



## ADAPTATION FUND TRACKING AND NATIONAL ADAPTATION LINKAGE

### RATIONAL

Cambodia is consistently ranked amongst the most vulnerable countries to climate change, and one of the three most vulnerable in Asia<sup>1</sup>. This is because the country is exposed to frequent flooding and other unpredictable rainfall events as well as to tropical storms and sea-level rise and has a low adaptive capacity<sup>2</sup>. A recent vulnerability assessment found that 17.2% of communes were found to be “highly” vulnerable and 31.5% to be “quite” vulnerable to multiple climate change hazards, namely floods, storms and droughts<sup>3</sup>. Under the UNFCCC framework, there are the global fund available such as Global Environment Facility Fund, Climate Investment Fund (CIF), Adaptation Fund, Global Climate Change Alliance (GCCA), Green Climate Fund. Those fund mechanism were established in difference aiming and thematic to support to less developing country and developing country such as Cambodia.

### RESEARCH OBJECTIVE

- To analysis of the national policy on the climate change adaptation
- Understanding policy implementation at the ground level in Cambodia relate to National Adaptation Plan in Cambodia
- Track the interplay of adaptation actors that are on the ground in Cambodia mandate by MoE and other agencies
- Document the best practices on the CC adaptation mainstreaming to sub nation, CC adaptation for PA at Boeung Per, and Case study with ADB climate change adaptation project

### METHODOLOGY

This research employs a combination approach both qualitative and quantitative data collected from desk research, key informant interviews, and case studies.

☞ **Desk research:** a literature review and desk research was conducted to study the global Climate change financing flow, trend of climate finance to Asia and Pacific, RGC’s climate change policies, local, regional and international study related to climate financing, project documents, various online database and websites.

☞ **Key informant interview:** stakeholders from government ministries ( Department of Climate Change, Ministry of Environment, Ministry of Economic and Finance, Council for Cambodia Development (CDC), NCDD, Donor( ADB, UNDP, SIDA, EU and JICA) , NGOs, SPCR, local authorities, experts and beneficiaries were interviewed to verify and complement the result of the desk research.

☞ **Case study:** Three case studies in difference donor-funded climate change projects were selected for further analysis. The objective of the case studies is to find out the success and challenges in implementing adaptation projects. In each case study, the researcher conducted fieldwork by visiting the project site and carrying out a series of interviews and consultations with intended beneficiaries and project.

☞ **Consultation workshop:** the primary findings present to multi stakeholders including governments concerning ministries, Development Partner, UN agencies, Development Banks, NGOs network, local communities among 71 participants to verify the information and provide further inputs into the report.

### KEY FINDING

There are the global fund available such as Global Environment Facility Fund, Climate Investment Fund (CIF), Adaptation Fund, Global Climate Change Alliance (GCCA), Green Climate Fund. Those fund mechanism were established in difference aiming and thematic to support to less developing country and developing country such as Cambodia.

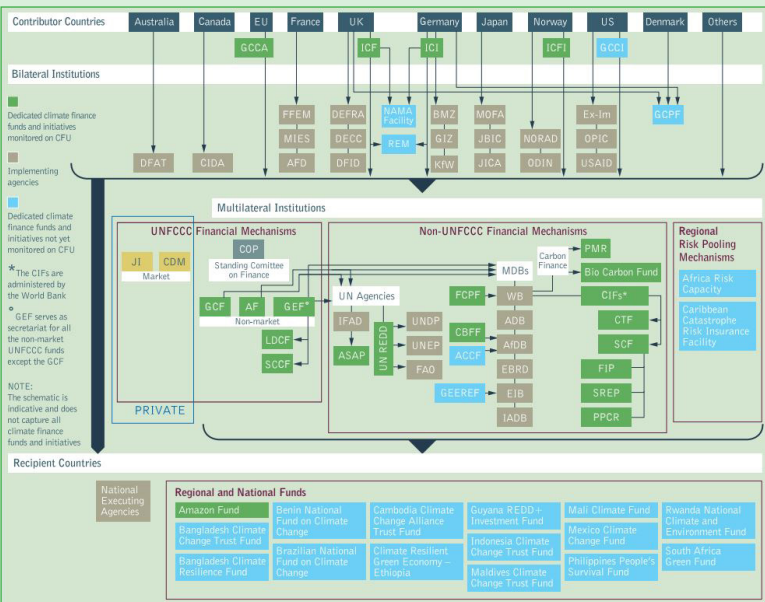
### Climate Finance Mechanism

The global climate finance architecture is complex: finance is channeled through multilateral funds – such as the Global Environment Facility and the Climate Investment Funds – as well as increasingly through bilateral channels. In addition, a growing number of recipient countries have set up national climate change funds that receive funding from multiple developed countries in an effort to coordinate and align donor interests with national priorities.

