



Regional NAP Expo for Asia

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Cambodia's Experience in Managing Climate Finance at National Level

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Outline

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- 2. Institutional Coordination Mechanisms for Climate Change Financing**
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1. Climate change Relevant Policies/Framework (1/3)

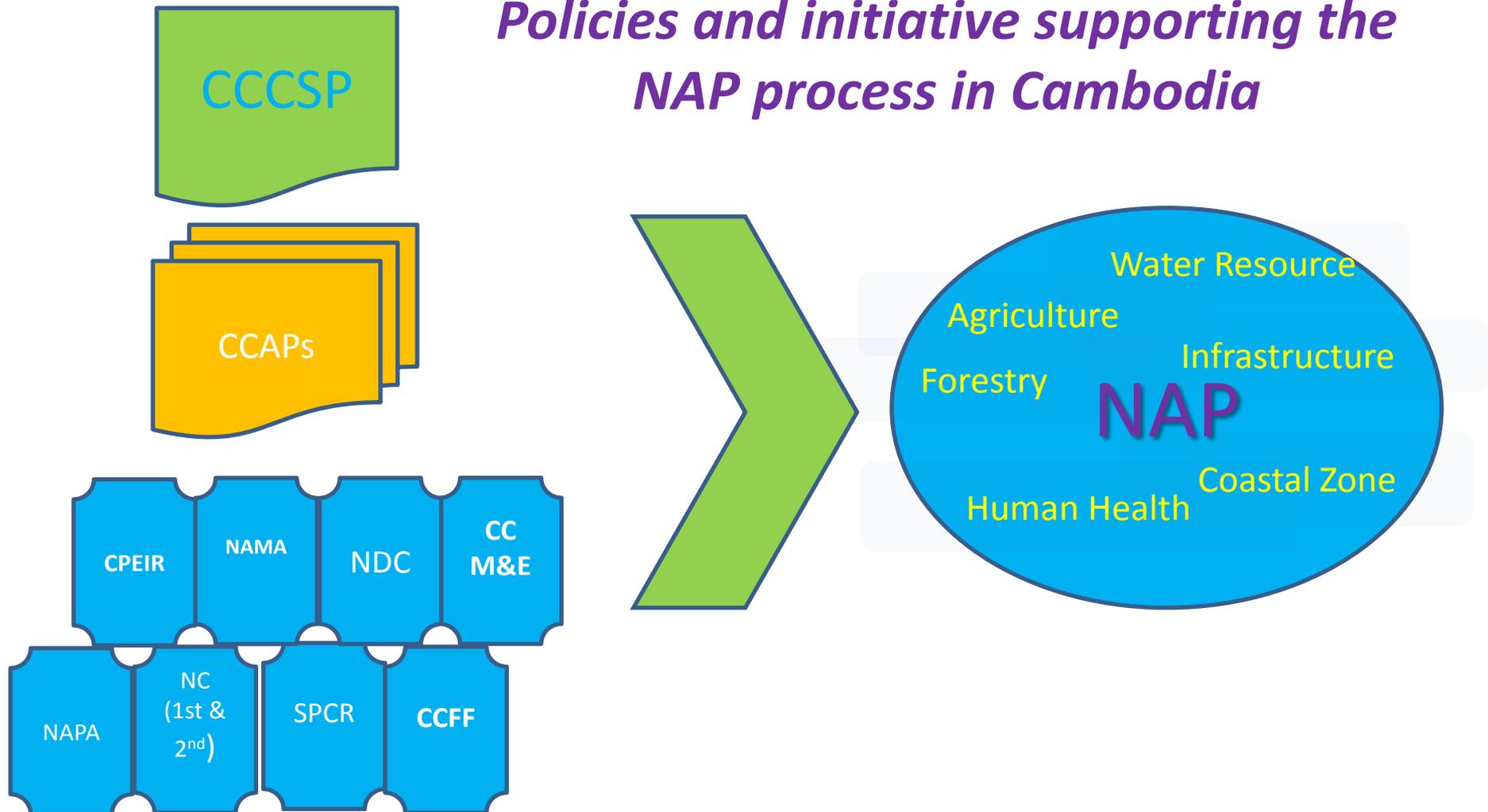
- A ten-year strategic plan – the Cambodia Climate Change Strategic Plan 2014-23 – is also in place, and nine priority ministries have already developed their corresponding sectoral strategic plans and action plans.
- At the sub-national level, work has begun to integrate climate change in planning and budgeting practices of the provinces, districts and communes, based on lessons learnt from several pilot projects.

