

Minutes of the Policy Advisory Board Meeting of the Policy and Innovation Hub for Sustainable Development

27 July 2022, 3:00pm - 5:30pm, UNDP LAD Conference Room and Virtual via Zoom

1. Welcome remarks by Ms. Sonali Dayaratne, UNDP Officer-in-Charge (OIC) and Deputy Resident Representative, UNDP Cambodia

Ms. Sonali Dayaratne, UNDP Officer-in-Charge (OIC), began the meeting by welcoming everyone online and in-person to the PIH Policy Advisory Board Meeting, including H.E. Ros Seilava, Secretary of State, Ministry of Economy and Finance and co-chair of the board, H.E. Samheng Boros, Secretary of State, Ministry of Social Affairs, Veterans and Youth Rehabilitation, Ms. Sophoan Phean, the National Director for Oxfam Cambodia, Mr. Kuribayashi Takanori, First Secretary, Embassy of Japan, H.E. Dr. Chhieng Vanmunin, Chief Executive Officer, Khmer Enterprise, H.E. Rith Vuthy, Deputy Secretary General, CRDB/CDC, other members of the board and UNDP colleagues.

Ms. Dayaratne expressed her appreciation for everyone making themselves available for the meeting, and especially to H.E. Ros Seilava for his role as co-chair of the board. She recognized H.E. Seilava's strategic advice as being important to making UNDP's work relevant for meeting the priority needs of Cambodia. She further expressed her appreciation to Oxfam Cambodia, previously Ms. Solinn and now Ms. Sophoan, as a permanent member of the board, and to the project's donor partners including the Ministry of Commerce, Khmer Enterprise, the governments of Japan, Germany and the UK, ILO, World Bank, the Joint UN SDG Fund, and UNDP's core global donors.

She noted that the Policy Advisory Board serves as the governance mechanism for the Policy and Innovation Hub portfolio. The Board meets on an annual basis to review project implementation and progress, to provide strategic direction, and to approve implementation work plans. This is the third board meeting held since the project began implementation in 2019.

Ms. Dayaratne emphasized that the Policy and Innovation Hub (PIH) was set up with the overarching goal to support the Royal Government of Cambodia to respond to development challenges as it transitions to middle-income status, and to deliver the Rectangular Strategy Phase IV, National Strategic Development Plan 2019-2023, and the Cambodia Sustainable Development Goals (CSDGs), which are a part of the country's commitments to the global UN sustainable development agenda. PIH serves as a hub offering policy advisory and technical support, providing a platform for testing and scaling innovative models and solutions, and for building programming capacities in support of delivery of the CSDGs and SDG financing options.

She highlighted that the PIH has three main areas of work aligned broadly to UNDP's Country Programme 2019-2023, which in turn speaks to the UN's Development Assistance Framework. The three pillars are focused on prosperity (inclusive and sustainable growth), planet

(environmental protection and climate change adaptation), and peace (opportunities for all to contribute to and benefit from Cambodia's transformation).

Ms. Dayaratne noted that since 2020, PIH has also adapted its interventions to support COVID-19 response and recovery. UNDP is pleased to be contributing to the government's efforts in releasing emergency cash transfers, which to date have provided assistance to approximately 680,000 poor households, including women-headed households, persons with disabilities and persons living with HIV/AIDS.

She noted that PIH adopts a portfolio management approach, which means that there is a pooling of funds consisting of multiple sub-projects contributing to joint results. With this set up, PIH can provide complementarities with other UNDP projects and address gaps where policy advisory, advocacy, new programming, and experiments and pilots are needed, for instance, to give effect to the recently approved Long-Term Strategy for Carbon Neutrality, the updated Nationally Determined Contributions, and sustainable financing. Policy analytics and models tested through PIH have also resulted in catalysing further resources to expand the ambition of results, for example on social protection, or to scale those models that have worked on the ground such as in the case of solar mini-grids.

Ms. Dayaratne informed the board that whilst the key achievements in 2021 will be presented by UNDP colleagues, she would like to highlight several key achievements. These included policy advice to government in the design of emergency response during the COVID-19 lockdown in 2021, and advocacy for sustaining investments in social protection. Second, technical support to develop a Multi-dimensional Vulnerability Index (MVI) as an alternative measurement that goes beyond income poverty. Third, technical advice in the preparation of a National Circular Economy Policy. And finally, piloting and scaling up of solar mini-grid models providing essential clean energy sources for remote, including indigenous, communities with new funding of US\$1.6 million for scaling up from the Embassy of Japan from 2022-2024.

She concluded by sharing that UNDP colleagues will also present proposed work priorities for 2022, which have been developed in consultation with relevant ministries and PIH's financial contributors. She looks forward to a fruitful discussion on these priorities to strengthen the continued relevance of the PIH portfolio in the evolving country context, and to especially gain from the contextual knowledge and experience of H.E. Seilava and other excellencies as well as officials from different agencies and organizations joining the meeting today.

2. Opening remarks by H.E. Ros Seilava, Secretary of State, Ministry of Economy and Finance

H.E. Ros Seilava extended a warm welcome to all and began by addressing in particular Ms. Sonali Dayaratne, UNDP Officer-in-Charge (OIC) and Deputy Resident Representative, UNDP and co-chair of this meeting, Ms. Sophoan Phean, National Director of Oxfam Cambodia and permanent member of the project board, Mr. Kuribayashi Takanori, First Secretary, Embassy of Japan, and other excellencies and colleagues. His Excellency expressed his pleasure to join as co-chair of the Policy Advisory Board for this meeting.

His Excellency shared his compliments on the scope of the project, which is well placed to support Cambodia in the middle-income transition graduation process, which needs policy instruments and innovative capacity to address social and economic issues and climate vulnerabilities, while ensuring no one is left behind in the country transition. He noted that these aspects cannot go in silo, and green growth policy has been integral in the government strategic priorities starting from the Rectangular Strategy Phase IV, NSDP and Strategic Framework and Programme for Economic Recovery 2021-2023. The later also emphasized shared prosperities as evident with a commitment to continue the government cash transfer programme to poor households in 2022.

His Excellency noted his appreciation for the level of flexibility and adaptability of the project, which enabled the generation of timely evidence to inform the Royal Government of Cambodia in designing policy and interventions in response to the COVID-19 pandemic, including the updated projection of the COVID-19 socio-economic impact, impact of lockdowns due to community outbreak in 2021, and trying to improve the poverty targeting mechanism in Cambodia working in close collaboration with the Ministry of Economy and Finance (MEF) and other relevant line ministries. He shared that this morning marked the launching and dissemination event of the impact assessment of the government cash transfer programme, presided over by H.E. Phan Phalla, Secretary of State, MEF, which was an important contribution to inform the government on the effectiveness and lessons learned to inform future investment on social assistance.

His Excellency emphasized that as the country transitions further, there is a need to expand and diversify financing for growth that is inclusive, sustainable and assists Cambodia in achieving the Cambodia SDGs by 2030. Financing and resource mobilization is a priority area of the Strategic Framework and Programme for Economic Recovery, focusing on introducing new policy instruments to mobilize financing resources and develop financing instruments that respond to climate change. His Excellency is happy to see that financing is a key component of the project and looks forward to stronger collaboration on this agenda with MEF.

His Excellency is of the view that the project is on track and is achieving very good progress. He understands that the activities planned under this project are very sound and relevant to Cambodia's context. Going through this half year implementation, he suggests the board looks at the priorities to see what can be done better going forward to implement goals and activities. His Excellency further expressed that the Ministry of Economy and Finance really appreciates the assistance to support their efforts, especially during the crisis period, and that they have benefitted from this project.

His Excellency highlighted a few activities under the project. First, the cash transfer and framework to implement social assistance involved close work with UNDP to conduct the impact assessment that will guide future interventions. Another is the second-generation impact of COVID-19 combined with the geopolitical crisis arising from the Russia-Ukraine war, energy crisis and inflation. His Excellency hopes that the project can continue to not only manage the macroeconomic aspect for stability, but more specifically work on interventions to help the government get back to its recovery plan and long-term economic development trajectory.

His Excellency noted three aspects he hoped participants would reflect upon during the board meeting today. First, he noted the importance of ensuring the project stays relevant and is effective in supporting respective institutions and work. Second, he commented that the board may want to look beyond the current lifeline of the project. The Ministry of Economy and Finance is now working on fiscal space and the development financing framework, and they need to focus more on this area as it has cross-cutting implications. It could further support other long-term development agendas such as climate change and the sustainable development agenda, among others. Finally, His Excellency noted that there is agreement in the global community that to deliver public goods, partnerships with private sector are required. The Ministry of Economy and Finance has therefore been active in this area and is on track to engage private sector in the SDGs. He emphasized the importance of partnership and participation by all stakeholders.

His Excellency wrapped up the opening remarks by complimenting the achievements of the programme and its continued relevance to Cambodia.

3. Presentation of the project, 2021 results and 2022 priorities by Ms. Nimnuon IvEk, Assistant Resident Representative, Policy and Innovation Unit and Technical Leads of the Policy and Innovation Hub, UNDP Cambodia

Ms. Nimnuon IvEk, Assistant Resident Representative, Policy and Innovation Unit, UNDP Cambodia presented the project overview as follows:

Project Overview:

The Policy and Innovation Hub for Sustainable Development (PIH) has an overarching goal to develop a new set of programmes, policies and interventions to support the Royal Government of Cambodia to respond to development challenges facing Cambodia through innovative policy solutions and small-scale pilots and programming. The project is structured around three pillars following the UNDP Country Programme: prosperity, planet and participation (peace).

The project runs from January 2019 – December 2023. However, through this board meeting Ms. IvEk shared that the project is seeking an approval for an extension until March 2024. Total funding for the portfolio is US\$15.3 million.

A number of donors have made this possible including: UNDP core donors, the Ministry of Commerce/EIF, Khmer Enterprise, the Embassy of Japan, ILO, Climate Promise (funded by Germany and the UK), the Joint SDG Fund, Grab, World Bank, UNDP's Rapid Response Facility and Rapid Financing Facility, the British Embassy and World Bridge.

Key Areas of Intervention:

Additional information on the three pillars can be found in the Annex 4 PowerPoint slides.

These interventions are accomplished through policy research, advocacy, innovative policy solutions, small-scale pilots, programme development and COVID-19 response.

PIH Portfolio:

The Policy and Innovation Hub uses a portfolio management approach. This includes PIH as the main initiative, the Sustainable Urban Mobility Initiative (completed), the SME Cluster Development (completed), Go4eCam, COVID-19 Response (completed). Completion of the Covid-19 response refer to closure of earmarked fund however, UNDP through PIH still continue support to Covid-19 recovery in the new normal context. A new initiative, Inclusive Renewable Energy Access in Rural Areas, is also added to the portfolio in 2022.