<sup>1</sup> Cambodia Climate Change Financing Framework, NCSD, August 2015.

<sup>2</sup> Cambodia Climate Change Financing Framework (draft 2014)

<sup>3</sup> Cambodia’s National Climate Change Monitoring & Evaluation Framework, NCSD, April 2016.



account for 77% of the USD 9 billion committed in total. About USD 5.3 billion of the amount pledged by these countries has actually been deposited to the funds. USD 5.8 billion, or 86%, of the amount deposited by all donors has been approved for supporting projects or programme Mitigation finance has been distributed fairly evenly across developing country regions.

Fund	Pledged(USD)	Deposited	Approved
Clean Technology Fund (CTF)	5,242	4,599	3,840
Global Environmental Facility Trust Fund (GEF 4)	754	754	956
Global Environmental Facility Trust Fund (GEF 5)	1,350	777	799
Global Energy Efficiency Renewable Energy Fund (GEEREF)	170	164	89.07
Scaling-Up Renewable Energy Program for Low Income Countries (SREP)	521	506	135.99

### Climate Change Fund For Adaptation And Mitigation In Global

The impacts of climate change already being experienced due to past and current GHG emissions to all the countries on the world expecially for the LDP and vulnerable countries, the Finance is necessary to fund activities that respond to impacts Government plans and policies such as flooding, cyclones, coastal erosion, droughts and increased variability of precipitation.

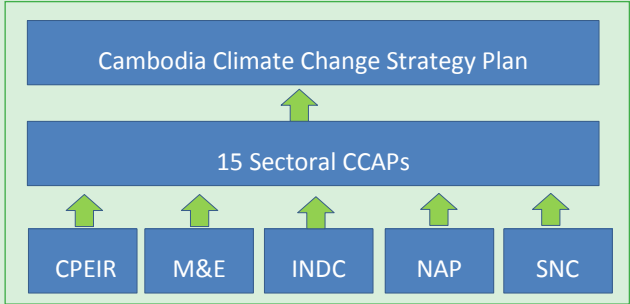
For Adaptation site, the United Kingdom, through the International Climate Fund, Germany, the United States, Sweden and Canada represent 69% of the USD 3 billion pledged to adaptation funds thus far; of this, about USD 2.72 billion has been deposited. 79% of the deposited finance has been approved to support projects and programs. The top twenty recipients of adaptation finance (out of 114 countries) receive 54% of the total amount approved, Top recipients Bangladesh, Mozambique, Niger, Nepal, Zambia all receive between USD 94 - 190 million each (all five are also PPCR recipient countries), with the next five top countries receiving from USD 55 to 90 million each.

Fund	Pledged (USD M)	Deposited	Approved
Pilot Program for Climate Resilience (PPCR)	1,160.00	973.00	796.00
Least Developed Countries Fund (LDCF)	914.47	903.05	733.40
Adaptation for Small-holder Agriculture Program (ASAP)	352.86	300.66	149.91
Special Climate Change Fund (SCCF)	347.30	336.07	253.50
Adaptation Fund (AF)	226.33	213.71	231.55

For Mitigation site, the USA, Japan, UK, Germany and France’s pledges to the five designated funds

### Government Plans And Policies

The Royal Government of Cambodia are readiness for institutional arrangement for the response to climate change such as maistreaming CC in National Strategic Development Plan, developed the Cambodia Climate Change Strategic Plan 2014-2023 and 15 Climate Change Actions Plans (CCAPs) were approved by 15 line ministries.

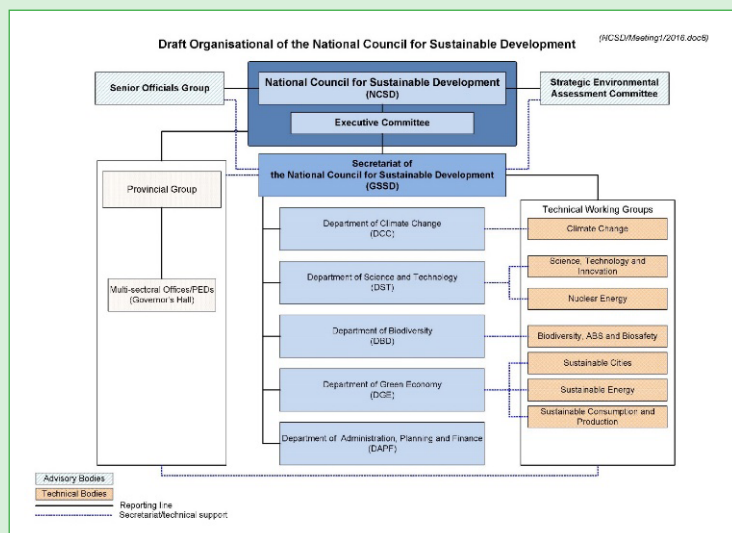


### Institutional Framework On Climate Change

**Department of Climate Change (DCC)** was established in 2009. It is responsible for a wide range of activities related to climate change and serves as Cambodia’s focal point for the UNFCCC, the Intergovernmental Panel on Climate Change (IPCC), and the Kyoto Protocol. It also coordinates working groups on climate related sectors or issues, such as energy, forestry, GHG inventories, vulnerability and adaptation, etc.

