

Joint SDG Fund

Template for the Joint Programme Annual Progress Report

SDG FINANCING PORTFOLIO – COMPONENT 1

Cover page

Reporting period: 30 June – 31 December 2020

Country: Cambodia

Joint Programme (JP) title: Integrated National Financing Framework (INFF) to Catalyze Blended Finance for Transformative CSDG Achievement

Short title: INFF for CSDG achievement

Start date (month/year): August/2020

End date (month/year): May/2022

RC (name): Ms. Pauline Tamesis / pauline.tamesis@un.org

Government Focal Point (name and ministry/agency): H.E. Ros Seilava, Secretary of State, Ministry of Economy and Finance

Representative of Lead PUNO (name and agency): Mr. Nick Beresford, Resident Representative, UNDP

List of PUNOs: UNCDF

RCO Main JP Focal Point (name): Ifoda Abdurazakova; E-mail: abdurazakova@un.org

Lead Agency Joint Programme Focal Point (name): Chandarany Ouch E-mail: chandarany.ouch@undp.org

Contact person for Joint Communications (name): Samruol Im; E-mail: samruol.im@undp.org

Budget (Joint SDG Fund contribution): USD 743,650.00

Overall budget (with co-funding): USD 958,650.00

Annual Financial Delivery Rate: 20.12%

$$- \text{Annual Delivery Rate (\%)} = \frac{\text{Expenditures PUNO 1+ Expenditures PUNO 2...}}{\text{Total transferred funds Jan 2020 to December 2020}};$$

Rate of Committed Funding : 20.12%

$$- \text{Committed Funding Rate (\%)} = \frac{\text{Committed money PUNO 1+ Committed money PUNO 2...}}{\text{Total transferred funds Jan 2020 to December 2020}}$$

	Expenditures January 2020 - December 2020	Committed resources January 2020- December 2020	Transferred Funds January 2020- December 2020	Annual Financial Delivery Rate (%)	Committed Funding Rate(%)
PUNO 1	72,337	72,337	214,000	20.12%	20.12%
PUNO 2	2,477	2,477	157,825		
PUNO 3					
PUNO 4					
PUNO 5					

Short description of the Joint Programme (max 1 paragraph):

The joint programme sets out an ambitious agenda to build a high quality, demand-driven financing framework for Cambodia (in line with the INFF concept developed globally) and to enable the expansion of development resources for accelerating the achievement of the CSDGs. The underlying rationale of the programme is Cambodia's need to grow fiscal space and non-traditional sources of finance. The Government's priorities are to orient the policy and legislative agenda towards: (i) the identification and attraction of new sustainable sources of finance; (ii) the maintenance and boosting of existing flows to counterbalance the loss of Official Development Assistance (ODA) and meet new demands; and (iii) the use of data enhancements, budget and financial flow tracking to inform the progress of the CSDGs and development targets. The expected results of the JP are the delivery of a Cambodian Financing Framework (based on the INFF) and increased development resources, delivered via three facilities: (i) establishment of an evidence base on finance sources; (ii) policy and technical advisory; and (iii) data for performance-based budgeting (PBB) and CSDG resource tracking. These three facilities will drive the expansion of resources through what/ where/ why-type activities. Critical outputs of the joint programme are: publication of a new Development Finance Assessment, a series of deep-dive studies into regulatory and policy changes, innovations in capital flows, the linking of CSDG targets and data to Budget Strategic Plans (BSP) including the plugging of data gaps, and developing new instruments for monitoring the progress of the CSDG financing.

Executive summary

The main results and achievements of the JP are as follows: a study on Development Finance Assessment (DFA); the launch of Tax Inspectors without Borders; and the consultations on the Khmer Riel bonds between MEF and UN. A consultant is undertaking the initial analysis of the region's capital market appetite for Cambodia's debt and defining appropriate instruments to be used in a phased approach. Furthermore, the stocktaking of various SDG Financing reports is under procurement to establish a baseline in terms of strategic policy thinking related to SDG financing from the perspective of International Finance Institutions (IFIs) and development partners.

The INFF is being complemented by an MPTF financed COVID-19 response intervention. The Joint Project "Unlocking Cambodian Women's Potential through Fiscal Space Creation" is supporting the RGC in establishing a credit guarantee. UNDP and UNCF are implementing this project in partnership with the MEF, in order to develop new financial flows explicitly for CSDG attainment.

No changes were made to the JP document, although some challenges were encountered. Notably delays were encountered as a direct impact of COVID-19 and the new demands that are being placed on the MEF. Establishment of the JP Steering Committee (JP SC) and the launch of the JP are delayed, mainly due to MEF staff transition. While the project started in August 2020 when the Royal Government of Cambodia (RGC) was in the process of containing the COVID-19 pandemic, UNDP and UNCDF supported the RGC with research and policy analysis that comprised of "econometric modelling of economic and social impacts of COVID-19" and "Investment Requirements for Recovery".

