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PROJECT DOCUMENT

Project Title: UNDP Engagement Facility for Crises Response, Upstream Policy Results, Evaluation and Assessments, and Testing of Innovations in Cambodia (2020-2023)

Project ID: 00120970

Implementing Partner: UNDP - DIM (Engagement Facility)

Start Date: 16 April 2020

End Date: 31 December 2023

Brief Description

Cambodia has made steady progress over the past 15 years, with rising incomes, but the country faces immediate, as well as mid- to long-term challenges, that have been compounded by the advent of the global Covid-19 pandemic. Cambodia's economy is facing a steep downturn because of the Covid-19 crisis, as well as severe social dislocations as livelihoods fall and poverty rises. This is aside from the public health and treatment dimensions as there has not (as yet) been a substantial outbreak of the disease. There are also wider challenges, including health risks given the fragility of the healthcare system, as well as social tensions on account of misinformation.

If Cambodia takes appropriate measures now, it can minimize the potentially devastating socio-economic impacts of the Covid-19 crisis. The government is looking to support the economy via stimulus measures and emergency social protection measures for affected and vulnerable groups.

Adopting a build back better approach during the response and early recovery phase to the Covid-19 crisis, can also lay the foundation for mid- to long-term recovery and development, Cambodia will need to continue to expand and improve the quality of its past gains, as well as ensure that they can be maintained. Much depends on reaching the rural areas that are home to about 80 percent of the population, including the majority of people in poverty. Many remain highly dependent on natural resources for food, shelter and income, which in turn makes them acutely vulnerable to climatic and other shocks. The challenge now is for the country to transition from an economic model based on low skilled labour, to one that is more sustainable and invests in the skilled work force needed to achieve an inclusive upper middle-income country status.

This engagement facility provides a rapid and flexible response mechanism to support crises response, upstream policy results, evaluation and assessments, and the testing of innovations with scale-up potential for Cambodia. It supports results identified in the UNDP Global Strategic Plan as well as the UNDP Cambodia Country Programme Document. Outputs and activities will be added to execute UNDP's Country Programme Document as well as requests by the Royal Government of Cambodia to address the socio-economic, environmental and other priorities of the country.

To begin with, the engagement facility will house UNDP's assistance on crisis response to the Covid-19 global pandemic in Cambodia. In particular, one of the Royal Government of Cambodia's initial requests for support from UNDP is for the procurement of health equipment from international sources.

The engagement facility will be expanded to other areas of support, such as on upstream policy making, evaluation and assessments and the testing of innovations, as and when required.

Contribution to the Sustainable Development Goals (SDGs):

Goal 3: Good Health and Wellbeing; Goal 8: Decent Work and Economic Growth; Goal 9: Industry, Innovation, And Infrastructure; Goal 10: Reduced Inequalities; Goal 11: Sustainable Cities and Communities; Goal 16: Peace, Justice and Strong Institutions; Goal 17: Partnerships

Contribution to the Outcomes of United Nations Development Assistance Framework (2019-2023):

Outcome 2: By 2023, women and men in Cambodia in particular those marginalized and vulnerable, benefit from expanded opportunities for decent work and technological innovations, and participate in a growing, more productive and competitive economy, that is also fairer and environmentally sustainable.

Outcome 3: By 2023, women and men in Cambodia, in particular the marginalized and vulnerable, live in a safer, healthier, more secure and ecologically balanced environment with improved livelihoods, and are resilient to natural and climate change related trends and shocks.

Outcome 4: By 2023, women and men, including those underrepresented, marginalized and vulnerable benefit from more transparent and accountable legislative and governance frameworks that ensure meaningful and informed participation in economic and social development and political processes.

Total resources required:	USD 8,784,616.72	
Total resources allocated:	Government of Cambodia	USD 8,784,616.72
Unfunded:		

Agreed by (signature):

Nick Beresford

Nick Beresford
Resident Representative
United Nations Development Programme in Cambodia

Date: 16 April 2020

ENGAGEMENT FACILITY CONCEPT NOTE

UNDP Engagement Facility for Crises Response, Upstream Policy Results, Evaluation and Assessments, and Testing of Innovations in Cambodia (2020-2023)

1. SITUATION ANALYSIS

Cambodia is a lower middle-income country that continues to experience high levels of economic growth, with gross domestic income rising by over 7% per annum over for the last 15 years¹. This growth has been strongly inclusive, with poverty reducing by more than half to below 15%². Cambodia has the second fastest rate of human development index growth in the Asia Pacific region³.

However, the country faces immediate, as well as mid- to long-term challenges, that have been compounded by the advent of the global Covid-19 pandemic. The global outbreak of a novel (new) coronavirus, a pathogen identified and named as Covid-19, has rapidly spread to more than 200 countries, areas and territories as of April 2020. This has posed critical and immediate public health and socio-economic challenges for Cambodia. Globally, there are 1,773,084 confirmed Covid-19 cases (including 111,652 deaths) according to WHO as of 14 April 2020. In Cambodia, there has not, thus far, been substantial domestic outbreaks of the disease (122 confirmed Covid-19 cases as of 14 April 2020). However, the actual number of cases and the trajectory is very hard to predict. The number of people being tested is very low (mostly internationals and those returning from high risk countries). There are immediate critical public health risks given the fragility of the healthcare system. The Royal Government of Cambodia, especially the Ministry of Health, has been working with WHO and other agencies to equip the health system to contain the virus, to prepare health workers to respond to the outbreak, to put in place needed equipment, and to set up measures for epidemic response.