Governance Structure: There are three permanent members of the board: MEF, Oxfam and UNDP. Other board members include project donors and other relevant stakeholders. The full governance structure is shared in the Annex 4 PowerPoint slides for further reference.

Resources Overview: US\$15.3 million, of which US\$13.2 million has been received to date.

Update on Key Project Results in 2021:

Ms. Nimnuon IvEk, Assistant Resident Representative, Policy and Innovation Unit, UNDP Cambodia presented the project results in 2021 as follows:

Output 1:

Policy Research: A gender wage gap study and an Industry 4.0 industry-level readiness survey were launched in 2021. An updated development finance assessment was also launched, which looks at the development landscape and trends over the next five years and is being used to inform development of the Country Financing Strategy.

Innovative Pilots: Technical support was provided in the designing of a social protection graduation model pilot with both cash and assets, which has been rolled out with 2,448 participating households.

As part of the COVID-19 response under Output 1, results were as follows:

Policy Research: An updated COVID-19 Economic and Social Impact Assessment policy brief was launched, three rounds of evaluation of the COVID-19 Cash Transfer Programme were completed, an impact assessment of the COVID-19 lockdowns was undertaken in mid-2021, and the Ministry of Planning (MoP) was supported to develop an IDPoor complaint mechanism scoping study.

Policy Support: Based on the assessment undertaken, a targeting mechanism was developed for a post-lockdown cash transfer programme that supported 105,000 households.

Innovative Pilots: Support was provided to 1,189 provincial MSMEs for them to list their products on online marketplaces. Another 2,139 (48% women) farmers were supported to use a platform to sell their agricultural commodities online.

Output 2:

Policy Research: Several key knowledge products were produced in 2021 including an economic appraisal of the potential of solar PV energy in Cambodia, a business models for off-grid electrification report and a readiness study of self-sustaining energy efficiency revolving fund. Input was also provided to the preparation of four chapters of the State of Environment Report and to the Analysis and Pathway to Reduce GHG Emissions for the Waste Sector.

Policy Support: A Circular Economy Strategy and Action Plan was launched by the government with UNDP support in 2021 and the Roadmap for Low-Carbon and Climate Resilient Buildings and Construction in Cambodia, Vision to 2050 was also supported by UNDP and approved by MLMUPC. A Prakas with technical guidelines for small-scale municipal solid waste incineration was also adopted.

Innovative Pilots: Three clean energy start-up teams were supported with seed funding and created 63 jobs (47 for women), twenty mobile air quality sensors were piloted and a circular economy private sector engagement platform was set up.

As part of the COVID-19 response under Output 2, results were as follows:

Policy Support to Green Recovery: Energy efficiency design guideline (building energy code) was finalized and rooftop solar PV guidelines were developed, both were by the Ministry of Mines and Energy (MME) with the support from UNDP.

Innovative Pilots: Four remote villages were electrified using solar mini-grids, benefitting 1,595 people (715 women), including indigenous communities. Children's education, and women's safety and security at night are being supported by the mini-grids.

Output 3:

Policy Support: UNDP supported inclusion of persons with disabilities and persons living with HIV, resulting in 6,374 people with disabilities (3,152 women) and 7,783 persons living with HIV (4,148 women) gaining access to IDPoor cards. UNDP also supported the completion of a mid-term review of the National Strategic Development Plan and revision of the CSDG indicators and targets.

UNDP supported CRDB/CDC staff capacity and information management system in tracking development cooperation through rigorous customisation of the Cambodia ODA Database and the well-managed formulation process of a monitoring report of development cooperation. This included Cambodia ODA Database Customization, ODA Data Entry and Validation and preparation of the Publication of Development Cooperation and Partnerships Report.

Innovative Pilots: Working with the UN Resident Coordinator Office and government officials, the Cambodia Futures Lab was initiated to support systems transformation.

2021 Budget Overview: 2021 saw expenditure of US\$2,351,753 and 95% utilization.

Overview of 2022 Progress and Priorities:

Output 1: Mr. Ivan Gonzalez de Alba, Country Economist, UNDP Cambodia presented the 2022 progress and priorities for Output 1:

Social Protection: Technical advisory was provided for the design of the graduation-based social protection (GBSP) pilot and local economy-wide impact evaluations, as well as for the piloting/testing of the new IDPoor questionnaire, digital complaint mechanism and M&E system which have been completed, with the new tools to be used as an integral component of the national OD-IDPoor programme. The COVID-19 cash transfer programme impact evaluation report and policy brief was launched with GS-NSPC and MEF this morning.

An online micro-simulation tool was further developed as a user-friendly platform to run different scenarios of social protection schemes, followed by training to government counterparts. Technical assistance has additionally been provided to government counterparts for at-risk and near-poor household identification for a one-off government cash transfer programme, expected to be rolled out next year.

Two additional priority areas include support for the missing middle and formalization, in collaboration with ILO, as well as support for ageing policy. A joint work plan with ILO and GS-NSPC has been initiated for the missing middle and formalization. An integrated formalization strategy report is also being drafted to guide the development of the Common Country Strategy on Formalization. A formalization constraint survey for informal workers and MSMEs has already been completed. For support to Cambodia's ageing policy, a multi-tiered pension scoping study and the 75+ universal pension proposal has been completed and consulted widely, as has a feasibility study to extend free healthcare coverage to the elderly. Finally, a two-year ageing policy institutionalization pilot is at the inception stage of implementation.

Poverty Mapping: UNDP is supporting the first national MVI framework, with 5 dimensions and 17 indicators, which was drafted through the NWGPM led by the Ministry of Planning and is expected to be finalized in 2022. A poverty risk analysis report has also been drafted to capture poverty mobility dynamics and will be presented to the government. Multi-dimensional poverty mapping and socio-economic tracking using AI and machine learning is at an advanced phase, which will hopefully be launched next month as a website interface for ease of consulting on socio-economic indicators.

Economic Policy: Under economic policy support, UNDP is conducting a socio-economic impact assessment of COVID-19 and the war in Ukraine in Cambodia. New sources of growth are also being identified and innovative financing models are being developed to expand available financing sources. The impacts of LDC graduation on poverty and vulnerable groups is additionally being examined to inform policymaking to facilitate a smooth and successful transition bearing the leave no one behind principle.

SDG Financing: SDG financing is supported by the PIH through the development of SDG budget tagging methodology with piloting expected to commence in July and be completed by November 2022. If approved, the tool will enable government to track and report budget allocation and expenditure by SDG Goals. An SDGs investor map has also been produced. The results of the exercise are being consulted with stakeholders from across government, civil society, private sector, UN Agencies and development partners. It is expected to be finalized

and launched in August and will be the first market intelligence to guide SDG aligned investment in Cambodia. SDG impact standards have also been launched in Cambodia. The standards aim to provide guidance for businesses to integrate sustainability into the core of their businesses and to align their internal processes, practices and decision-making for contributing and accelerating the achievement of the SDGs. Finally, PIH continues to collaborate with the government to support the Khmer Riel bond issuance plan.

Supporting MSMEs: 101 MSMEs have been incubated with e-commerce-related skills including export readiness, and a further 30 MSMEs were awarded through an Innovation Challenge cohort to implement business digitalization and export readiness. Forty more MSMEs will be recruited in the coming months.

Output 2: UNDP Cambodia technical leads presented the 2022 progress and priorities for Output 2:

Ms. Moeko Saito-Jensen, Environmental Policy Specialist, UNDP Cambodia presented the circular economy priority areas:

Circular Economy (CE): Three areas of work are prioritized under CE including regulations, awareness raising and business development. A draft sub-decree on plastic management which includes new measures on single-use plastic items and a draft report on Extended Producer Responsibility (EPR) are priority regulations for 2022. Two websites on CE and plastic were officially launched in 2022 and an innovation challenge for a beat plastic campaign to change people's behaviours was launched to promote awareness raising. Business development work includes: a draft report on plastic recycling and ways forward; an innovation challenge to identify and pilot businesses for alternatives to plastics; a MoU with a social enterprise to collect non-recyclable plastic waste for energy in Preah Sihanouk; a draft design for an EPR pilot for Phnom Penh and exploration of private sector partnerships for EPR pilots; and a new partnership with UNEP to advance EPR policy dialogue in Cambodia is in the pipeline.

Mr. Paolo Dalla Stella, Policy Specialist (NRM & Sustainable Financing), UNDP Cambodia presented the climate change and green/climate finance priority areas:

Climate Change (Climate Promise): In the area of Forest and Other Land Uses (FOLU), UNDP is supporting institutionalization of the REDD+ Secretariat based at the Ministry of Environment, enhancement of a Measurement, Reporting and Verification system for tracking deforestation, development of a methodology to estimate forest degradation, and the strengthening of REDD+ safeguards by reviewing information gaps and updating accordingly.

A Measurement, Reporting and Verification system is also being developed for the waste sector. Energy support will be discussed further by Mr. Butchiah Gadde, including support for the integration of energy efficiency into the building code and a white paper on the ESCO market roadmap.

To support climate change adaptation, an investment pipeline for adaptation will be developed as part of a new initiative by the Secretary General to fast-track investment to build resilience to climate change impact (to be confirmed).

Green/Climate Finance: Technical assistance will be provided to NCDDS to effectively perform its role as National Accredited Entity to the Green Climate Fund and to mobilize climate finance. Two concept notes have been developed for submission to the GCF. A capacity assessment of NCDDS is ongoing to identify improvements and capacity gaps to implement the GCF policies/programmes/projects. This will lead to a roadmap for NCDDS to fulfil the gaps and facilitate reaccreditation to the GCF. Hands-on support will also be provided to implement the roadmap.

Technical assistance will also be provided to the Royal Government of Cambodia to access carbon markets for climate action. This includes capacity building of the Climate Change Technical Working Group on international carbon markets following progress made in international negotiations at COP26 (e.g., Article 6 of the Paris Agreement), development of a market readiness plan for the FOLU sector, and engagement of the private sector for climate action.

Mr. Butchaiah Gadde, Technical Advisor on Energy, UNDP Cambodia presented the energy priority areas:

Energy: Policy advocacy has been undertaken including support to the revision of rooftop solar PV policy at the request of MME and in collaboration with UNEP. Support was provided to MLMUPC to draft the “Roadmap for Low-Carbon and Climate-Resilient Buildings and Construction in Cambodia - Vision 2050”. A readiness study of energy efficiency revolving fund has also been completed successfully. ADB is exploring to invest US\$20 million in loan to operationalize the fund. MEF was also supported to finalize the mandate for a New Energy Unit as part of the New Economy Department under the General Department of Policy and a sub-decree was approved in February 2022.