The JP and the MPTF intervention are fully aligned to the UN SERP and have provided and used common reports and diagnostics to generate an evidence base. The Risk management matrix has been updated to reflect the new risk due to the evolving COVID-19 situation.

A. Annual Progress (MAXIMUM 7 PAGES)

A.1 The overview of progress and challenges

A.1.1. Overall self-assessment

Provide a self-assessment on the overall JP progress in the last year.

- Above expectations (expected annual results fully achieved and additional progress made)
 On track (expected annual results achieved)
 Satisfactory (majority of expected annual results achieved)
 Not-satisfactory (majority of expected annual results not yet achieved)

Good progress was achieved on a several analytical activities, however the launch of the main event was delayed as a direct impact of both COVID-19 and the increasing demands that are being placed on the MEF. Based on the current situation, it is envisaged that the launch event will be held in the first quarter of 2021.

The INFF is being complemented by the “SDG Financing” umbrella funded by an MPTF-financed COVID response intervention, as a joint intervention to support the Government. The joint Project “Unlocking Cambodian Women’s Potential through Fiscal Space Creation” is supporting the RGC to establish a credit guarantee (CG) facility to (i) in the short term, retain productive capacity in the garments, tourism and light manufacturing sectors and (ii) in the medium term, utilize the CG to contribute to the structural transformation of the economy towards more resilient, inclusive and sustainable growth. UNDP and UNCF are implementing this project in partnership with the MEF which explicitly develops new financial flows for CSDG attainment.

A.1.2. Overall progress and key developments to date

- The JP’s key Government partner, the Ministry of Economy and Finance (MEF), has been well informed about the JP and has also been consulted on workplan.
- **Establishment of the JP Steering Committee (JP SC)** and the launch of the JP are delayed, mainly due to MEF staff transition. The key government JP focal point at MEF has agreed to be co-chairs of JP SC with UN Resident Coordinator in Cambodia and the TOR of the JP SC have been finalized and approved. The JP SC is expected to be formed and the launch event will be held by January 2021.
- **Research and studies:** The Development Finance Assessment (DFA) is currently being undertaken by UNDP and contributes to overall objectives of the JP. The consultations on the Khmer Riel bonds have been taking place as part of the INFF JP, in collaboration with UNCDF and RCO. The draft action plan/roadmap including technical assistance and key phases are linked through issuing Khmer Riel bonds to support policymaking by the MEF.
- A detailed analysis has been completed to estimate the investment requirements for Cambodia to (i) return to pre-COVID growth trajectories and (ii) to regain lost GDP as a direct impact of the pandemic. The analysis is complimentary to the DFA and to the UNDP’s COVID-19 socio-economic impact modeling exercise, setting informed but banded investment targets to recover the economy.
- The Tax Inspector Without Border (TIWB) placement programme within the General Department of Taxation (GDT) of the MEF, was launched in November 2020. This programme focuses on raising tax revenues, in particular, working on transfer pricing and base erosion. TIWB tax audit assistance programmes bring foreign tax auditors to work directly with tax officials in the assistance-requesting country and relevant and jurisdictions. Bridging the gap between theory and practice, the auditors work on actual audit cases and audit-related issues in transfer pricing and international taxation. Her Majesty’s Revenue and Customs (HMRC) of the UK is the programme’s partner and HMRC’s auditors are working remotely with GDT’s staff due to travel restriction resulted by COVID-19.
- A consultant is undertaking the initial analysis of the region’s capital market appetite for Cambodia’s debt and defining appropriate instruments to be used in a phased approach. The process will assist to verify debt financing as a fiscal policy tool to bolster capital inflows as a long-term replacement to ODA, as Cambodia is preparing to graduate from the least developed country (LDC) status. It will also advise on correct instruments to be deployed that take advantage of existing market products and bi-lateral financing agreements.
- A stocktaking of various SDG Financing reports is under procurement for a Q1 completion that will establish a baseline in terms of strategic policy thinking related to SDG financing from the perspective of International Finance Institutions (IFIs) and development partners. The stocktaking will complement

the DFA exercise and can possibly feed into a dashboard being developed within the UN system in Cambodia in the context of regional and IFI policy related to financing the CSDGs.

A.1.3. Changes

Was the JP document modified in the past year?

- Yes
 No

A.1.4. Challenges

Did the JP face any major challenges in the past year?

