startups from the early-MVP until early-operation stages have the choice between remaining informal or undergoing business registration. If they decide not to register their business because their annual revenue is below 250 million riels, they may also register as informal economy actors. However, in cases where they possess high potential, actively operating in the market, especially through selling products or services, entering into contracts with partners, or securing investment capital, they can proceed directly to business registration. Upon registration, they will be classified as **"startup companies"** for a fixed period of 3 to 5 years, meaning that they are not categorized as SMEs. During this period, a "startup company" is eligible to receive various support or incentive packages stipulated under this National Strategy, rather than under the National Strategy on Micro, Small, and Medium Enterprise Development 2026-2030.

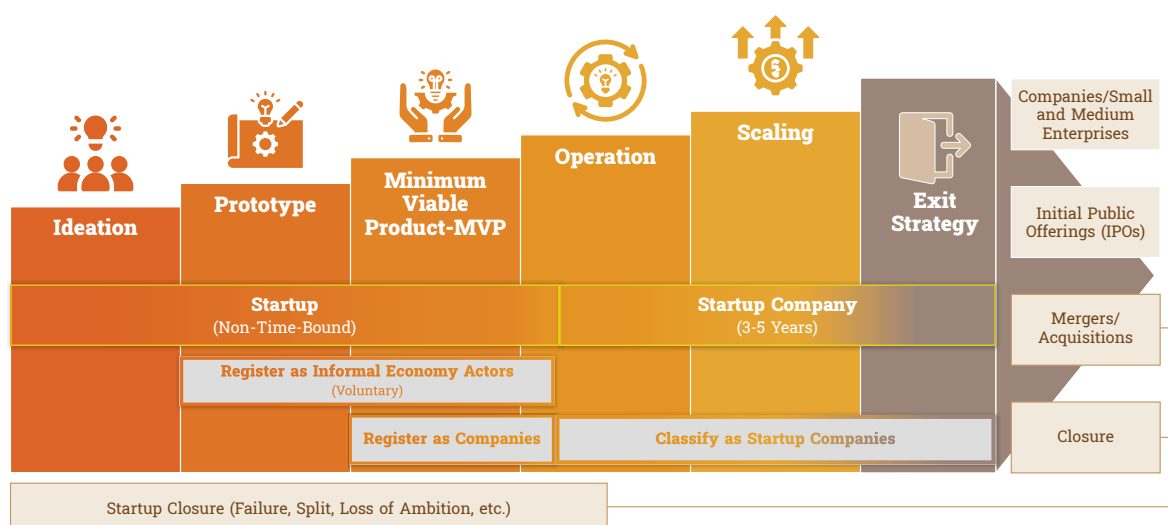


Figure 6. Scope of Startups under the National Strategy on Startup Development 2026-2030

3.5- Strategic Priorities

To contribute to startup development, the RGC has introduced 5 strategic priorities comprising a total of 32 key measures, as detailed in Appendix 1. These strategic priorities will be implemented and led by government institutions, with the active participation of other actors across the entire Cambodian ecosystem. The 5 strategic priorities are as follows:

3.5.1- Formulating Startup Support Regulatory Frameworks

The RGC has been paying close attention to private sector development through the introduction of various legal framework documents, aimed at creating an enabling environment for businesses to flourish, underpinned by regulatory support. Nevertheless, support regulatory frameworks relevant to startups, particularly in the ideation, prototype, and early-operation stages, remain limited and lack specificity. Actors in the Cambodian startup ecosystem have also clearly indicated the need to foster a more enabling environment by formulating additional regulations or expanding the scope of existing support regulatory frameworks to align with the progressive growth of startups in Cambodia and regional trends. In the context of accelerated economic and social developments in the digital era, the current formulation of startup support regulatory frameworks will serve as a catalyst to drive exponential startup growth. For instance, the FSA may formulate support regulatory frameworks, innovation frameworks, as well as technology and innovation sandboxes, supplementing existing sandboxes based on a harmonization approach that incorporates startup and AI sandboxes. This strategic priority comprises 5 key measures, as illustrated in Figure 7, with details regarding the implementing ministries and institutions and timeframes provided in Appendix 1.