Cambodia's economy is facing a steep downturn because of the Covid-19 crisis, as well as severe social dislocations as livelihoods fall and poverty rises. The key socio-economic drivers are therefore the external demand shocks faced by Cambodia's leading sectors: textiles (decline in demand up to 60%); tourism (downturn in visitors by up to 80%); and construction (a decline of up to 40%). Cambodia's vulnerability is accentuated by its narrowly based and highly open economy; its skewed income distribution where a large proportion of households subsist just above the poverty line; and the minimal level of social safety net coverage. There are also wider challenges, such as social tensions on account of misinformation.

If Cambodia takes appropriate measures now, it can minimize the potentially devastating socio-economic impacts of the Covid-19 crisis. The government is looking to support the economy via stimulus measures and emergency social protection measures for affected and vulnerable groups.

Adopting a build back better approach during the response and early recovery phase to the Covid-19 crisis, can also lay the foundation for mid- to long-term recovery and development. The economic development of the country continues to come at a high environmental cost. The rate of deforestation has slowed in recent years but is still high⁴. Fish stocks and water levels in the

¹ World Bank Cambodia Overview Statistic, 2019, <https://www.worldbank.org/en/country/cambodia/overview>

² Ibid

³ UNDP, Human Development Report 2019, Inequalities in Human Development in the 21st Century, Briefing note, Cambodia (http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/KHM.pdf)

⁴ UNDP, Human Development Report 2019: Sustaining Natural Resources for All, https://www.kh.undp.org/content/cambodia/en/home/library/human_development/human-development-report-2019--sustaining-natural-resources-



Mekong and Tonle Sap have fallen due at least in part to the number and location of dams along the Mekong⁵. The challenge now is for the country to transition from an economic model based on low skilled labour, to one that is more sustainable and invests in the skilled work force needed to achieve an inclusive upper middle-income country status. There is awareness of the need to make this transition and UNDP is seen as a key partner in this respect. UNDP will continue to support the government on reducing emissions from deforestation and forest degradation, as well as the sustainable management of forests and the conservation and enhancement of forest carbon stocks. UNDP will also continue to advocate for solar energy solutions.

The climate crisis continues to impact Cambodia due in part to the country's low adaptive capacity⁶. High temperatures and lower rain fall led to schools being closed and power black outs due to dependence on hydroelectric power plants⁷.

The Royal Government's Rectangular Strategy has good governance at its center⁸, and there is a recognition of a need to continue to better engage and serve communities. Building on the trust and close working relationship with Government, UNDP has increased its engagement in the governance field from 2019.

Cambodia's 2019 gender development index rose to 0.919, reflecting relative improvements for women and girls in longevity, education and income. However, women's representation at senior level in government and private sector needs improvement⁹. To better incentivize gender equality, UNDP is advocating the issue as an economic growth opportunity and bringing this into programs within the Ministry of Economy and Finance.

2. PROJECT OUTPUTS AND ACTIVITIES

This engagement facility provides a rapid and flexible mechanism to support crises response, upstream policy results, evaluation and assessments, and the testing of innovations with scale-up potential for Cambodia (*vide* UNDP's Programme and Operations Policies and Procedures (POPP)). It supports results identified in the UNDP Global Strategic Plan as well as the UNDP Cambodia Country Programme Document.

Outputs and activities will be added, as and when needed, to execute UNDP's Country Programme Document as well as requests by the Royal Government of Cambodia to address the socio-economic, environmental and other priorities of the country. The facility will be used, when appropriate, to house initiatives/outputs that may not be able to be accommodated under other projects, or where it is managerially more cost-effective to house them in the facility. This could include, for instance, response to crises, ad-hoc requests from government, mid-term reviews/evaluations and end evaluations relating to the UNDP Country Programme Document or other initiatives, UN Country Team engagements, and South-South and Triangular Cooperation. To begin with, the engagement facility will house UNDP's assistance on crisis response to the Covid-19 global pandemic in Cambodia.

for-.html

⁵ Baran E., Guerin E., Nasielski J. 2015, Fish, sediment, and dams in the Mekong, <http://cgspace.cgiar.org/rest/bitstreams/72883/retrieve>

⁶ UNDP, Human Development Report 2019, Inequalities in Human Development in the 21st Century, Briefing note, Cambodia (http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/KHM.pdf)

⁷ UNDP, Human Development Report 2019: Sustaining Natural Resources for All, https://www.kh.undp.org/content/cambodia/en/home/library/human_development/human-development-report-2019--sustaining-natural-resources-for-.html

⁸ RGC, Rectangular Strategy 4, 2018

⁹ UNDP, Human Development Report 2019, Inequalities in Human Development in the 21st Century, Briefing note, Cambodia (http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/KHM.pdf)

Output 1: Support provided to the health system to procure emergency medical and laboratory equipment to counter the Covid-19 outbreak.