A new project from the Embassy of Japan towards “Inclusive Renewable Energy Access in Rural Areas” has been initiated with a project inception meeting held on 1st April 2022. UNDP is also coordinating with other development partners on the potential sites for off-grid electrification.

Three solar mini-grids are providing electricity access to 180 households across 5 villages in Ratanakiri province, benefitting 1,688 people, including 852 women. These villages are home to indigenous communities, ensuring no one is left behind. These grids are creating local employment, mainly in the operation and maintenance. Electricity is being used for income generation. For example, in Stuong Chrov village, a few women are involved in face mask production. Sites for off-grid electrification under the new funding from the Embassy of Japan are being identified with partners.

Priority areas under PIH energy work for 2022 include identification of potential villages for mini-grids supported by Japan in close consultation with MME, EAC and EDC with the aim to implement at least five mini-grids during 2022. MME will also be supported to finalize the rooftop solar policy, and to organize a rooftop solar PV forum. A Roadmap for EV charging infrastructure is being developed with MPWT. Support will be extended to integrate energy efficiency design guidelines into BTR (building code). A white paper on an ESCO market roadmap to support accelerated implementation of the National Energy Efficiency Policy (NEEP) will be finalized and UNDP will continue to push the green economy agenda and

explore development finance opportunities under the “Partnership for Action on Green Economy (PAGE)”. UNDP will extend its support to Clean Energy Week in 2022.

Inclusive Renewable Energy Access in Rural Areas: This 24-month initiative is supported by the Government of Japan with the grant funding of US\$1.69 million. This project aiming to connect 1,300 households in about 12 villages with access to affordable and reliable electricity access using solar PV mini-grids. This project will take an integrated, area-based approach, for example working in areas recently demined. Stakeholders include MME, EDC and EAC. The project team is working closely with these partners and other partners such as DFAT, Oxfam, and WWF to identify sites.

Output 3: Ms. Mao Meas, Programme Analyst, UNDP Cambodia presented the 2022 progress and priorities for Output 3:

NSDP/CSDG Monitoring: Technical assistance to the Ministry of Planning on the Mid-Term Review of the NSDP 2019-2023 was completed. Assistance is also provided to the Ministry of Planning on the review of CSDG targets and indicators and for SDG side events (e.g., HLPF and BRICS Summit).

Gender: A Gender Responsive Budget (GRB) Roadmap was developed and finalized by MoWA and three training days on GRB was provided to key relevant departments and line ministries. A Gender Mainstreaming Guideline is being finalized and is expected to be submitted to the Minister for approval by end of Q3 2022. Finally, a National Policy on Gender Equality was finalized and is expected to be submitted to the Cambodia National Council for Women, chaired by the Excellency Minister of MoWA in Q3 2022.

ODA: RGC capacity and IMS in tracking development cooperation is strengthened through Cambodia ODA database customization, ODA data entry and validation and publication of the Development Cooperation and Partnerships report. CRDB/CDC will examine feedback and explore the possible solutions and further customized the database for necessary improvement in the next ODA Data Management Cycle.

Overview of Project 2022 Budget and Risks

Presented by Ms. Nimnuon IvEk, Assistant Resident Representative, Policy and Innovation, UNDP Cambodia:

There is a 2022 budget of US\$3.7 million under the Policy and Innovation Hub (PIH). There is also a carried over commitment of \$1.2 million from 2021. 40% utilization has been reached. The Inclusive Renewable Energy Access budget has not yet been expended as only preparation of the project has been done in Q1 2022.

Implementation risks can be found in the Annex 4 PowerPoint slides.

Decisions Requested:

Four main areas for the board’s decision include the following:

- (1) Strategic advice on project implementation plan
- (2) Approval of 2022 work plan and budget
- (3) Approval of extension of PIH portfolio until March 2024; and
- (4) Approval on the closure of sub-projects (121245- Covid-19 E-commerce Response and 121246- Covid-19 Integrated Response)

4. Discussion

Discussion on Output 1 progress and priorities:

Social protection and economic policy

H.E. Ros Seilava raised the point that as we pass through a time of crisis, we must focus on the next priorities for social protection after the crisis, building on the existing capacity and frameworks. He further enquired as to whether it is possible to consider the life cycle approach for social protection taking into account Cambodia’s demographic dividend.

UNDP, in response, outlined the several streams of social protection that are priorities: (i) ageing policy, (ii) a graduation-based approach and (iii) addressing the challenge of the “missing middle” which refers to the informal sector. Discussions have taken place between the Ministry of Social Affairs and Ministry of Economy and Finance to expand the graduation-based social protection pilot into another phase and perhaps to a point where the government would begin to finance the model. UNDP sees this as an important possibility and can continue providing technical support while handing over operation of the programme to the government. Options to address the missing middle include: (i) expanding coverage to near-poor and at-risk households to cover more households under the social protection scheme, and (ii) developing an incentive mechanism to facilitate the transition from the informal to the formal economy. Work to develop a more inclusive incentive mechanism is underway in partnership with ILO and the National Social Protection Council. Ms. Sophoan Phean emphasized that it is important that post-COVID-19 policy interventions pay attention to the missing middle not only from a social protection angle but from an economic lens. Some research points out the barriers for micro enterprises and the self-employed to access the formal economy due to the registration process and legal requirements that may prevent businesses from presenting themselves to the system. UNDP’s study to identify barriers to formality will be crucial to inform incentives that the government may consider including the informal economy in the formal economy for social protection and tax collection purposes. It was suggested to look specifically at some of the studies conducted to identify the impact of COVID-19 to further inform groups that should be the targets for support. The selection of priorities of within the lifecycle approach was also done in consideration of the mandate of other development actors in the country and the complementarity that UNDP can deliver.

It was also discussed that, as learned from COVID-19, it is important to have mechanisms in place to respond rapidly and to prepare for other sources of shock, such as natural disasters, through social protection. UNDP would be happy to arrange further discussion to identify specific priorities in those areas.

With respect to economic policy work, H.E. Seilava inquired about what the new ways of thinking are in economic policy and research around sustainable economic development, and whether we need to expand from more targeted interventions to an ecosystem approach in Cambodia. He requested further elaboration on expanding sources of growth.

A response from UNDP noted that more broadly the economic context in Cambodia requires a study on available options. The Atlas of Economic Complexity (a publicly available tool from Harvard University) clusters economic strengths in different countries, which makes it easy to see capabilities. For example, the garment industry in Cambodia has expanded to travel goods and other areas. However, expansion of this cluster is limited. Therefore, it may be required to make a jump to another economic sector area or industry that Cambodia has strengths in and to develop and exploit those trends. Opportunities may exist to leapfrog using digitalization, Industry 4.0, circular economy and the adoption of greener standards of production and consumption. UNDP will work with the New Economy Department to generate policy options that can facilitate inclusive and green recovery in Cambodia. UNDP is also supporting government, especially the Ministry of Economy and Finance, to expand capacity to identify priorities that should be invested in, for example through a cost-benefit analysis.

The meeting recognized UNDP's value as a knowledge partner. Towards the end of 2021, UNDP will support the National Bank of Cambodia in organizing the Annual Macroeconomic Conference and will facilitate participation of a renowned professor as a key resource for the event. UNDP will discuss with MEF on the possibility to organize more policy dialogues/discussions or public lectures.

H.E. Seilava and H.E. Boros Samheng noted that with the upcoming national election next year, a new government will come with a new political agenda and that this is a good opportunity for strong policy documents. It is also a time to reinforce existing policies, such as the IDP and Digital Economy, and to promote synergies among various policies.

H.E. Boros Samheng shared the need to have a better understanding of the population. For example, understanding how people come into poverty and if there is a way to solve other issues besides just the cash transfer, for example through a graduation system that provides them with skills and income support to ensure they do not fall back into poverty. He further noted that he is glad to see the targeting of the missing middle. He is interested in how we will make sure there is enough data to analyze who is a potential risk and who is not. His Excellency stressed that we do not have a data system that we can analyze, but the MVI will allow us to see at least who is at risk and different models of solutions can be developed. He shared his hope that there are more frequent meetings going forward to improve knowledge sharing.

Ms. Sonali Dayaratne, took note that these points are not only applicable for PIH but are also valuable inputs for the development of UNDP's new country programme covering the period 2024-28, which uses a systems design approach and includes foresight, horizon scanning and scenario mapping. UNDP will ensure more frequent consultation going forward to benefit from participants' experience and knowledge.

Sustainability

H.E. Dr. Chhieng Van Munin asked about UNDP's creation of business opportunities once the programmes are completed to ensure the work can be self-sustained, noting in particular the example of rooftop solar. H.E. Ros Seilava reiterated that both the supply and demand side need to be addressed in every policy intervention to ensure there is a sustainability aspect and continuity after the project.

Ms. Sonali Dayaratne, drew attention to their efforts to work in a multi-sectoral way, for example, looking into whether green economy efforts can support decent work and higher wages. She emphasized that we need to look in a futuristic way to bring more foresight and analytics to support government in its future vision.

Discussion on Output 2 progress and priorities:

Rooftop solar

Mr. Hor Bona from the Ministry of Mines and Energy asked whether rooftop solar work is a priority area for the PIH in 2022. UNDP acknowledged that rooftop solar work will continue until the end of this year and that the Ministry has asked UNDP to organize a forum involving industry, private sector, Chamber of Commerce, etc. to raise awareness on the opportunities that the policy will provide.

Climate change and environmental policy agenda

H.E. Seilava noted the good progress made for the climate change agenda and the environment, and that the capacity building and policy institutionalization aspect embedded in the programme activities is a key component, suggesting that more should be done in this area. UNDP will prioritize capacity and institution building and ensure the transfer of knowledge to the country as a whole.

MEF is also one of the key stakeholders in the National Council for Sustainable Development and has contributed significantly, but H.E. Seilava noted that this is only in the economic aspect and is limited in understanding the full scope of climate and environmental issues. It was suggested to explore if there is a way PIH can support MEF to have a stronger team to contribute to the climate change agenda or environmental policy issue agenda. UNDP shared that they are fully committed to move in this direction, noting that, for example, circular economy work is mostly undertaken with the Ministry of Environment, but recognizes that it has economic benefits as well.