1. Climate change Relevant Policies/Framework (2/3)

Climate change response measures have been proposed and integrated in :

- Government Rectangular Strategy – Phase III
- National Strategic Development Plan (NSDP) 2014-2018
- Cambodia Climate Change Financing Framework
- National Climate Change Strategic Plan 2014-2023
- Cambodia's National Determined Contribution (NDC)
- Second National Communication under the UNFCCC
- National Policy and Strategic Plan on Green Growth
- Climate Change Action Plan (CCAP) 2016-2018 of 14 climate sensitive ministries/agencies
- Ministry of Economy and Finance 2018-2020 BSP Circular

1. Climate change Relevant Policies/Framework (3/3)



2. Institutional Coordination Mechanisms for Climate Change Financing Framework (1/3)

- Cambodia has already taken some major steps towards establishing solid mechanisms for the management of climate finance.
- The National Council for Sustainable Development, Climate Change Technical Team and Department of Climate Change have been established with a mandate to coordinate the national climate change responses and implement the Cambodia's commitment under UNFCCC.
- Transitional stage in managing climate finance is proposed to establish a National Climate Funding Facility (NCFF).

2. Institutional Coordination Mechanisms for Climate Change Financing Framework (2/3)

- Key Institutions involved in implementation of the National Climate Funding Facility:
 - **Secretariat of the National Council for Sustainable Development:** Establish a Government-Partner coordination mechanism for the implementation of the CCCSP and the corresponding action plans, apply for accreditation as National Implementing Entity with the Adaptation Fund and Green Climate Fund, Provide technical support to NCSD members on accessing and managing climate finance, dialogue mechanism with line Ministries, CSO, Development Partners and the private sector.

2. Institutional Coordination Mechanisms for Climate Change Financing Framework (3/3)

- **Ministry of Economy and Finance:** Refine cost-benefit analysis on the impacts of Climate Change on the economy, annual analysis of climate-relevant public expenditure, track the profile of the climate change response in Cambodia.
- **Ministry of Planning:** ensure data collection and analysis of climate related indicators in the NSDP, integrate climate change in the planning guidelines for sub-national administrations.
- **Line ministries and agencies involved in the climate change response:** Develop Climate Change Action Plans linked to relevant sector strategies and the NSDP, Ensure the gradual integration of climate change actions in the mainstream sector programmes/actions plans, Establish institutional arrangements within the ministry to implement and monitor the climate change action plan.

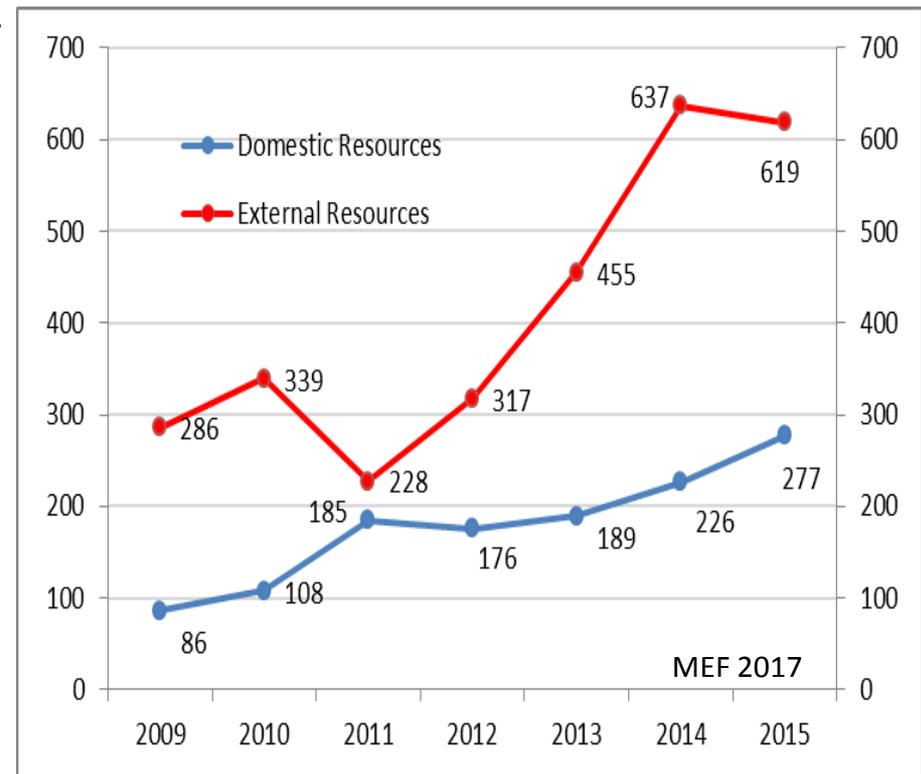
3. Mainstreaming CC in national budget process