Cambodia has made considerable progress in strengthening health security systems. This includes setting up of surveillance systems and rapid response teams in all 25 provinces. Cambodia's Ministry of Health (MoH) designated three hospitals in Phnom Penh, and 25 Provincial Referral Hospitals as medical facilities that can order a test for, and treat, suspected cases of Covid-19. Institute Pasteur of Cambodia (IPC) is the only designated lab for Covid-19 testing. While national hospitals located in Phnom Penh have a basic system in place, healthcare facilities in provinces are in need of resources (staff, advanced and high-quality equipment, etc.) to provide care to Covid-19 patients. In the context of a pandemic, these hospitals may attract an overwhelming number of patients – both COVID-19 infected and others with similar symptoms – that they cannot handle adequately.

The UN in Cambodia has been supporting the Ministry of Health, and its Communicable Disease Control Department in particular. Through WHO, the government has made an initial request from UNDP and other UN agencies to support in the procurement of health equipment from international sources, and the facilitation of rapid delivery of these items to Cambodia. The costs of such procurement will be covered by international development assistance from the World Bank to the Government of Cambodia.

Initial proposed activities include, but may not be limited to:

Activity 1.1: In consultation with WHO, procure medical items from suppliers as per the list of equipment and supplies provided by the Ministry of Health.

Activity 1.2: Facilitate delivery of procured items to entities designated by the Ministry of Health, and in consultation with WHO.

3. MANAGEMENT ARRANGEMENTS

The Engagement Facility will be fully managed by UNDP in Cambodia. Under the overall supervision of the Deputy Resident Representative, the Programme and Results Cluster; the Policy Cluster; and the Operations Cluster; will be called upon to plan, implement, monitor and evaluate designated outputs and activities, as relevant to the roles and functions of these clusters. Government entities, other UN agencies, development partners and other stakeholders will be consulted and involved on particular outputs/activities, as relevant to their mandates and roles.

For Output 1 relating to urgent procurements for the health system, the Programme and Results Cluster will provide oversight and management inputs, whilst the Operations Cluster will execute the procurement of medical and laboratory equipment. WHO Cambodia will be closely engaged and provide technical support to execution of this output.

UNDP programme and project management policies and procedures in the Programme and Project Management Section of the Programme and Operations Policies and Procedures (POPP) will be adopted. The approved resources will be used in accordance with UNDP financial rules and regulations as set out in the Financial Resources Management Section of the POPP.

4. ANNUAL WORK PLAN BUDGET SHEET

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME 2020				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Source of Funds	Budget Description	Amount (USD)
Output 1: Support provided to the health system to procure emergency medical and laboratory equipment to	Activity 1.1.: In consultation with WHO, procure medical items from suppliers as per the		X	X	X	UNDP	Government	Procurement of equipment/ supplies as per list from MOH, including costs of	See annex 1 for detail cost per each item/ equipment

counter the Covid-19 outbreak.	list of equipment and supplies provided by the Ministry of Health.								the equipment/ supplies, insurance, freight (CIF), and service fee by UNDP Copenhagen and KL offices	
<p>Indicators:</p> <ul style="list-style-type: none"> # equipment/ supplies procured as per as per list from MOH, subject to availability¹⁰ and as specified in Annex 1 to this Engagement Facility # equipment/ supplies procured as per Annex 1 delivered to designated entities. <p>Targets:</p> <ul style="list-style-type: none"> 110 ventilators procured, as per specifications from MoH, 60 ambulances, 2 vehicles, and other equipment as specified in the agreement, subject to availability (ref. to Annex 1 to this Engagement Facility) Above-mentioned equipment handed over to designated authority 	<p>Activity 1.2.: Facilitate delivery of procured items to entities designated by the Ministry of Health, and in consultation with WHO.</p>		X	X	X	UNDP	Government			
Output 1 Subtotal										8,366,301.64
GMS (5%)										418,315.08
Total										8,784,616.72

¹⁰ All Governments and agencies across the world, including UNDP, are facing the same challenges in procuring items for the COVID-19 response: a highly distorted market, a global lack of suppliers' stocks for the most urgently needed products, inadequate production capacity of the suppliers to meet the demand, etc. The suppliers are providing prices with a maximum of 48 to 72 hours bid validity, and it is not until an order is secure that an estimated delivery time is provided. The challenges are exponentially compounded by export bans of COVID-19 products from several countries where most suppliers are located. Hence, there is a substantial risk that all items in the list from MOH (incorporated in Annex 1 of the agreement between World Bank and UNDP for *Delivery of Outputs by UNDP under Bank-financed Projects*) may not be procured, due to reasons beyond the control of UNDP, and this possibility has been incorporated into the terms of the said agreement.