3.5.2- Improving Access to Finance

Creating an enabling environment for investment is an important point in strengthening the sources of funds and investment capital to support the private sector and job creation within the Cambodian market. Over time, the RGC has attracted investment capital primarily through foreign direct investment to develop the private sector. Concurrently, the RGC also established a number of institutional mechanisms such as KE, Credit Guarantee Corporation of Cambodia (CGCC), Agricultural and Rural Development Bank (ARDB), and so on. The RGC has also facilitated and promoted private sector access to domestic funding and investment capital through loans from banking and financial institutions, private investment, securities, and financial support from various development partners. Nonetheless, funding and investment for startups remain a critical issue that relevant actors in the Cambodian startup ecosystem consistently seek greater attention and better, more startup-targeted

support, especially regarding improving access to finance for startups. Increasing funds in addition to existing ones will help drive startups to have sufficient capital packages to transform their ideas into prototypes, iterate and develop products or services regularly, and expand their business domestically and regionally. Startup financing can be provided through the existing Bakong payment system infrastructure. This strategic priority comprises 6 key measures, as illustrated in Figure 7, with details regarding the implementing ministries and institutions and timeframes provided in Appendix 1.

3.5.3- Expanding Talent Pool

The RGC has identified human resource development as a key priority in the Pentagonal Strategy-Phase I to respond to regional economic and social developments, aimed at enhancing competitiveness in economic development. Talent serves as a solid foundation to contribute significantly to steering Cambodia towards achieving its Vision 2050. Nevertheless, Cambodia still faces shortages in skilled professionals in terms of both quantity and quality, particularly in priority sectors for startups such as digital technology. Human resource development requires both time and resources as well as sharp strategies to develop human capital for startup development in Cambodia. Cultivating additional talent and mobilizing expertise from abroad will become essential strategic actions in developing Cambodian human capital with full technical and entrepreneurial capabilities, thereby advancing startups to higher levels of success. This strategic priority comprises 7 key measures, as illustrated in Figure 7, with details regarding the implementing ministries and institutions and timeframes provided in Appendix 1.

3.5.4- Strengthening the Capacity of Startup Ecosystem Actors

One of the key priorities of the RGC is to promote digital businesses, which encompasses startups. In this regard, various relevant actors in the startup ecosystem must operate collectively as a cohesive system to support or scale those startups, particularly through various support programs. In fact, ecosystem actors, especially ESOs, have been organizing various support programs to incubate and accelerate startups, enabling them to grow and enter the market. In the context of fast-evolving global developments in both technology and geopolitics, the current resource allocation and support program implementation will significantly influence the building and development of future entrepreneurship. However, past research indicates that the quality of existing startup support programs remains limited. Therefore, it is imperative to pay further attention to strengthening these support programs and institutional coordination mechanisms to enhance efficiency, relevance, and impact for participating startups. Strengthening startup support programs will

better position them to meet the expectations of participating startups and minimize challenges, aimed at delivering targeted support and nurturing rapid startup growth. This strategic priority comprises 6 key measures, as illustrated in Figure 7, with details regarding the implementing ministries and institutions and timeframes provided in Appendix 1.

3.5.5- Enhancing Network Connectivity and Market Expansion

The RGC has been paying great attention to startup development, demonstrating clear evidence that the government prioritizes the national innovation system. Simultaneously, alongside the quality enhancement of startup products or services, network connectivity and market expansion also serve to ensure the stability and sustainable development of startups. Network connectivity and market expansion for startups entail increasing trade volume, seeking new business partners, and expanding the recognition of startup products or services to new customers, both domestically and internationally, in order for their product or service brands to become more influential. Nonetheless, the market expansion of startups in Cambodia, both domestically and internationally, remains limited within a highly competitive economic context. Therefore, network connectivity and market expansion for startups are critical tasks that must be implemented, aimed at accelerating startup growth and elevate Cambodia's profile on the international economic stage. Successful network connectivity and market expansion will yield substantial benefits for startups in Cambodia. Therein, immediate benefits include increasing startup revenue and building prominent brand recognition. Meanwhile, long-term benefits encompass driving the national economy through job creation, innovation promotion, and foreign investor attraction. This strategic priority comprises 8 key measures, as illustrated in Figure 7, with details regarding the implementing ministries and institutions and timeframes provided in Appendix 1.