H.E. Seilava was approached by a consulting firm linking the Green Climate Fund with the Rural Agricultural Development Bank in Korea, and H.E. enquired if there could be any support from the project in this regard. UNDP shared information on the Green Climate Fund, which can be accessed through two types of funding (grants and loans) by countries. There can be national or international entities that are accredited to the Green Climate Fund. Each agency has its own rules of accreditation. NCDDS is the only national accredited entity in Cambodia and is only accredited to receive grants up to US\$10 million. For anything above US\$10 million and for that which involves loans, Cambodia must rely on other partners accredited to the Green Climate Fund. UNDP is aware that USAID and Mekong Strategic Partners, among others, are supporting establishment of the Climate Change Finance Facility that is supposed to be a US\$100 million facility funded by the Green Climate Fund to provide loans to the private sector for implementing green projects. It is currently being presented to the Green Climate Fund for support. UNDP also has a joint pipeline initiative with UNICEF in the WASH and waste sector to provide loans and investment to companies involved in solid waste management and piped water that could fall under that facility. UNDP is further coordinating with other initiatives to be funded by the Green Climate Fund.

Crop insurance

Oxfam works with small-scale farmers and increasingly is seeing climate risks to agriculture, especially this year as there was no dry season. Ms. Sophoan Phean emphasized that there is a new risk here and an opportunity to explore the possibility of engaging with private sector around crop insurance. In countries where climate risk is at the red or orange level, climate insurance has been used to address the risk to small-scale farmers to build their resilience and prevent them from falling into poverty. There is a need to build knowledge around this and see if it is possible for Cambodia given the high risk from climate change. H.E. Seilava shared that a pilot crop insurance scheme was tried through a MEF project with ADB, but it was not very successful and there were limitations in terms of participation. MEF started with a small number of target areas, therefore the scope was limited, and MEF worked with the private sector to contribute as operators. A lot of work has been done but more partners may be needed to scale up, as a national programme may be needed to be more powerful than the pilot level has been. Ms. Sophoan Phean requested an opportunity to meet with H.E. Seilava and UNDP to understand the issue, learn from the pilot initiative, and determine if there is an opportunity that exists in this space.

UNDP also has a global initiative called the Insurance Risk Finance Facility (IRFF), which is a partnership between UNDP, insurance companies and other private sector partners, that is looking at how insurance mechanisms related to climate or disaster risks can be introduced or strengthened. UNDP is currently in discussion with the global team to look at the possibility of Cambodia being included in the next phase. This could be a further opportunity to partner with the government, Oxfam and others on this topic.

Discussion on Output 3 progress and priorities:

Gender

UNDP is trying to determine how gender policies can be practically translated into concrete, measurable change for women and girls on the ground, which is one of the biggest challenges

faced. There is a need to determine how to support the Ministry of Women’s Affairs to integrate gender into the work of other line ministries, particularly MEF. H.E. Seilava suggested that there should be national efforts for gender equality and that there is a need to find the drivers to generate greater gender balance; components of which may include education, equity in terms of income for men and women, and other factors. H.E. Dr. Chhiieng Vanmunin highlighted examples from two other countries, China and Singapore, to showcase that government can make policies that create change in the next generation, but it can also make policies where the private sector can lead some of those changes. UNDP noted that there could be some affirmative action to address imbalances between genders in the country and suggested that it could be explored to look into what the cost is to the country in terms of impact on productivity, among other areas.

5. Decision and Conclusion

To conclude, Ms. Dayaratne first noted that these discussions have not only benefited PIH in its strategic planning, but will also be utilized for the formulation of the new country programme (2024-2028) for UNDP. Second, she shared that going forward, the board meeting will be held in Quarter 1 and should be held as a more interactive discussion around substantive aspects of the programme through a half-day workshop to encourage additional time for discussion. She requested the board approval on the decision points identified:

- Approval of 2022 work plan and budget
- Approval of extension of PIH portfolio until March 2024; and
- Approval on the closure of sub-projects (121245- Covid-19 E-commerce Response and 121246- Covid-19 Integrated Response).

The board had no objection to the requests for approval.

H.E. Seilava agreed that the board should be more flexible to target the issues faced. His Excellency noted his full agreement with the points raised during today’s meeting and suggested to have a precise report to follow-up on later on the agreed action points, given there are quite a few partners and it would help all partners to be on the same page and share commitment to the activities.

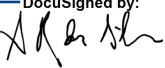
H.E. Seilava concluded that he is satisfied with the outcome so far and progress made, and in agreement on future priorities for the project. His Excellency expressed his appreciation for all participants who joined the meeting and looks forward to discussing future programmes. He advised that UNDP should remain with its comparative advantage of policy support and innovation, instead of engaging with something that other partners are doing, to add more value with less resources.

Ms. Sophoan concurred with H.E. Seilava on appreciating the impacts UNDP has been making in important areas in Cambodia. She observed that a lot has happened and that we are looking

into a scope that is more exciting as we address the challenges and move into new areas of work. She liked the way HE Seilava put it that UNDP has a comparative advantage and to stick with that in exploring opportunities. As an NGO looking at how UNDP responds during times of crisis, Oxfam appreciates that UNDP has resources and expertise and open doors for engagement with government, which is an important partner for everyone. She suggests that UNDP should continue using its credibility to advance policy dialogues and the policy environment in the work we do. Finally, she made one request, expressing that she enjoyed contributions made by participants and technical colleagues and would like to see a clear plan as to how those inputs will be utilized.

Ms. Dayaratne suggested a simple matrix be developed with suggestions in point form under each of the output areas and a timeline for these. This could be circulated and looked at during the next board meeting, as a practical way to go forward. She closed the meeting by expressing her appreciation once again for everyone's time and contribution.

Minutes approved by:

DocuSigned by:

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Sonali Dayaratne
Officer-in-Charge (OIC), UNDP Cambodia
Date: 28 October 2022

Annex 1: List of Participants

	Name and Title	Organization
1.	H.E. Ros Seilava, Secretary of State Meeting co-chair and Permanent member of the Project Board	Ministry of Economy and Finance
2.	Ms. Sonali Dayaratne, UNDP Officer-in-Charge (OIC), Deputy Resident Representative UNDP meeting co-chair	UNDP
3.	Ms. Sophoan Phean, National Director Permanent member of the Project Board	Oxfam Cambodia
4.	Mr. Kuribayashi Takanori, First Secretary	Embassy of Japan
5.	H.E. Samheng Boros, Minister attached to PM and Secretary of State	Ministry of Social Affairs, Veterans and Youth Rehabilitation
6.	H.E. Dr. Chhieng Vanmunin, Chief Executive Officer	Khmer Enterprise
7.	H.E. Rith Vuthy, Deputy Secretary General	CRDB/CDC
8.	Mr. Hor Bona, Officer	Ministry of Mines and Energy
9.	H.E. Keo Ouly, ID Poor Program Manager	Ministry of Planning
10.	Mr. Poch Sovandy, Deputy Director General of Planning	Ministry of Planning
11.	Mr. Chea Sunsatya, Entrepreneurship Development Manager	Khmer Enterprise
12.	Ms. Pa Sokchanna, Chief of Bureau	Ministry of Commerce
13.	Mr. Sovatna Phon, Project Manager of Go4eCAM Project, Department of International Cooperation	Ministry of Commerce
14.	Ms. Sengphal Davine, Deputy Director General	Ministry of Women's Affairs
15.	Ms. Nimnuon IvEk, Assistant Resident Representative, Policy and Innovation Unit	UNDP
16.	Ms. Rany Pen, Assistant Resident Representative, Programme Unit	UNDP
17.	Mr. Ivan Gonzalez de Alba, Country Economist	UNDP
18.	Ms. Chandarany Ouch, National Economist	UNDP

19.	Mr. Sony Oum, Environmental Specialist	UNDP
20.	Ms. Dany Vinh, Head of Experimentation, Accelerator Labs	UNDP
21.	Mr. Theara Khuon, Socio-Economic Policy Analyst	UNDP
22.	Mr. Paolo Dalla Stella, Policy Specialist (NRM & Sustainable Financing)	UNDP
23.	Ms. Moeko Saito-Jensen, Environmental Policy Specialist	UNDP
24.	Mr. Vuthy Va, Energy Officer	UNDP
25.	Ms. Amara Bou, Programme Analyst	UNDP
26.	Mr. Pinreak Suos, Environmental and Climate Change Policy Analyst	UNDP
27.	Mr. Sovanny Chhum, Programme Analyst	UNDP
28.	Ms. Lida So, Programme Analyst	UNDP
29.	Ms. Mao Meas, Programme Analyst	UNDP
30.	Mr. Butchaiah Gadde, Technical Advisor on Energy	UNDP
31.	Ms. Sovanna Chi, Programme and Operations Associate	UNDP
32.	Mr. Dara Pheth, ICT Assistant	UNDP
33.	Mr. Sokvibol Chamroeun, Project Finance and Administrative Assistant	UNDP
34.	Ms. Waddhna In, Youth Community Engagement Volunteer	UNDP
35.	Ms. Anika Funk, Communications Consultant	UNDP
36.	Ms. Chhignim Kuoch, National Technical Coordinator, Inclusive Renewable Energy Access	UNDP

Annex 2: Meeting Agenda

3:00 – 3:15	Welcome/ Introductory Remarks	Ms. Sonali Dayaratne, UNDP Officer-in-Charge (OIC) – 5 mins H.E. Ros Seilava, Secretary of State, MEF – 5 mins
3:15 – 3:35	Project Presentation <ul style="list-style-type: none"> • Project Overview • Key Results 2021 	Ms. Nimnuon IvEk, Head of Policy and Innovation Unit
3:35 - 3:50	Break	
3:50 - 4:20	Project 2022 Priorities <ul style="list-style-type: none"> • Presentation of 2022 Priorities • 2022 Budget Plan • Risks and Issues 	Ms. Nimnuon IvEk, Head of Policy and Innovation Unit + Respective Teams
4:20 – 4:50	Discussion	All – facilitated by Ms. Sonali Dayaratne, UNDP Officer-in-Charge (OIC).
4:50 – 5:00	Wrap-up and Decision	Co-chairs

Annex 3: Matrix of follow-up actions

	Area	Action Item	Responsible Party	Timeline
1	Output 1	UNDP will invite an expert for a macroeconomic conference to be conducted by the NBC. UNDP will also look at other opportunities to bring experts on emerging priorities to Cambodia. Further discussion to be undertaken with MEF on the organization of such dialogues or knowledge exchange events.	UNDP	Q4 2022
2	Output 2	UNDP to organize a forum involving industry, private sector, Chambers of Commerce, etc., to raise awareness on the opportunities provided by the rooftop solar policy.	UNDP	Q3-4 2022
3	Output 2	UNDP to update on an opportunity to conduct a crop insurance study under the Insurance Risk Finance Facility (IRFF). If Cambodia is selected, a consultation will be organized between MEF, Oxfam	UNDP	The IRFF has informed that Cambodia was not

