

3rd National Forum on Climate Change:

Cambodia Getting Ready for a Full-Scale Climate Change Response

The 3rd National Forum on Climate Change, which took place in Phnom Penh from 5th to 7th November 2013, provided an opportunity for Cambodia to share the progress made over the past two years in putting in place strong national systems and capacities for the management of the Climate Change response. The Prime Minister and senior government officials emphasized the need to move from an initial experimental phase to a full-scale climate change response over the next five years, and presented their priorities to make this transition possible.

CHARTING A DEVELOPMENT PATHWAY IN THE CONTEXT OF CLIMATE CHANGE



In his opening speech, Samdech Akka Moha Sena Padei Techo Hun Sen, Prime Minister of the Royal Government of Cambodia, reminded the audience that Cambodia has long recognized that “climate change is a new challenge to sustainable economic growth and social development”.

Climate Change was already a key priority in the National Strategic Development Plan (NSDP) 2009-2013. Over the past few years, significant work has been done to strengthen the capacity of concerned ministries to effectively integrate climate change in their planning process. Nine Line Ministries have already adopted sectoral Climate Change Strategic Plans, with support from the Cambodia Climate

Change Alliance (CCCA). The Cambodia Climate Change Strategic Plan (CCCSP) 2014-2023 was launched by the Prime Minister on the first day of the national forum, as the key reference document for climate change programming in the next ten years.

Climate change priorities and indicators are now being included in the National Strategic Development Plan for 2014-2018, in collaboration with Ministry of Planning.

The recently released Rectangular Strategy III of the Royal Government of Cambodia (2014-18) also includes clear directions in support of climate change and green growth objectives.

A CLEAR GOVERNMENT VISION FOR THE FUTURE OF CLIMATE FINANCING AND PLANNING IN CAMBODIA

The 3rd National Forum on Climate Change provided an opportunity for the Royal Government of Cambodia to outline its vision for the effective integration of climate change in national planning and budgeting systems.

The Prime Minister called “on concerned ministries, institutions and development partners to

systematically consider climate change when formulating development programmes, to ensure that public investments are effective and provide an adequate rate of return in the context of climate change”. He also requested a move from the implementation of separate projects towards programme-based approaches, pooled funding

and budget support, and asked the Ministry of Economy and Finance, Ministry of Planning, and the Supreme National Economic Council to cooperate with the National Climate Change Committee to lay out measures for a more integrated model, including climate change in the budget process and planning. The Prime Minister also requested the Council for the Development of Cambodia to negotiate with donors to ensure that development partners' programs are being systematically screened in the context of climate change and designed accordingly.

MOVING FROM INITIAL PILOTS TO NATIONAL SYSTEMS FOR A SCALED-UP RESPONSE

Cambodia is already well under way towards realizing this vision. H.E. Dr. Say Samal, Minister of Environment and Chair of the National Climate Change Committee, mentioned in his opening statement that "over the last few years, an estimated \$250 million has been mobilized to support the implementation of various climate change projects. (...) These activities are generating lessons to support the establishment of a national level climate change financing framework".

Cambodia has been relatively successful at mobilizing various sources of climate finance in recent years. These resources have been used to support the implementation of pilot adaptation measures in all key sectors of the climate change response, while at the same time building capacity within concerned Government and non-governmental entities. Under CCCA alone, 21 projects have been supported, covering 8 key sectors, 15 government ministries or agencies, and 6 non-governmental organizations. At the same time, various financing modalities have been tested, both at the national level (Trust Fund, stand-alone projects), and at sub-national level (integration of climate change in local planning and budgeting systems, channeling of climate finance through local treasuries, provincial

Finally, the Prime Minister requested "the National Climate Change Committee and its Secretariat to mobilize resources (...) coordinate external partnerships and review, monitor and evaluate climate change issues. In the near future, the Secretariat of the National Climate Change Committee must fulfill all the requirements to be registered and recognized as the national implementing agency for the adaptation fund and green climate fund, so that Cambodia can gain direct access to these global funds".



Minister of Environment Delivers Welcome Remarks

departments of line ministries or NGOs). An initial Climate Public Expenditure and Institutional Review (CPEIR) was conducted in 2012 to identify climate relevant expenditure in public spending, from both Government and donor resources. An estimated 16% of total public expenditure was considered climate-relevant.



Participants in the plenary session on financial framework of 3rd National Forum on Climate Change

This wealth of experience is now being harnessed to build a coherent, attractive and reliable Climate Change Financing Framework (CCFF) for Cambodia:

- Based on the Cambodia Climate Change Strategic Plan, line ministries are currently finalizing climate change action plans, following an innovative process to ensure that these plans are (i) in line with estimated climate finance scenarios, (ii) adopt a programmatic approach (as opposed to a simple collection of projects) and (iii) are systematically linked to the existing investment portfolio, to ensure effective climate change mainstreaming and avoid a silo approach;
- The various existing modalities for the delivery of Climate Finance at national and sub-national level are being reviewed, together with additional options (such as budget support), and concrete Government propositions will be available early in 2014;
- Initial cost-benefit analysis of climate change interventions is being conducted, and a first estimate of the benefits of the implementation of the CCCSP will be available in 2014;
- Institutional arrangements and the climate change legal framework are being reviewed. The National Climate Change Committee has proven its capacity to mobilize resource and coordinate Climate Change policies and strategies, but the institutional architecture for climate change will require further strengthening in view of the increasing scale of climate financing; CCCA will provide capacity development support to the NCCC Secretariat to effectively mobilize various sources of financing in support of CCCSP implementation. Work will also be required with line ministries, Ministry of Economy and Finance, Ministry of Planning and CDC to better identify and design climate relevant investments, advise on financing modalities, and ensure adequate tracking of expenditures and impacts;
- A national monitoring and evaluation framework for climate change is being designed and integrated with the National Strategic Development Plan. Specific research and benefit incidence analysis of climate change expenditures will be part of this framework, to further explore the linkages between the climate change agenda, economic growth and poverty reduction objectives of the Royal Government of Cambodia.

AN ON-GOING LEARNING PROCESS

Some initial lessons are starting to emerge from this extensive Climate Change planning and budgeting process. Effective climate change mainstreaming requires an adequate balance between a “decentralized” process (with line ministries in the lead to ensure strong ownership and linkages between their sector strategies and climate actions), and inputs from the central climate change institution (to provide minimum standards, ensure quality of assumptions about climate impacts, as well as cross-sectoral cooperation and the coherence of the overall planning exercise). The definition of clear

standards (e.g. for climate proofing is required as a matter of priority in many sectors, to refine planning and budgeting of climate actions. These standards will need to be regularly updated in line with the latest climate science. On the budgeting side, due to the high level of climate expenditures funded by development partners, their alignment with the national Climate Change Financing Framework, and in particular their willingness to support programme-based approaches, pooled funding arrangements and sector budget support will be essential to effectively mainstream climate

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