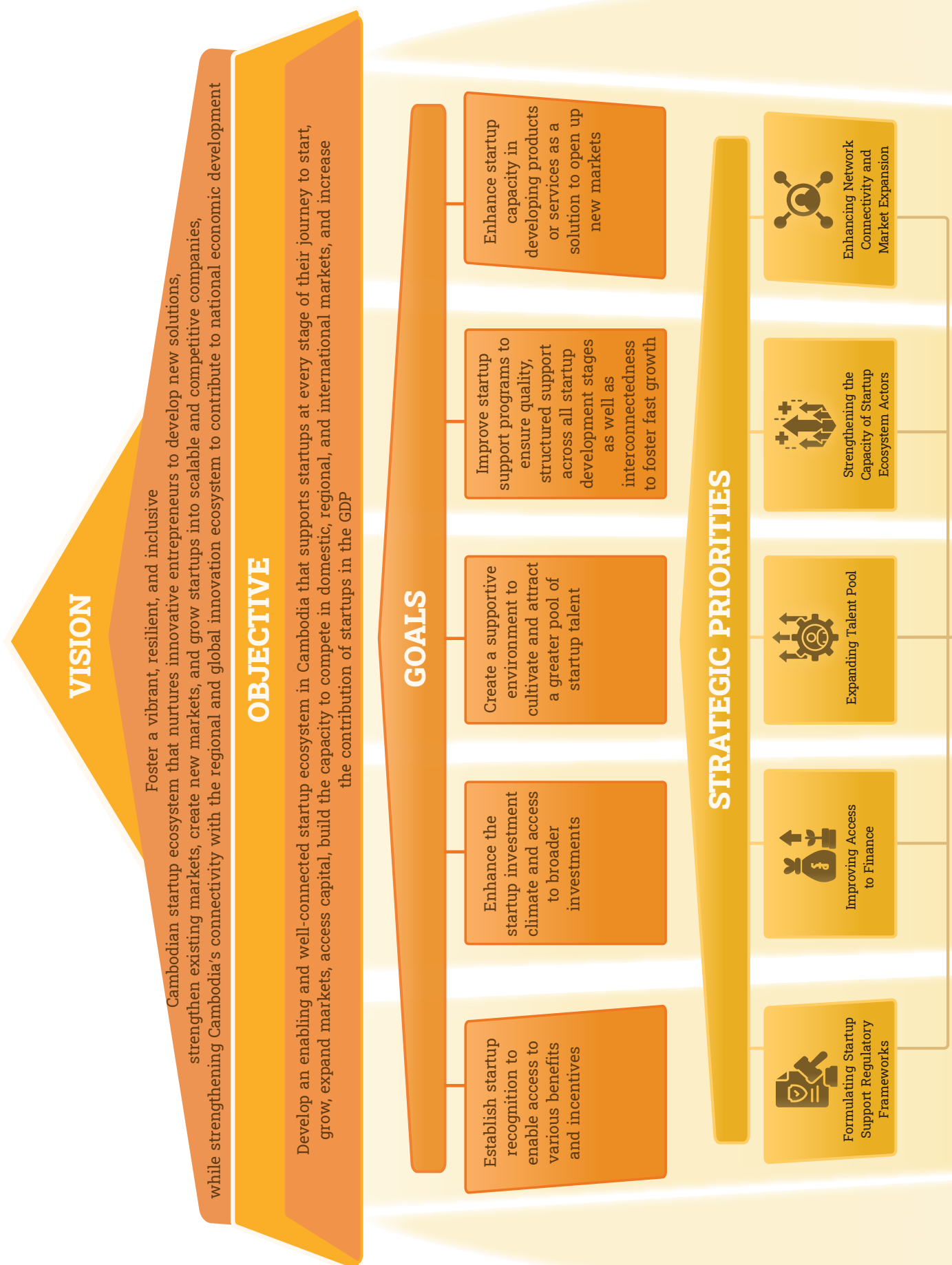




Figure 7. Framework of the National Strategy of Startup Development 2026-2030

4- RISK MANAGEMENT

The successful implementation of this National Strategy requires high attention to the management of various potential risks during the implementation of this National Strategy. These key risks include:

1- Cooperation Between Investors and Startups: In general, startups desire investments from all sources, including from the RGC, individuals, or corporations in order to strengthen and expand their business, while investors and the RGC desire financial and/or non-financial returns, both directly or indirectly, on their investments. However, successful cooperation between these two actors depends on various factors besides foreseeing the common returns on investment, and these factors include work culture and ethics as well as commitment. Successful cooperation between investors and startups will not only bring benefits for both parties but will also provide positive impacts on the startup ecosystem and the economy as a whole. Simultaneously, negative impacts can also occur when this cooperation is unsuccessful. As such, before cooperating, investors and startups must build and strengthen a good relationship as well as develop clear procedures, strategies, and models of cooperation. In addition, the RGC should promote the development of frameworks or guidelines on corporate governance for startups to ensure transparency and trust between investors and startups.

2- Level of Digital Adoption: Digital adoption in Cambodia is still limited in comparison with other countries in the region. According to the 2021 CISCO Global Digital Readiness Index, Cambodia ranked 92nd out of 149 countries in terms of readiness for digital adoption. In addition, a study by DEBC demonstrated that the Business Digital Adoption Index in Cambodia in 2024 was at 0.63 (on a scale from 0 to 1), which reflects an average level of digital adoption for businesses in Cambodia. Therein, a majority of the businesses did not use digital systems or solutions for business management (with the exception of digital payment) and for compliance. This will make it difficult for startups, especially in the technology sector, to expand their market, even if key measures of this National Strategy are implemented by actors in the startup ecosystem. In this regard, continuing and strengthening the promotion of digital adoption benefits as well as training on digital utilization are indispensable factors to drive the implementation of the National Strategy.

Nonetheless, all actors in the ecosystem, whether the public sector, the private sector, and development partners, must work closely together courteously and with a proactive mindset with the objective of putting forward actual implementation activities as the certain results of this synergy.

5- IMPLEMENTATION FRAMEWORK AND MECHANISMS FOR COORDINATION, MONITORING, AND EVALUATION

The effective, efficient, and successful implementation of this National Strategy requires close cooperation and high-will participation from all ministries and institutions, who are the implementing actors, as well as all relevant actors in Cambodian startup ecosystem. Interministerial coordination must utilize existing institutional mechanisms in accordance with the "**strengthening, rather than expanding**" principle; that is, to be coordinated by DEBC. In this regard, the National Strategy on Startup Development 2026-2030 determines the implementation framework as well as mechanisms for monitoring and evaluation as follows:

The arrangement of the strategy implementation mechanism shall be based on existing institutional mechanisms, which are the relevant actors in the startup ecosystem under the coordination of DEBC. In accordance with the key measures identified in Appendix 1, ministries and institutions responsible for implementing the key measures of this National Strategy must develop concrete action plans and budget plans for expenditure on the action plan implementation. Support budgets for the implementation of key measures must be utilized based on the performance-informed budgeting in accordance with the Law on Public Finance System and other relevant regulations. Concurrently, ministries and institutions responsible for implementing the key measures of this National Strategy must implement the rolled-out action plans in a steadfast manner and demonstrate performance accountability for budget utilization. Details of the implementing ministries and institutions as well as implementation timeframe are in Appendix 1. Therein, the implementing ministries and institutions listed first in order shall be the lead ministry and institution in the implementation, and the ministries and institutions listed subsequently shall be the participating ministries and institutions. The implementation of the key measures of this National Strategy requires close interaction and cooperation among relevant actors in the startup ecosystem.

Implementing ministries and institutions must prepare annual progress reports (quarterly, bi-annually, and annually), highlighting relevant challenges and/or requests to DEBC in order to prepare responsive measures to address the challenges on hand and to prevent impediments to the implementation this National Strategy. DEBC is responsible for preparing the mechanisms for monitoring and evaluating the implementation of this National Strategy, including the monitoring and evaluation of the implementation of activities, output indicators, and impact indicators based on key timelines in accordance with the table of key measures in Appendix 1. Implementing ministries and institutions, both lead and participating, shall cooperate

with DEBC in providing data and reports regularly so that DEBC can consolidate them into a report for the RGC.