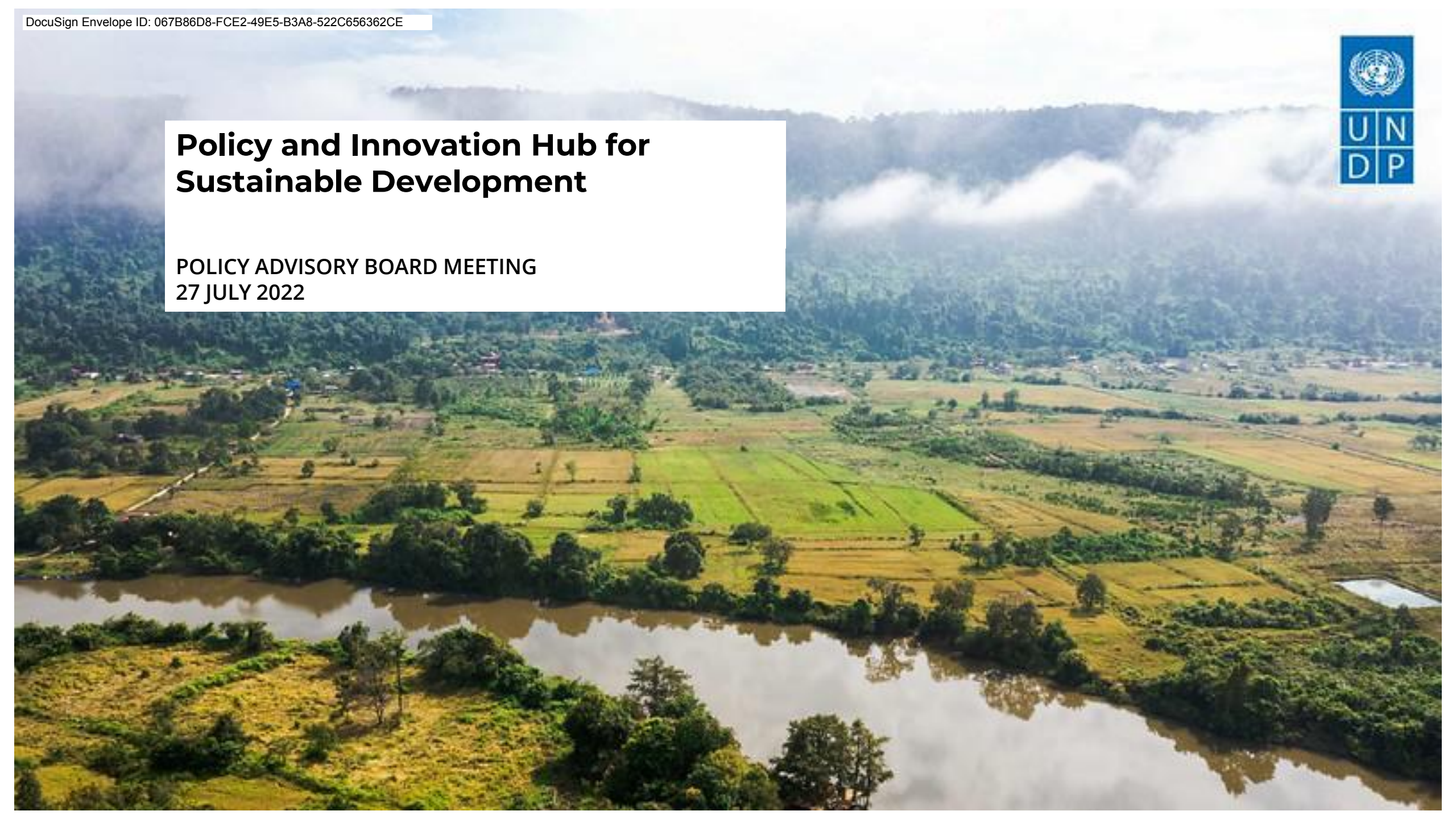
		and UNDP on crop insurance experiences and opportunities.		selected as a priority country. UNDP will keep this as a priority to explore when funding is available.
4	Output 2	UNDP to further identify ways to support MEF's team to address the climate change and environmental policy agenda.	UNDP	Q4
6	Overall	Undertake further consultations on the priorities of social protection and economic policies in the post-pandemic context to inform the priorities of PIH as well as the next UNDP Country Programme Document (2024-2028).	UNDP	Q4 and continuously
7	Overall	The next Board meeting to be held as a half-day interactive workshop in Q1 of 2023.	UNDP	January 2023

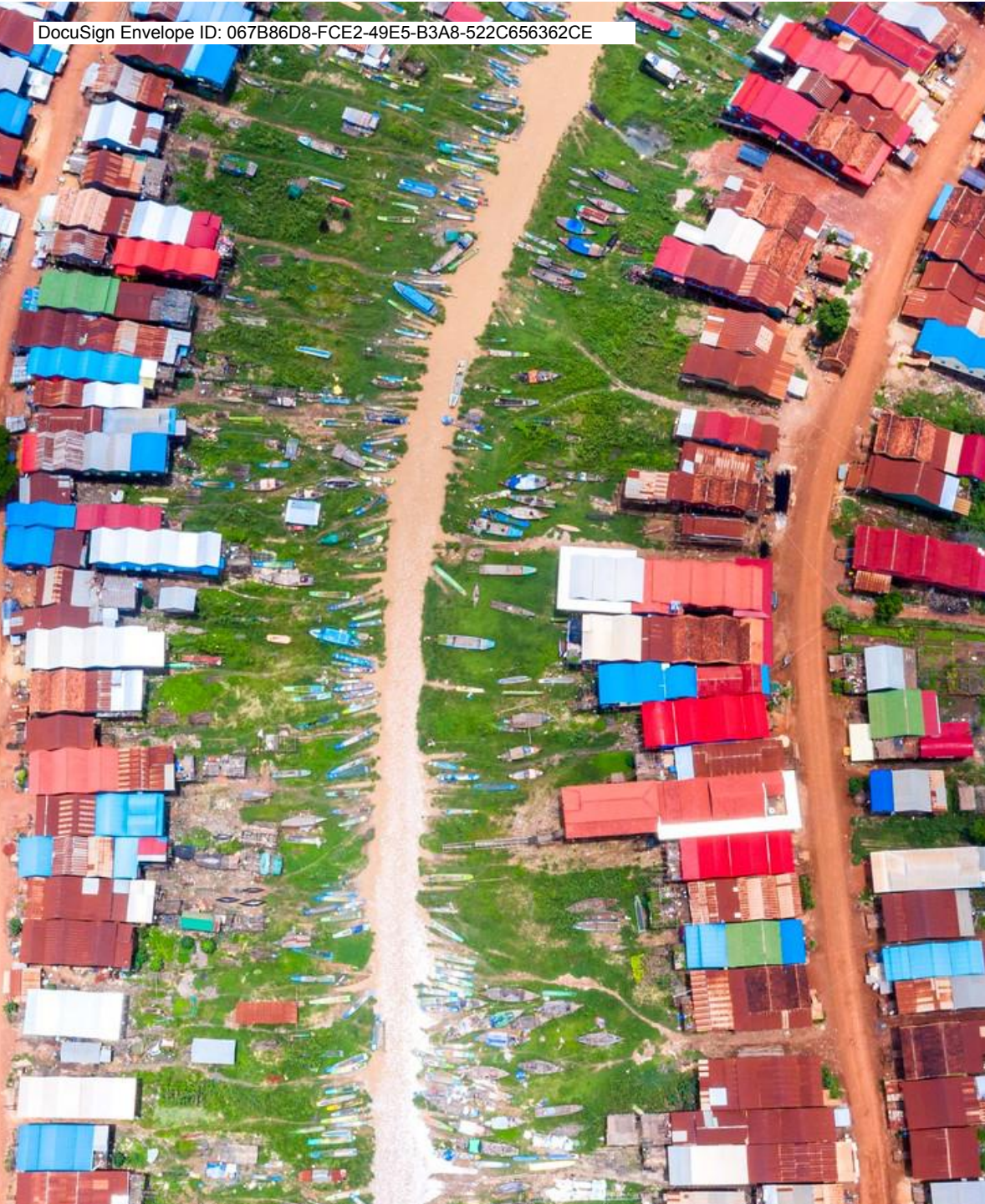
Annex 4: PowerPoint Presentation Slides



Policy and Innovation Hub for Sustainable Development

**POLICY ADVISORY BOARD MEETING
27 JULY 2022**





1

Welcome Remarks

2

Presentation

- Project Overview
- Update on Key Project Results from 2021
- Update on 2022 Priorities & Progress

3

Discussion

4

Wrap-up and Decision

PROJECT OVERVIEW

Description

The project aims to develop a new set of programmes, policies and interventions to support the Royal Government of Cambodia to respond to development challenges facing Cambodia through innovative policy solutions and small-scale pilots. The project is structured around three pillars following the UNDP Country Programme:

- (1) Prosperity
- (2) Planet
- (3) Participation (Peace)



Project Duration

January 2019 – December 2023

Project Budget

US\$15.3 million

Project Donors

- UNDP Core Donors
- Ministry of Commerce/EIF
- Khmer Enterprise
- Embassy of Japan
- ILO
- Climate Promise (Germany/BMZ, UK/DEFRA)
- Joint SDG Fund
- Grab
- World Bank
- UNDP Rapid Response Facility
- UNDP Rapid Financing Facility
- British Embassy
- World Bridge

KEY AREAS OF INTERVENTION

Enablers:

Policy Research

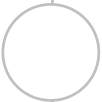
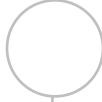
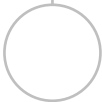
Advocacy

Innovative Policy Solutions

Small-scale Pilots

Programme Development

COVID-19 Response



Pillar 1: Prosperity: Inclusive & Sustainable Growth

- Driving improved productivity and competitiveness
- Combatting inequality and eradicating poverty
- Employment

Pillar 2: Planet: Environmental Protection & Climate Change

- Tackling climate change risks
- Sustaining Cambodia's natural resources and biodiversity
- Promoting green growth policy options
- Sustainable financing

Pillar 3: Peace: Opportunities for All to Contribute to & Benefit From Cambodia's Transformation

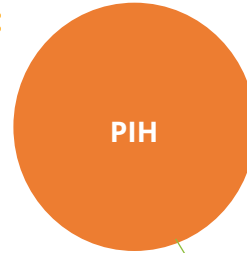
- Ensuring CSDG integration in planning and budgeting/SDG financing
- Strengthening participation and accountable public institutions
- Supporting rights and leaving no one behind
- Promoting CSDG outreach to businesses and civil society.