In July 2002, the MoE was appointed as the **Designated National Authority (DNA)** for the Clean Development Mechanism (CDM). The department of climate change acts as a secretariat of the DNA. The Climate Change Technical Team CCTT will be

replace by Climate Change technical Working Group (CCTWG) in the 2016 to ensure the effectiveness of technical assistant and input to NCSD on climate change. The CCTWG provide support to the line ministries for the development of sectoral CCAPs.

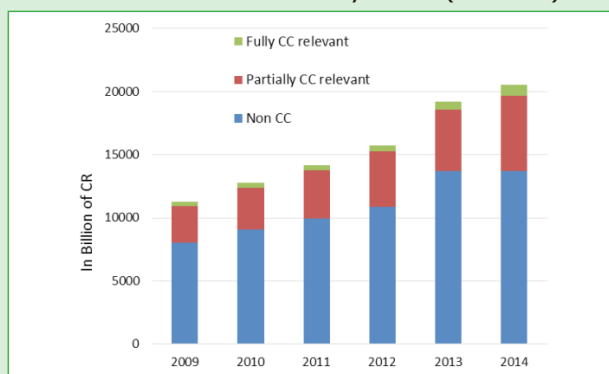


## Climate Fund In Cambodia

Climate change spending has steadily increased in Cambodia over the reporting period, from CR 367 billion in 2009 to CR 847 billion in 2014.

The proportion of climate expenditure to GDP also increased overall, from 0.9% of GDP in 2009 to 1.3% of GDP in 2014, with a low point in 2011 (0.8% of GDP). 2009 and 2010 were marked by relatively high levels of disaster recovery expenditures due to typhoon Ketsana and flood in the late 2009. In 2014, one third of public expenditure was either fully or partially related to climate change (up from 28.9% in 2009). Once climate change relevance weights are applied to this expenditure, climate finance constituted 4.1% of public expenditure (up from 3.3% in 2009).

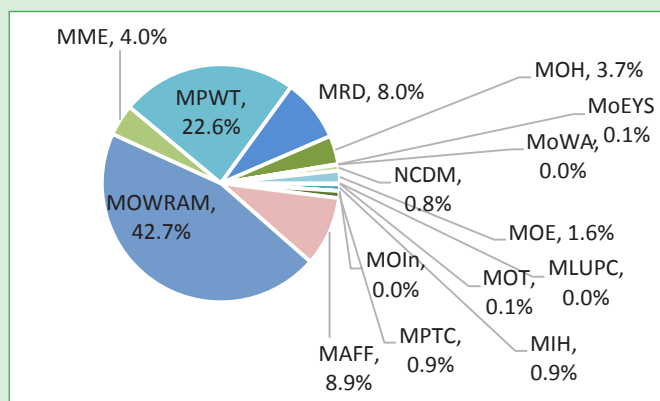
The amounts allocated from domestic resources while 41% are the externally fund (Donors)



## Climate Adaptation and Mitigation Projects

	2012(USD in Millions)	2013(USD in Millions)	2014(USD in Million)
Mitigation	6.19	7.88	4.12
Adaptation	116.11	152.15	207.69

## Climate Change Adaptation by sectors



## NAP LINKAGE Alignment between CCAPs and CCCSP

CCCSP strategic objectives	CCAP (#actions)	CCAP (%)
1. Promote climate resilience through improving food, water and energy security	37	14%
2. Reduce sectoral, regional, gender vulnerability and health risks to climate change impacts	51	20%
3. Ensure climate resilience of critical ecosystems (Tonle Sap Lake, Mekong River, coastal ecosystems, highlands, etc.), biodiversity, protected areas and cultural heritage sites	27	10%
4. Promote low-carbon planning and technologies to support sustainable development	56	22%
5. Improve capacities, knowledge and awareness for climate change responses	68	26%
6. Promote adaptive social protection and participatory approaches in reducing loss and damage due to climate change	8	3%
7. Strengthen institutions and coordination frameworks for national climate change responses	11	4%
8. Strengthen collaboration and active participation in regional and global climate change processes	2	1%
<b>TOTAL</b>	<b>260</b>	<b>100%</b>