This National Strategy identifies KPIs for measuring the implementation over a 5-year period, from 2026 to 2030, which consist of 4 indicators, namely, 1) SEPI reaching 61, 2) the number of startups that participate in startup incubation programs reaching 300, 3) the number of startups that receive investment reaching 100, and 4) the size of investment in startups reaching USD 30 million. At the implementation level, implementing ministries and institutions shall prepare their own KPIs in order to serve the aforementioned 4 overall KPIs of this National Strategy.

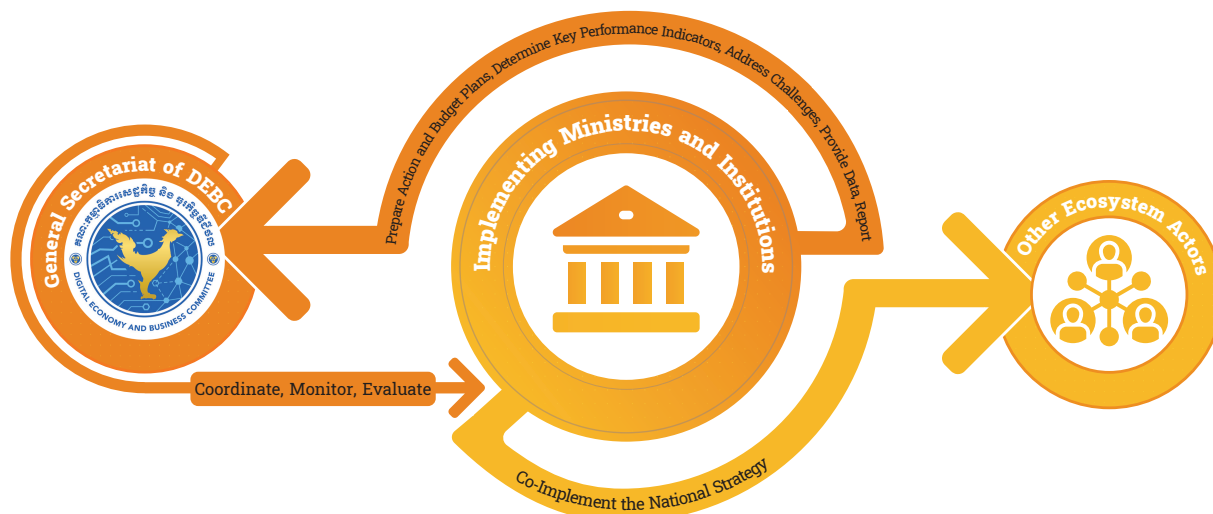


Figure 8. Implementation Framework and Mechanisms for Coordination, Monitoring, and Evaluation

6- CONCLUSION

Strengthening the capacity of startups is crucial in order to promote growth in the context of the transformation journey of Cambodia's society and economy, both in the present and in the future. As such, the RGC elects to roll-out the National Strategy on Startup Development 2026-2030, which reflects a more pragmatic and realistic determination and path for ministries and institutions to support and facilitate the transformation of startups to be a key economic pillar. This National Strategy also responds to the Pentagonal Strategy-Phase I of the RGC of the Seventh Legislature of the National Assembly, specifically Pentagon 3 on the Development of Private Sector and Employment, focusing on developing a conducive environment for startups to grow, be crisis-resilient, and be innovative, while also responding to the other Pentagons, which ultimately allow startups to better contribute to economic growth.