PIH PORTFOLIO

Anchored with the 3 CPD Pillars:

Funded by: UNDP Core Resources (Regular, CIF, TRAC2), Interest Fund and Cost Sharing (UK), World Bank



CPD Pillar 2

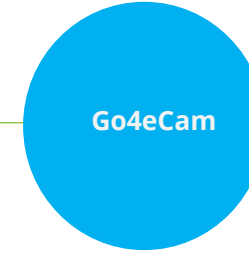
Funded by: Government of Japan

CPD Pillar 2

Funded by: Grab and UNDP Core Resources (Regular, TRAC2)



Policy & Innovation Hub (PIH) Portfolio

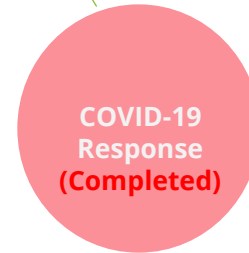


CPD Pillar 1

Funded by: Ministry of Commerce and Khmer Enterprise

CPD Pillar 1

Funded by: WorldBridge and UNDP Core Resources (Regular)

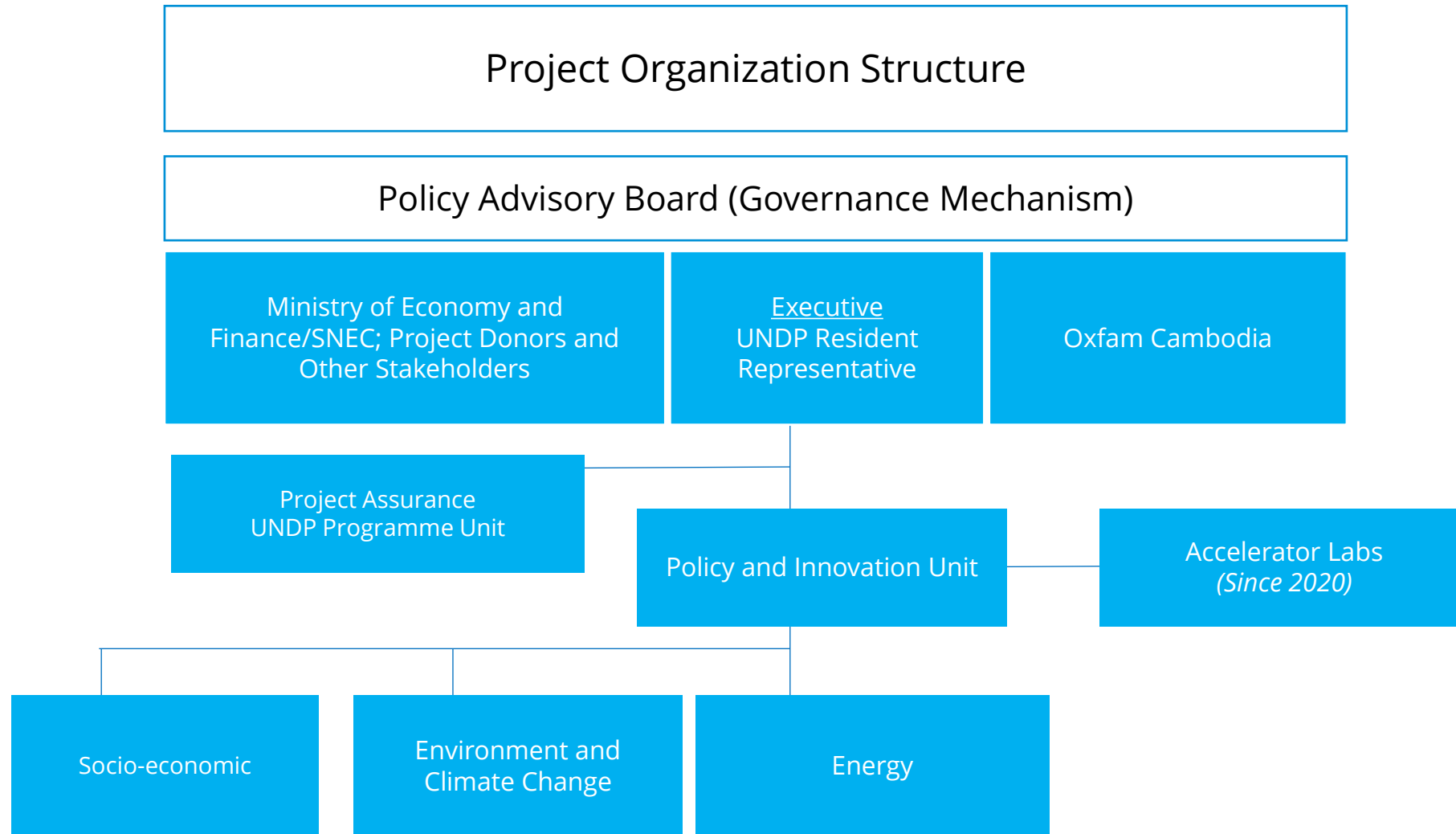


Integrated COVID-19 Response Crosscutting the 3 CPD Pillars:

Funded by: UNDP Core Resources (TRAC2), UNDP Rapid Response Facility and Rapid Financing Facility



GOVERNANCE STRUCTURE





PROJECT RESOURCE OVERVIEW

SOURCE OF FUND	CONTRIBUTIONS		CONTRIBUTION BALANCE
	Committed	Received	
112488 - Policy and Innovation Hub (2019-2023)			
04000 - UNDP TRAC1	7,639,284	6,511,573	1,127,710
04010 - UNDP TRAC2	1,316,197	1,318,129	(1,932)
11968 - Country Investment Facility (CIF)	102,748	102,748	-
30084 - Programme Resource	125,262	46,422	78,840
30000 - BRITISH FUND	28,988	28,988	-
30000 - World Bank	86,732	86,732	-
30000 - MPTF Joint SDG Fund	105,865	105,865	-
30000 - ILO	124,100	77,760	46,340
30000 - Germany	378,000	158,760	219,240
30000 - UK	216,000	42,120	173,880
<i>Sub-total</i>	<i>10,123,175</i>	<i>8,479,097</i>	<i>1,644,078</i>
125268-Go4eCAM (Dec 2020 - Dec 2022)			
EIF_30071	317,644	175,011	142,633
KE_30071	162,000	24,021	137,979
<i>Sub-total</i>	<i>479,644</i>	<i>199,032</i>	<i>280,612</i>
131141 - Inclusive Renewable Energy Access (Mar 2022-Mar 2024)			
32045 - Japan	1,693,877	1,693,877	-
<i>Sub-total</i>	<i>1,693,877</i>	<i>1,693,877</i>	<i>-</i>
115884 - Sustainable SME Cluster and Network (2019 - 2020) (Project closed)			
30000 - WorldBridge	252,300	72,500	179,800
04000 - TRAC1	30,000	30,000	-
<i>Sub-total</i>	<i>282,300</i>	<i>102,500</i>	<i>179,800</i>



PROJECT RESOURCE OVERVIEW (con't)

COVID - 19 RESPONSE			
SOURCE OF FUND	CONTRIBUTIONS		CONTRIBUTION BALANCE
	Committed	Received	
121246 - Covid-19 Integrated Response (Apr 2020 - Dec 2021) (Project closed)			
04010 - TRAC2	569,999	570,000	(1.39)
02301 - Management fund	1,939	5,351	(3,412.28)
<i>Sub-total</i>	<i>571,937</i>	<i>575,351</i>	<i>(3,413.67)</i>
121245 - Covid-19 Accelerating Deployment of E-Commerce solutions (Apr 2020 - Dec 2021) (Project closed)			
04010 - TRAC2	330,818	330,818	-
04000 - TRAC1	52,309	52,309	-
<i>Sub-total</i>	<i>383,127</i>	<i>383,127</i>	<i>-</i>
125819 - Covid-19- Catalyzing investment in equitable and green recovery beyond COVID-19 (Jan 2021-)			
04001 - Covid RFF from Core Programme	1,500,000	1,500,000	-
<i>Sub-total</i>	<i>1,500,000</i>	<i>1,500,000</i>	<i>-</i>
121244 - Covid-19 Emergency Cash Transfer (Mar-Oct 2020) (Project closed)			
28641 - RRF	267,500	267,500	-
<i>Sub-total</i>	<i>267,500</i>	<i>267,500</i>	<i>-</i>
Grand total	15,301,561	13,200,484	2,101,076



2021 KEY PROJECT RESULTS



2021 Key Project Results

Output 1: Inclusive & Sustainable Growth

1 Policy Research

- Gender Wage Gap Study
- Updated Development Finance Assessment
- Industry 4.0 Industry-Level Readiness Survey

2 Innovative Pilots

- Social protection graduation model pilot rolled out with 2,448 participating households



2021 Key Project Results

Output 1: COVID-19 Response



1

Policy Research

- Updated COVID-19 Economic and Social Impact Assessment Policy Brief
- Three rounds of evaluation of the COVID-19 Cash Transfer Programme
- Impact assessment of the COVID-19 lockdown
- IDPoor complaint mechanism scoping study

2

Policy Support

- Targeting mechanism for post-lockdown cash transfer programme supported 50,000 households

3

Innovative Pilots

- 1,189 provincial MSMEs listed products on online marketplaces
- 2,139 (48% women) farmers registered and used a platform to sell their agricultural commodities online



2021 Key Project Results

Output 2: Environmental Protection & Climate Action

1 Policy Research

- Economic Appraisal of the Potential of Solar PV Energy in Cambodia
- Business Models for Off-Grid Electrification Report
- Self-sustaining Revolving Energy Efficiency Fund Readiness Study
- Input to the State of Environment Report
- Analysis and Pathway to Reduce GHG Emissions for the Waste Sector

2 Policy Support

- Circular Economy Strategy and Action Plan launched
- Roadmap for Low-Carbon and Climate-Resilient Buildings and Construction in Cambodia, Vision to 2050 approved by MLMUPC
- Prakas with technical guidelines for small-scale municipal solid waste incineration adopted

3 Innovative Pilots

- Three clean energy start-up teams supported with seed funding and created 63 jobs (47 for women)
- Twenty mobile air quality sensors piloted
- Circular economy private sector engagement platform launched



2021 Key Project Results

Output 2: COVID-19



Policy Support Towards Green Recovery

- Energy Efficiency Code for Building finalized with MME
- Rooftop Solar PV Guidelines developed



Innovative Pilots

- Four villages electrified using solar mini-grids, benefitting 1,595 people (715 women)