- Public Investment Program (PIP):
 - 3 year rolling plan, prepared annually to reflect government priorities in the NSDP, sectoral development strategies, policies and frameworks
 - It is the basis to assist line ministries and agencies to attract and direct external development assistance for identified priority programs and projects (include CC)
 - It is the mechanism for aligning external resources and the RGC's own investment programs to nationally identified priorities, as well as a tool for monitoring the progress of this alignment over time
- Ministry of Economy and Finance provides Circulars on Budget Strategic Plan and on the annual budget preparation, highlighting the priority of climate change response
- Government special initiatives on flood and drought budget for 7 ministries 2017-2018: 727.35 billion of Riels (182 USD)

4. Current State of Climate Public Expenditure

Based on the Cambodia Climate Public Expenditure Review 2015:

- CC expenditure represents 847 billion of Riel, or 1.3% of GDP in 2014
- Domestic resource for CC expenditure increased from 86 billion R in 2009 to 268 billion R in 2015, and represents 31% of total climate expenditure
- External resources for CC expenditure grew steadily from 317 billion R in 2012 to 637 billion R in 2014 but dropped to 619 billion R in 2015. Its share is 69% of total climate expenditure in 2015
- Adaption represent about 90% of the total climate change spending



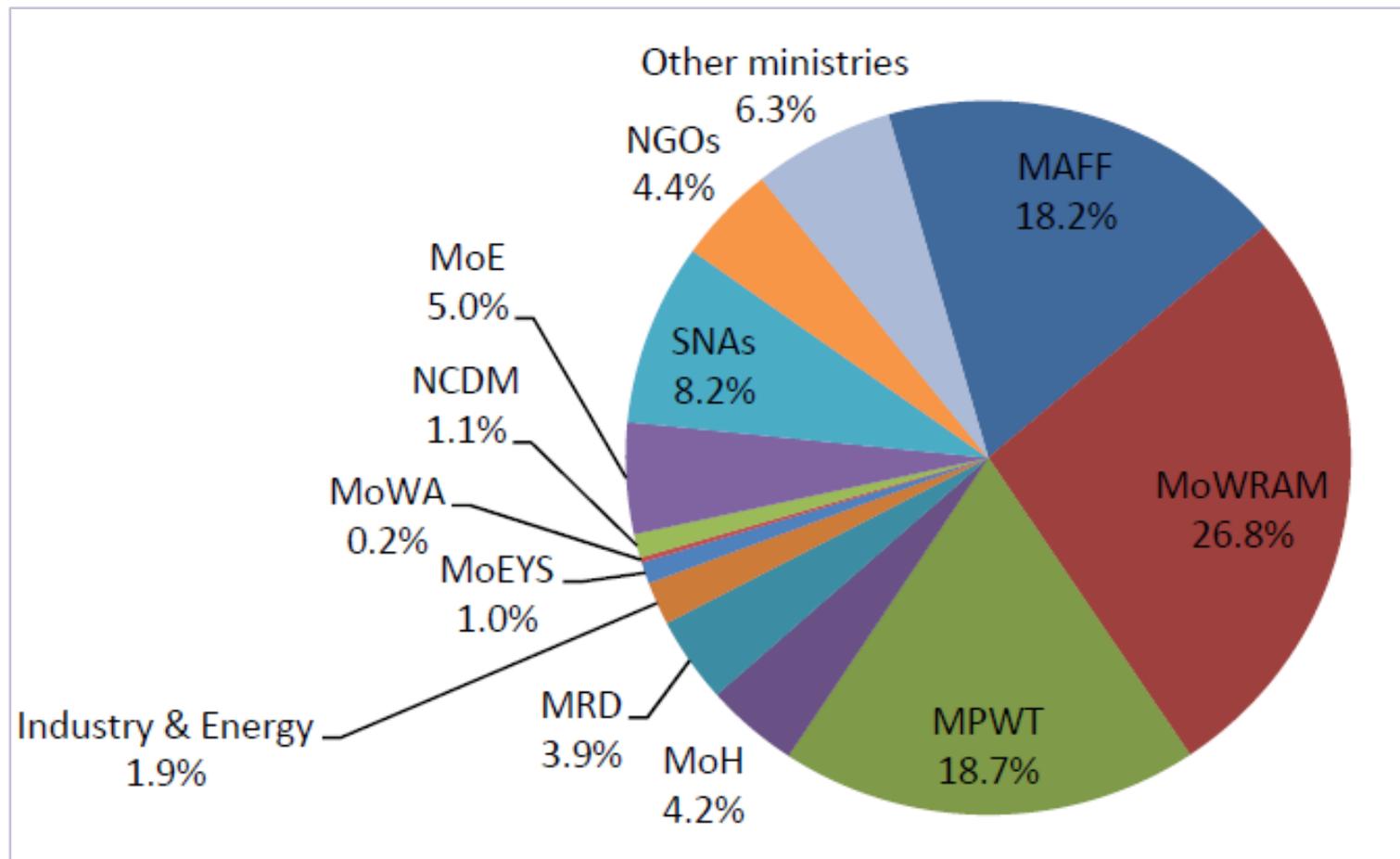
5. Financial Demand and Gap for addressing climate change (1/3)