Through the implementation of this National Strategy, startups will be developed via an ecosystem of interventions, whereby numerous positive impacts result from the formulation of clear startup support regulations, the improve in access to finance, the expansion of talent pool, the strengthening of capacity of ecosystem actors, and the enhancement of network connectivity and market expansion. In fact, the success of this National Strategy is an inter-institutional and inter-sectoral duty – a **"joint mission"** – which demands relentless political will and synergistic implementation from ministries, institutions, and other actors in the startup ecosystem. This requires the utmost active and resolute participation in implementing all priority measures, particularly in reducing various challenges which include startup support regulations and access to finance in order to equip startups with the ability to transform creative ideas into real economic drivers. Cooperating to build the startup ecosystem today is the most valuable investment for the future of the digital economy and society and for achieving the Cambodia vision 2050.

APPENDIX 1- TABLE OF KEY MEASURES OF THE NATIONAL STRATEGY

No.	Key Measures	Implementing Ministries and Institutions	Timeframe
1- Formulating Startup Support Regulatory Frameworks			
1-	Prepare the informal economy onboarding for startups to receive various support and benefits	- MISTI - MEF - MPTC - Relevant Ministries and Institutions	2026-2027 (Short-Term)
2-	Establish procedures and institutional mechanisms to classify startup companies, valid for 3 to 5 years, to receive various support and benefits	- MEF - MOC - MLVT - MISTI - MPTC - NBC - Relevant Ministries and Institutions	2026-2027 (Short-Term)
3-	Streamline company closure procedures or ease administrative burden for startup companies	- MEF - MOC - NBC - Relevant Ministries and Institutions	2026-2027 (Short-Term)
4-	Strengthen the review of mergers and acquisitions involving startup companies, aimed at protecting the interests of domestic startup companies and market competitiveness	- MOC - MEF - MPTC - Relevant Ministries and Institutions	2026-2027 (Short-Term)

5-	Encourage the development, enhancement, and integration of existing sandboxes across priority sectors for startup companies	- NBC - FSA - Relevant Ministries and Institutions with Competence in Priority Sectors	2026-2030 (Regularly Implemented)
2- Improving Access to Finance			
6-	Assess the possibility of scaling up financing to startups and increasing the investment size for potential startup companies, particularly within priority sectors	- EDF - KE - Relevant Public Financing Institutions	2026-2027 (Short-Term)
7-	Encourage VCs, angel investors, and the private sector to increase their investment and financing for startups and startup companies through the promotion of a national movement to build and strengthen domestic business capacity	- MEF - CDC - MOC - KE - EDF - Relevant Ministries and Institutions - Private Sector	2026-2030 (Regularly Implemented)
8-	Provide more incentives for VCs that invest in startup companies, contributing to improving the investment climate	- MEF - CDC - MOC - Relevant Ministries and Institutions	2026-2030 (Regularly Implemented)
9-	Encourage the provision of loans and credit guarantees under flexible conditions for startup companies to expand their business	- SME Bank - ARDB - NBC - CGCC - Private Sector	2026-2030 (Regularly Implemented)

10-	Encourage the provision of financing to startup companies for business expansion through mechanisms such as IPOs, crowdfunding platforms, or peer-to-peer financing platforms in the securities sector	- FSA/SERC - CSX - Ministries and Institutions	2026-2030 (Regularly Implemented)
11-	Implement and promote the use of the Cambodia Investment Platform to match investment between the government and startups as well as between investors and startups	- EDF	2026-2030 (Regularly Implemented)
3- Expanding Talent Pool			
12-	Streamline procedures and mechanisms for speedier visa and work permit applications, aimed at attracting more startup experts to Cambodia	- MFAIC - MoI - MLVT - Relevant Ministries and Institutions	2026-2027 (Short-Term)
13-	Encourage or accelerate the improvement of model school standard by incorporating extracurricular activities relevant to startup development	- MoEYS - Relevant Ministries and Institutions	2026-2030 (Regularly Implemented)
14-	Encourage HEIs as well as technical and vocational education and training (TVET) institutions to incorporate training courses or lessons on startup development to equip students with startup-relevant knowledge and skills	- MoEYS - MLVT - Public and Private HEIs	2026-2030 (Regularly Implemented)
15-	Encourage or accelerate the establishment and expansion of laboratories focusing on priority sectors across major HEIs and research institutes	- MoEYS - MISTI - MPTC - Relevant Ministries and Institutions	2026-2030 (Regularly Implemented)