2021 Key Project Results

Output 3: Peace, Participation, & Accountability

1 Policy Support

- 6,374 people with disabilities (3,152 women) and 7,783 persons living with HIV (4,148 women) gained access to IDPoor cards
- Mid-term review of the National Strategic Development Plan and revision of the CSDG Indicators and Targets completed

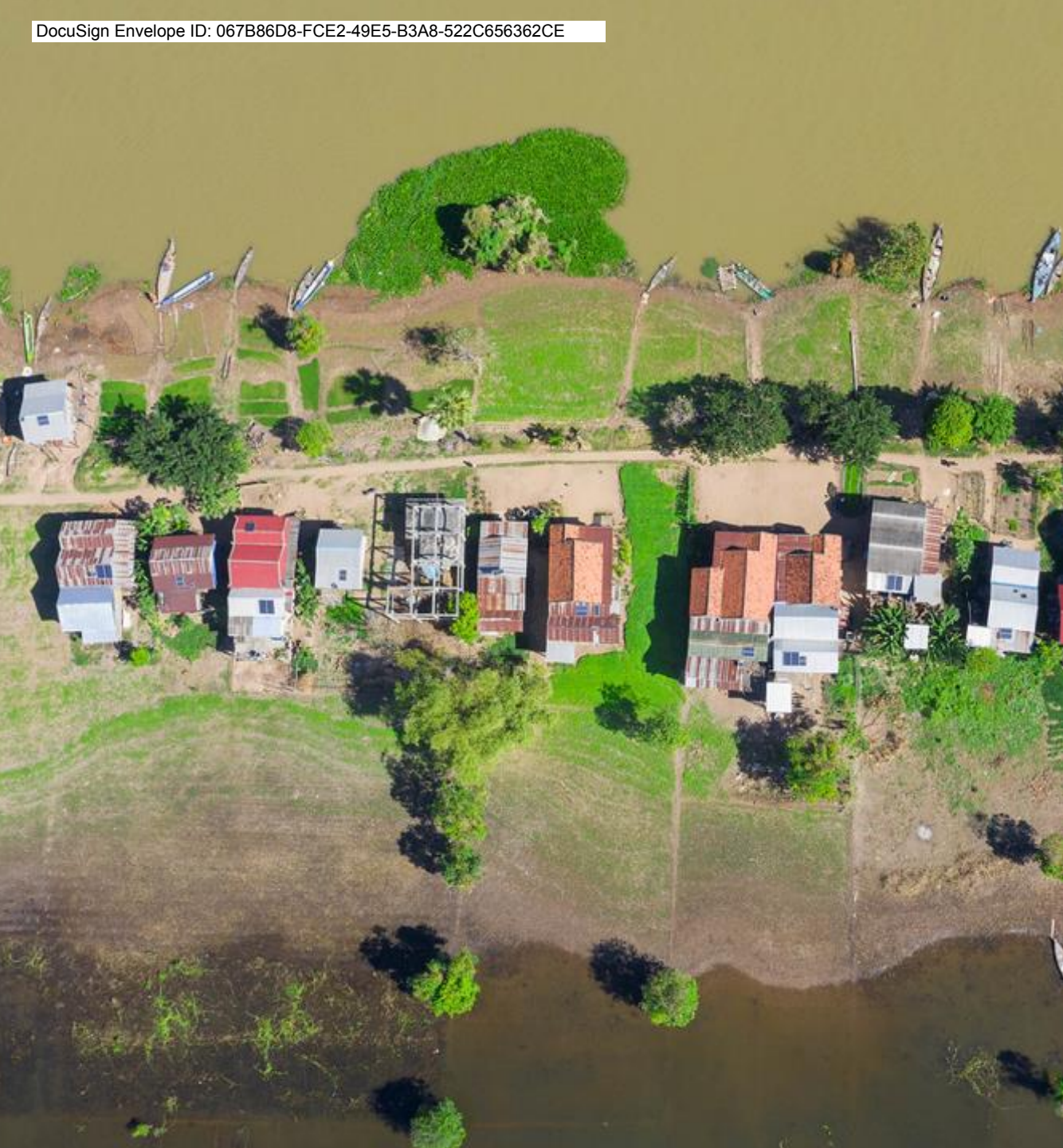
2 Innovative Pilots

- The Cambodia Futures Lab Initiated with the UNRC Office to support systems transformation



2021 PROJECT BUDGET

Award ID: 00114485	2021 Budget	Expenditure*	Outstanding Commitment	Balance	Utilization rate
112488 - Policy and Innovation Hub	2,326,182.53	1,608,848.10	645,713.44	71,620.99	97%
125268 - Go4eCAM	197,420.69	33,346.20	4,650.00	159,424.49	19%
121246 - Covid-19 Integrated Response	-	147,622.32	22,050.00	(169,672.32)	
121245 - Covid-19 Accelerating Deployment of E-Com	17,424.41	140,852.46	47,737.82	(171,165.87)	1082%
125819 - Covid-19- Catalyzing investment in equitabl	1,229,223.00	421,083.58	520,130.91	288,008.51	77%
Total:	3,770,250.63	2,351,752.66	1,240,282.17	178,215.80	95%
* Include Expenditure on 2020 budget commitment.					
Award ID: 00086010	2021 Budget	Expenditure		Balance	Utilization rate
Sustainable Urban Mobility for All Initiative	165,860.43	165,860.43		-	100%
Total:	165,860.43	165,860.43		-	100%



2022 PRIORITIES & PROGRESS

2022 PRIORITIES & PROGRESS

Output 1: Inclusive & Sustainable Growth (1/4)



Social Protection

- Technical advisory for the design of the **GBSP pilot** and local economy-wide impact evaluations
- Technical advisory on the pilot/testing of the new **IDPoor questionnaire, digital complaint mechanism and M&E system** completed, with the new tools to be used as an integral component of the national OD-IDPoor programme
- The **COVID-19 cash transfer programme impact evaluation** report and policy brief launched with GS-NSPC and MEF in July 2022
- **An online micro-simulation tool** developed to assist costing and estimate coverage and impact of social protection schemes, followed by training to government counterparts
- Technical assistance to government counterparts for **at-risk household and near-poor household identification** for a one-off government cash transfer programme, expected to be rolled out in 2023

2022 PRIORITIES & PROGRESS

Output 1: Inclusive & Sustainable Growth (2/4)

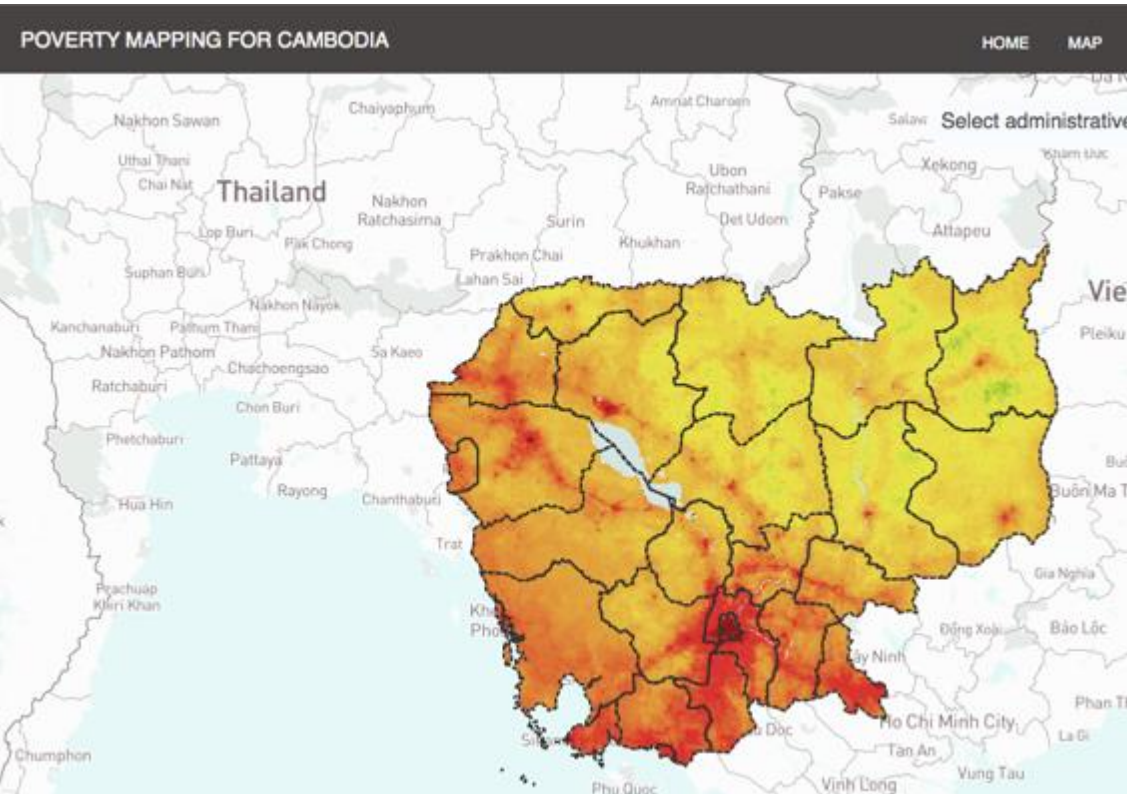


Social Protection

- **Missing middle and formalization**
 - Joint work plan with ILO and GS-NSPC being initiated
 - Integrated formalization strategy report is being drafted to guide the development of the Common Country Strategy on Formalization
 - Formalization constraint survey for informal workers and MSMEs completed
- **Ageing policy**
 - Multi-tiered pension scoping study and the 75+ universal pension proposal completed and consulted broadly
 - Feasibility study to extend free healthcare coverage to elderly completed
 - Two-year ageing policy institutionalization pilot at inception stage of implementation

2022 PRIORITIES & PROGRESS

Output 1: Inclusive & Sustainable Growth (3/4)



Poverty Mapping

- The first **national MVI framework**, with 5 dimensions and 17 indicators, drafted through the NWGPM led by MoP and expected to be finalized in 2022.
- The **Poverty Risk Analysis report** drafted to capture poverty mobility dynamics and inform policymaking
- **Multi-dimensional poverty mapping and socio-economic tracking using AI** is at an advanced phase, with the website interface under construction

Economic Policy

- **Socio-economic impact assessment** of COVID-19 and the war in Ukraine in Cambodia is being conducted
- **Identifying new sources of growth**, developing innovative financing models to expand the available sources of financing
- **Examining the impacts of LDC graduation** on poverty and vulnerable groups to inform policymaking to facilitate a smooth and successful transition bearing LNOB principle

2022 PRIORITIES & PROGRESS

Output 1: Inclusive & Sustainable Growth (4/4)



SDG Financing

- **SDG budget tagging methodology** developed. Piloting is expected to commence in July and be completed by November 2022. The tool will enable government to track and report budget allocation and expenditure by SDG goals
- **SDGs Investor Map** produced. The results of the exercise are being consulted with stakeholders from government, civil society, private sector, UN Agencies, and development partners. Expected to be finalized and launched in August, this will be the first market intelligence to guide SDG aligned investment in Cambodia
- **SDG Impact Standards** launched in Cambodia. The standards aim to provide guidance for businesses to integrate sustainability at the core of their businesses and align their internal processes, practices and decision-making for contributing and accelerating the achievement of the SDGs
- **Khmer Riel Bond issuance.** Support feasibility study, second market sounding and issuance plan completed. Continued support planned.