CCAPs of 15 relevant line ministries/agencies:

- 14 climate sensitive ministries and agency have approved CCAPs, but one (MPTC) awaiting to be approved;
- 171 actions (projects) require financial demand of 865.47 million USD
- 148 among 171 actions are found as non-funded
- 130 among 171 actions are found to be primarily adaptation relevant actions,
- Of the total 171 actions the financial gap is estimated at 92.4%
- In the NAP Financing Framework, 40 priority actions have been identified based on different criteria, incl. impact and transformation potential, needs of recipients, effectiveness/efficiency etc.
- NAP financing gap for the 40 priority actions is USD 530 million or 98%

5. Financial Demand and Gap for addressing climate change (2/3)

Financial demand for both adaptation and mitigation actions were estimated at US\$1.1 billion for the period 2014-2018



5. Financial Demand and Gap for addressing climate change (3/3)

Financial Gap of Adaptation Actions by Ministries

No.	Ministry	No. Adaption-relevant Projects	No. of Adaptation Priority Actions	Costs in USD	Gap
1	MOE	15	2	26,835,000	24%
2	MoWRAM	16	8	272,500,000	100%
3	MRD	10	5	56,530,000	32%
4	MAFF	27	16	180,800,000	100%
5	MPWT	4	1	174,450,000	100%
6	MOH	11	1	46,800,000	99%
7	MLMUPC	8	2	9,120,000	97%
8	MME	3	0	3,270,000	100%
9	MIH	1	0	700,000	100%
10	MOEYS	6	2	9,850,000	96%
11	MoInfo	5	0	4,330,000	97%
12	MoT	7	1	3,000,000	96%
13	MoWA	6	0	3,620,000	93%
14	NCDM	11	1	11,750,000	99%
	Total	130	39	803,555,000	92.4%

6. Towards a NAP Financing Implementation Plan

40 priority actions in the NAP Financing Implementation Plan are classified into 3 phases:

1. Priority Actions near implementation stage:

Adaptation projects at formulation stage, hence for which implementation could be triggered in the short-term (within approximately one year time-span), if funding proposal is approved. An estimated 30% of the actions fall in this group.

2. Priority Actions under preparation stage:

Adaptation projects, concept notes or ideas that need to be further formulated and/or better sustained institutionally to be apt for implementation (in over a year time-span). An estimated 60% of the actions fall in this group.

3. Priority actions contributing to an enabling environment:

Cross-cutting and/or sector-wide initiatives that are necessary to facilitate the implementation of the NAP. An estimated 10% of the priorities fall in this group.

7. Recommendation

- Use existing systems and processes to integrate CC for national budget. E.g. CC is not only the CCAP; Continue to integrate CC into regular budget processes
- Promote National Entities for direct assess to GCF
- Develop screening tool and effective mechanism to screen proposal submitted by implementing agencies under GCF and other funding sources
- CC knowledge, mindset and skills development needs continuous attention as systems and funding opportunities change over time
- Strengthening institutional coordination mechanisms and the tackling of gender issues is important to attract international financing
- The strong focus on adaptation in the Cambodian NDCs is important to further guide adaptation as the core of Cambodia's climate change policy



Thank You for Your Attention!

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