16-	Encourage and grant access for students, researchers, and startups to utilize state laboratories for the research and development of innovative products or services	- MoEYS - MPTC - MISTI - Public and Private HEIs - Relevant Ministries and Institutions	2026-2030 (Regularly Implemented)
17-	Encourage HEIs, TVET institutions, and the private sector to establish regular or well-structured cooperation on startup development to foster students' entrepreneurial and risk-taking spirit through presenting innovative ideas, entering competitions, or gaining access to training and practical experience from private sector experts	- MoEYS - MLVT - MPTC - Public and Private HEIs - Private Sector	2026-2030 (Regularly Implemented)
18-	Establish interdisciplinary academic cooperation among HEIs with diverse specializations to create training courses or study programs covering all dimensions of doing business	- MoEYS - MLVT - Public and Private HEIs	2026-2030 (Regularly Implemented)
4- Strengthening the Capacity of Startup Ecosystem Actors			
19-	Encourage ESOs to establish well-defined infrastructure and support programs that enhance efficiency, integrated with legal and other forms of technical assistance within the support programs	- TSC - KE - NICC - CADT - Private Sector	2026-2030 (Regularly Implemented)

20-	Encourage the expansion of support programs to economic pole provinces to increase the participation of startup founders and foster regional startup ecosystem development	- TSC - KE - NICC - CADT - Private Sector	2026-2030 (Regularly Implemented)
21-	Improve access to financing for ESOs to increase their financial capacity in scaling up startup support programs	- EDF - KE - Private Sector	2026-2030 (Regularly Implemented)
22-	Encourage cooperation among ESOs on support program organization and the sharing of relevant information and data onto startupcambodia.gov.kh	- TSC - KE - NICC - CADT - Private Sector	2026-2030 (Regularly Implemented)
23-	Encourage the training and qualification advancement of startup mentors and trainers	- SDF - MPTC - Relevant Ministries and Institutions - Private Sector	2026-2030 (Regularly Implemented)
24-	Create programs encouraging female startup founders to participate in support programs	- MoWA - WEE-DC - TSC - KE - NICC - CADT - Private Sector	2026-2030 (Regularly Implemented)

5- Enhancing Network Connectivity and Market Expansion			
25-	Encourage the participation of the Cambodian diasporas in startup development through information sharing and network connectivity facilitated by embassies abroad	- MFAIC - TSC - KE - NICC - CADT - WEE-DC - Relevant Ministries and Institutions	2026-2030 (Regularly Implemented)
26-	Encourage or accelerate the establishment of more startup clusters equipped with dedicated physical infrastructure	- MPTC - MISTI - MEF - CDC - Relevant Ministries and Institutions	2026-2030 (Regularly Implemented)
27-	Encourage the compilation and dissemination of public data beneficial to startups and startup companies for market insights and for product or service development	- TSC - NIS - GDDE - Relevant Ministries and Institutions - Private Sector	2026-2030 (Regularly Implemented)
28-	Promote the establishment of well-structured partnerships between startups and the private sector	- MPTC - MISTI - EDF - TSC - Relevant Ministries and Institutions	2026-2030 (Regularly Implemented)

29-	Encourage public institutions to utilize the products and/or services of startups and startup companies in an equitable, efficient, and transparent manner	- Ministries and Institutions	2026-2030 (Regularly Implemented)
30-	Encourage the provision of international market expansion support into regional and global markets for potential and innovative startup companies through building network connectivity between governments and regional partners	- MOC - MISTI - MEF - MPTC - Relevant Ministries and Institutions	2026-2030 (Regularly Implemented)
31-	Organize national programs and lead startups and startup companies to participate in regional showcases of startup products or services and various international events to drive broader dissemination, knowledge acquisition, experiential exchange, and network connectivity, while also encouraging greater female participation	- MEF - MPTC - MOC - MISTI - MoWA - Relevant Ministries and Institutions - Private Sector	2026-2030 (Regularly Implemented)
32-	Cultivate startup culture such as research, risk-taking in launching business, and celebrating success stories through various programs or community events to build long-term social norms	- MoEYS - MINFO - Relevant Ministries and Institutions - Private Sector	2026-2030 (Regularly Implemented)