Supporting MSMEs

- **151 MSMEs are incubated** on e-commerce related skills including export readiness
- **30 MSMEs awarded through an Innovation Challenge cohort** to implement business digitalization and export readiness. 40 more will be recruited in the coming months.

2022 PRIORITIES & PROGRESS

Output 2: Environmental Protection & Climate Action (1/6)



Circular Economy

Regulations:

- A **draft sub-decree on plastic management** which includes new measures on single-use plastic items
- A **draft report on Extended Producer Responsibility (EPR)**

Awareness raising:

- Official launch of **Circular Economy and plastic websites**
- **Innovation challenge** for a beat plastic campaign

Business development:

- A **draft report on plastic recycling** and ways forward
- Innovation challenge to **identify and pilot businesses for alternatives to plastics**
- A MoU with a social enterprise, Tontoton, to **collect non-recyclable plastic waste for energy** in Preah Sihanouk
- A draft design for an **EPR pilot** for Phnom Penh and exploration of private sector partnerships for EPR pilots
- A new **partnership with UNEP to advance EPR policy dialogue** in Cambodia ([Pipeline](#))

2022 PRIORITIES & PROGRESS

Output 2: Environmental Protection & Climate Action (2/6)



Climate Change (Climate Promise)

Forest and Other Land Uses (FOLU):

- **Institutionalization of the REDD+ Secretariat**
- Enhancement of **Measurement, Reporting and Verification system** for **tracking deforestation**
- Development of **methodology to estimate forest degradation**
- Strengthen **REDD+ safeguards**: review information gaps and update accordingly

Waste:

- Development of **Measurement, Reporting and Verification system** for the **waste sector**

Energy:

- Refer to the following slide on energy (integration of energy efficiency in building code; white paper on ESCO market roadmap)

Climate change adaptation:

- Development of **investment pipeline for adaptation** as part of a new initiative by the Secretary General to fast-track investments to build resilience to climate change impact (to be confirmed)

2022 PRIORITIES & PROGRESS

Output 2: Environmental Protection & Climate Action (3/6)



Green/Climate Finance

Technical assistance to NCDDS to effectively perform its role as National Accredited Entity to the Green Climate Fund and mobilize climate finance:

- Two concept notes developed for submission to the GCF
- Capacity assessment of NCDDS ongoing to identify for improvement and capacity gaps to implement the GCF policies/programmes/projects. This will lead to a roadmap for NCDDS to fulfil the gaps and facilitate reaccreditation to the GCF. Hands-on support to implement the roadmap

Technical assistance to RGC to access carbon markets for climate action:

- Capacity building of Climate Change Technical Working Group on international carbon markets following progress made in international negotiations at COP26 (e.g., Article 6 of the Paris Agreement)
- Assessment of the carbon market potential of Cambodia's NDC
- Development of market readiness plan for the FOLU sector
- Engagement of private sector for climate action.

2022 PRIORITIES & PROGRESS

Output 2: Environmental Protection & Climate Action (4/6)



Green/Climate Finance

Technical assistance to RGC to explore innovative/green finance options, including green/thematic bonds:

- Plan to carry out feasibility study and training on green/thematic bonds
- Plan to support MoP and NIS to advance work on System of Environmental Economic Accounting (SEEA)
- Plan to organize policy dialogues on green finance. This includes study tour on EPR schemes

Natural Resource Management

The partnership between UNDP and Cambodia Indigenous Youth Association (CIYA) on behalf of the Cambodia Indigenous Peoples Alliance (CIPA):

- This collaboration is to facilitate meaningful participation of IP communities, including women and youth, in the consultation and decision-making process, including the consultation on the development or amendment of laws and regulations

2022 PRIORITIES & PROGRESS

Output 2: Environmental Protection & Climate Action (5/6)



Energy

Policy Advocacy:

- At the request of MME, supporting the revision of **rooftop solar PV policy**
- In collaboration with UNEP, supported MLMUPC to draft the “**Roadmap for Low-Carbon and Climate-Resilient Buildings and Construction in Cambodia - Vision 2050**”
- Successfully completed **readiness study of energy efficiency revolving fund**. ADB is exploring to invest US\$20 million in loan to operationalize the fund
- Supported MEF to finalize the mandate for a New **Energy Unit** as part of the New Economy Department under the General Department of Policy and a sub-decree was approved in February 2022

Partnerships and Programming:

- New project from Embassy of Japan towards “**Inclusive Renewable Energy Access in Rural Areas**”, and completed project inception meeting
- Coordinating with other DPs on the potential **sites for off-grid electrification**

Innovative Pilots:

- **Three solar mini-grids** providing electricity access to 180 households across 5 villages in Ratanakiri Province benefitting 1,688 people; 852 women. These villages are home to indigenous communities, leaving no one behind.

2022 PRIORITIES & PROGRESS

Output 2: Environmental Protection & Climate Action (6/6)



Energy

Priority Areas for 2022:

- Identify potential villages for **mini-grids** supported by Japan in close consultation with MME, EAC, and EDC – implement at least 5 mini-grids during 2022.
- **Rooftop solar**: support MME to finalize the policy, and organize rooftop solar PV forum
- Develop **Roadmap for EV charging stations** with MPWT
- Support the integration of **energy efficiency design guidelines** into BTR (building code)
- Successfully finalize white paper on **ESCO market roadmap** to support accelerated implementation of National Energy Efficiency Policy (NEEP)
- UNDP will continue to push the **green economy agenda** and explore development finance opportunities under the “Partnership for Action on Green Economy (PAGE)”
- Clean energy week 2022

2022 PRIORITIES & PROGRESS

Inclusive Renewable Energy Access in Rural Areas



Expected Results: At least 1,300 households in about 12 villages gain access to renewable energy.

Locations: TBD – off-grid areas - islands in Tonle Sap Lake of Kampong Chhnang Province, islands in Mekong River in Kratié Province, demined villages across Battambang, Banteay Meanchey and remote communities in Ratanakiri province.

E/N Document Signed: 20 March 2022



Total Budget:

≈US\$ 1.69 million



Duration:

Mar 2022 – Feb 2024



Source of Funds:

Government of Japan



Key Stakeholders:

MME, EDC, EAC

2022 PRIORITIES & PROGRESS

Output 3: Peace, Participation & Accountability



NSDP/CSDG Monitoring

- Technical assistance to MoP on **Mid-Term Review of NSDP 2019-2023** completed
- Assistance to MoP on the **review of CSDG targets and indicators**
- Technical assistance to MoP and the government counterparts for **SDG side events (e.g., HLPF and BRICS Summit)**

Gender

- **Gender Budget Responsive (GRB) Road Map** developed and finalized by MoWA. Three training days on GRB was provided to key relevant departments and line ministries
- **Gender Mainstreaming Guideline** is being finalized and is expected to be submitted to the Minister for approval by end of Q3 2022
- **National Policy on Gender Equality** finalized and is expected to be submitted to the Cambodia National Council for Women, chaired by Excellency Minister of MoWA in Q3 2022

ODA

RGC capacity and IMS in tracking development cooperation is strengthened through:

- **Cambodia ODA Database Customization**
- **ODA Data Entry and Validation**
- Publication of the **Development Cooperation and Partnerships Report**



2022 PROJECT BUDGET

Award ID: 00114485	2021 Commitment	2022 Budget	Total	Expenditure (As of Mid-July)	2022 Commitment	Balance	Utilization rate
	A	B	C=A+B	D	E	F=C-(D+E)	G=(D+E)/C
112488-Policy and Innovation Hub	645,713	1,812,123	2,457,836	882,338	203,082	1,372,417	44%
121245- Covid-19 E-commerce Response (Completed)	47,738	-	47,738	-		47,738	0%
121246- Covid-19 Integrated Response (Completed)	22,050	-	22,050	22,050		-	100%
125268- Go4eCam	4,650	282,223	286,873	4,529	8,786	273,559	5%
125819- Catalyzing investment in equitable and green recovery beyond COVID-19	520,131	753,487	1,273,618	559,947	301,466	412,205	68%
131146- Inclusive Renewable Energy (New)		899,197	899,197	-		899,197	0%
Total:	1,240,282	3,747,030	4,987,312	1,468,863	513,334	3,005,115	40%



IMPLEMENTATION RISKS

1

Risk 1: Being unable to meet government's expectation for policy advice in responding to context changes throughout the duration of the programme.

Mitigation: Policy Advisory Board meets annually to review the project progress and provide strategic advice on the project's evolving priorities. In addition, **close consultations** with key national partners, development partners and CSOs will be conducted in setting priorities and engaging in various policy dialogues and advocacy. PIH will learn from the **CPD and project evaluations** to make course correction as needed.

2

Risk 2: The Middle-Income Country transition will have consequences on the ability of UNDP in Cambodia to access regular/core resources and ODA grants.

Mitigation: PIH has been supporting the government on promoting and developing new/innovative financing sources and instruments. Resource mobilization plan will be intensified to ensure sustainability of policy advisory services of PIH.

3

Risk 3: National Election in 2023 is expected to impact on the speed of project implementation as the focus and priorities of national counterparts may shift.

Mitigation: Closely work with partners to identify the areas of work that could be brought forward, avoiding the major activities from happening during the critical slow down period. Develop the workplan for 2023 and get endorsement from board by early 2023. This will help reduce the risk of disruption in project implementation due to lack of approved work plan.



DISCUSSION

KEY DECISION POINTS

- (1) Strategic advice on project implementation plan
- (2) Approval of 2022 work plan and budget
- (3) Approval of extension of PIH Portfolio until March 2024
- (4) Approval on the Closure of sub-projects
 - 121245- Covid-19 E-commerce Response
 - 121246- Covid-19 Integrated Response





POLICY AND INNOVATION HUB FOR SUSTAINABLE DEVELOPMENT



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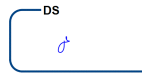
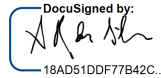
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