## CCAPs Implementation and Gaps

No.	Ministry	Cost (USD M)	Finance Received (USD M)	Gaps in (USD M)	Gaps in %
1	MAFF	187.55	54.69	132.86	70.84
2	MIH	11	11.70	-0.70	-6.39
3	MLMUPC	9.12	0.25	8.87	97.26
4	MME	5.02	0.25	4.77	95.02
5	MOE	27.67	19.29	8.38	30.28
6	MOEYS	10.6	0.35	10.25	97.70
7	MOH	46.8	0.40	46.4	99.15
8	MOINFO	4.33	0.13	4.205	97.12
9	MOT	3.4	0.13	3.28	96.79
10	MoWA	3.62	0.10	3.52	97.24
11	MoWRAM	272.5	75.20	197.3	72.40
12	MPTC (not yet app)	4.61	0.00	4.61	100



13	MPWT	210.98	8.21	202.775	96.11
14	MRD	56.53	74.33	-17.8	-31.00
15	NCDM	11.75	0.10	11.65	99.15
<b>TOTAL</b>		<b>865.47</b>	<b>245.12</b>	<b>620.37</b>	<b>71.68</b>

## RESOURCE MOBILIZATION FOR ADAPTATION ACTIONS AND TRANSPARENCY

The strategy to mobilize more domestic funds are expected to be continued political commitment and enhanced planning and budget processes in view of mainstreaming CC are promising signs the mainstreaming efforts of the annual planning and domestic budgeting processes, as well as the Public Investment Programme (PIP). In view of international funds, the NCSD, in collaboration with GIZ, has further screened prioritized actions of the sectoral CCAPs and identified those ones that have high potential to be funded according to the screening criteria of international climate funds. The screening tool developed for this exercise can further be used as an adjustable tool to screen and prioritize CCAP actions for other purposes in the future for assesse to the Green Climate Fund through multilateral organisations, and also preparing for direct access. Cambodia has been successful in attracting fund from multilateral adaptation fund as well such as AF, SPCR, IFAD/ASPIRE, GEF.etc.) It's possible to expend efforts towards adaptation funding by bilateral donors and donor funds sources like foundation, adaptation financing mechanism, Public- Private-Partnership, Payment for ecosystem service such as REDD+ and other mechanisms of fund.

In order to further focus the resource mobilization strategy, a staggered approach may have in advance to engage all the key players such Government, DPs, NGOs, Academy and communities. Key actors that have already established a acquired experiences in planning and implementation in CC-related activation would receive the means to further expand those strengths.

## Recommendation

1. Strengthening the Ministry of Environment and National Council for Sustainable Development to better coordinate the financing-related activities for the NAP, including those related with accessing the Green Climate Fund (GCF);
2. Strengthening Ministry of Economic and Finance on the capacity to assess and monitor impacts of climate change on the economic, and to use this capacity in the management of public finance, par-

3. Mainstreaming Climate change into the national budget
4. Customization and adjustment of ODA database on Adaptation Fund;
5. All the Inter-player(Government, DPs and NGOs) should have at the coordination mechanism each other in term of the implementation of adaptation projects;
6. Provide new and additional climate change finance in line with commitments under the UNFCCC, but also ensure that traditional ODA projects are "climate smart";
7. For projects identified as climate relevant, ensure at the project formulation stage that technical inputs are received from NCSD and/or the climate working group in the concerned ministry, including on applicable climate-proofing standards or other required measures, and include the related costs and inputs in the project budget;
8. When providing sector or general budget support, include climate change in the results framework (in line with the CCCSP and the national M&E framework for climate change), and provide climate finance in support of these objectives;
9. Increase the levels of climate finance available at the local level through the CSF, DMF and SNIF, subject to the integration of climate change in planning and budgeting procedures for these funds;
10. Where relevant, include support for climate change related capacity development interventions, both at the individual level (skills development) and at the institutional level (definition of applicable standards, rules and procedures, research and development).

## CONCLUSION

☞ Cambodia is climbing up the climate change readiness such as institutional arrangement the policy committeemen and development at the national and sub national level including the CCCSP, sectional CCAPs and guideline for mainstreaming CC into sub National level;

☞ The significant of the adaptation efforts are scale up in the country and some money are spending for responding to climate change in particular for adaptation even from the development partner and national budgeting. The NAP development process and road map are in place for generate the fund source for implementation the CCAPs pipeline from all the sectors of the governments;

☞ The capacity building, technical management, ODA tracking and fund mobilization still need to be develop both government agency, DP and NGOs to response to climate change.

### SUPPORTED BY



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