APPENDIX 2- GLOSSARY

No.	Terms	Definition
1-	Acceleration Program	A focused and time-limited program designed to help startups grow rapidly and scale up by offering mentorship, resources, and networking opportunities.
2-	Angel Investors	An investor who provides seed funding to a startup in exchange for equity in that startup.
3-	Artificial Intelligence (AI)	The technologies allowing computers to learn, think, analyze, and understand a specific issue through the emulation of the human brain.
4-	Business Model	The plan of a startup to make a profit. The business model identifies the product or service to be sold and served to the target market, the source of revenue, as well as the costs.
5-	Business Visa (Visa Type E1, E2 & E3)	A visa that grants access to businessmen who intend to enter and exit many times, based on the principles set by the Royal Government, aimed at promoting economic and technological potential.
6-	Co-Working Spaces	A place that provides services as a shared location for startup teams and other actors in the startup ecosystem to work either independently or collaboratively.
7-	Corporate Social Responsibility	The enterprises' responsibility regarding their social impact, complying with laws and ethics as well as contributing to the community.
8-	Courtesy Visa (Visa Type C)	A visa that grants access to non-immigrants and their families, which is recognized as a form of cooperation or courtesy by the MFAIC or other ministries.
9-	Crowdfunding	Fundraising operation through a collective investment scheme or through the intermediation of a fund management company between the securities offering entity and investors.
10-	Entrepreneurial Support Organizations (ESOs)	An organization that organizes startup support programs such as hackathons, incubation programs, acceleration programs, and so forth.

11-	Equity Investment	Investing in a startup in exchange for a share of ownership equity in that startup.
12-	FinTech Regulatory Sandboxes	The environment for FinTech institutions to experiment with products or services with the customers on a real-time basis within a well-defined space and duration before launching and promoting the broad use of the products or services.
13-	First-Customer Partnership	A collaborative partnership focused on becoming an early customer who participates in testing the startup's products or services, aimed at providing feedback on user experience and building confidence in those products or services.
14-	Hackathon	A short event where teams or individuals collaborate to develop innovative solutions to specific challenges, typically lasting from a few hours to a few days.
15-	Incubation Program	A structured program that provides resources, guidance, and mentorship to support early-stage startups in their growth and success journey. It offers flexible, long-term assistance.
16-	Innovation	The application of wisdom to achieve products, services, or methods that are new or significantly improved.
17-	Pre-Seed Funding	The stage where a startup raises additional capital outside of personal funds, mostly from family, friends, and some angel investors, with the major cause of developing an MVP.
18-	Seed Funding	A stage where a startup raises additional capital, mostly from ESOs, angel investors, and VCs, with the major cause of transforming an MVP into a fully-functional product or service that is ready to enter the market.
19-	Series A	A stage where a startup raises additional capital through investment, mostly from VCs, with the major cause of accelerating operational growth and strengthening market entry.

20-	Series B	A stage where a startup raises additional capital through investment, mostly from VCs, with the major cause of expanding the market and achieving market leadership.
21-	Series C	A stage where a startup raises additional capital through investment, mostly from VCs, with the major cause of preparing for a successful exit from its startup status under conditions such as becoming a company, merging or selling the company, and entering IPO.
22-	Software as a Service	A service that allows users to access software based on cloud technology through a regular subscription, rather than buying it outright, installing it, and using it.
23-	Startup	a business that utilizes innovation and/or technology as the core to create its business model that is competitive in existing markets and advance to create new markets under uncertain conditions, while possessing high scalability potential along with the expectation of a quick future exit from startup status.
24-	Startup Development	The capability strengthening of a startup, enabling it to grow based on its own development stages.
25-	Startup Ecosystem	A network in which startups and various actors involve in interconnected activities and complement one another in the development of startups.
26-	Startup Exit	A situation where startup founders transfer or sell their ownership of the startup or close down the business entirely, ending their status as a startup. Exit forms can include the form of acquisitions, mergers, and so on.
27-	Technology	The use of knowledge about nature for the benefit of humanity.
28-	Venture Capitalists (VCs)	A company that invests in startups in exchange for shares of those startups.

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