- Yes
 No

Delays have been encountered as a direct impact of COVID-19 and the new demands that are being placed on MEF. On the one hand, MEF focused on the Government's priorities for immediate response to COVID-19 pandemic and thus directed its human and financial resources towards the response. On the other hand, because of sudden and rising demands from the Government and MEF for policy advice and technical assistance to respond to the pandemic, including mitigating socio-economic impact, this INFF JP was adapted to a discovery and demand-driven approach. However, the rapid support from the UN to the Government/MEF has helped build a stronger trust and relationship and set a stronger momentum and opportunity for accelerating the implementation of the JP. The project appears to be benefitting from the loosening of conservative policy making rules that has been the mainstay of the Royal Government of Cambodia's approach.

A.1.5. COVID-19 and other strategic alignment

This project started in August 2020 when the Royal Government of Cambodia (RGC) was in the process of containing the COVID-19 pandemic, adopting aggressive policy and targeting an initial stimulus package towards the hardest-hit sectors of the economy. As an immediate response, UNDP and UNCDF supported the RGC with research and policy analysis that comprised of "econometric modelling of economic and social impacts of COVID-19" and "Investment Requirements for Recovery". Additionally there were various propositions with the UNCT to boost health sector and social protection budgets and their coverage especially to vulnerable groups. Given the impact of COVID-19 in terms of the work streams of the RGC - including rapid policy development and implementation- the PUNOs adopted a "discovery approach", gearing the intervention to meet a multitude of unforeseen demands from the RGC and specifically the MEF in the context of fiscal stimulus and macroeconomic policy support.

The JP and the MPTF intervention are fully aligned to the UN SERP and have provided and used common reports and diagnostics to generate an evidence base. Both JPs and especially the INFF have provided the necessary gateways to develop new non-traditional spheres of the UN-Government cooperation in Cambodia. The levels of trust that the INFF JP has been able to gain within a short period has basically transformed the JP into one of the main "implementors" for the SERP.

A.2 Update on priority issues

A.2.1. Progress on Integrated National Financing Framework/SDG financing building blocks

Implementation stages	Planned (0%)	Emerging (1-49% progress)	Advancing (50-99% progress)	Complete (100% progress)	Previously completed	Not applicable	Comments/ Notes
1. Inception phase	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	DFA report is being finalized. Project administrative and reporting systems and SC established, to formalize

2. Assessment & diagnostics	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>1) Economic Appraisal of the Potentials of Solar PV Energy in Cambodia has been completed (UNDP)</p> <p>2) COVID-19 Economic and Social Impact Assessment using CGE and GTAP Simulation completed and planned to update for 2021 (UNDP).</p> <p>3) Investment analysis to ascertain investment requirements to retain growth trajectories and regain lost GDP completed (UNCDF)</p> <p>Both assessments help inform the government's Post-COVID recovery plan and will be updated 2021</p> <p>4) Support for assessment of financing need for Bond issuance in local currency (UNDP)</p> <p>5) Regional capital markets appetites for Cambodian debt financing instruments (CDF)</p>
3. Financing strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	After deep dive diagnostics 2021/2
4. Monitoring & review	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5. Governance & coordination	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	New mechanism created - TBD

- DFA report is being finalized.
- UNDP completed the COVID-19 Economic and Social Impact Assessment using CGE and GTAP Simulation.
- UNCDF have completed an investment analysis highlighting the investment requirements to retain pre COVID growth trajectories and to regain the GDP lost as a direct impact of the pandemic.
- Costing and financing need assessments have been carried out at thematic or sector level including Economic Appraisal of the Potentials of Solar PV Energy in Cambodia.
- Support for assessment of financing need for Bond issuance in local currency.
- Regional capital markets appetites for Cambodian debt financing instruments.

A.2.2. Thematic focus

- | | | | |
|---|---|---------------------------------------|---|
| <input checked="" type="checkbox"/> Cross-cutting | <input type="checkbox"/> Social protection | <input type="checkbox"/> Agriculture | <input checked="" type="checkbox"/> Other: Energy |
| <input checked="" type="checkbox"/> Gender | <input checked="" type="checkbox"/> Health & nutrition | <input type="checkbox"/> Biodiversity | <input type="checkbox"/> Other..... |
| <input type="checkbox"/> Children & youth | <input checked="" type="checkbox"/> Climate change & nature | <input type="checkbox"/> Blue economy | <input type="checkbox"/> Other..... |

A.2.3. Gender marker

Did your Joint Programme feature Gender Results in the past year at the outcome or output level?

- Yes
 No

Briefly explain: Analysis through a gender lens and gender disaggregated are targeted in 2021-22 activities.

Gender Marker total average scoring from 0 to 3 (as defined in the JP document): 1

Even though the UN JP has gender marker score (1), the programme team intends to take appropriate measures to address the incorporation of gender equality and women’s empowerment to achieve a score of (2). To accomplish this , several advancements and changes will be made as part of advancing the programme forward, such as:

Context analysis: The UNJP will mainstream gender aspects and parity within all studies. Some examples of studies include, the potential creating of an ASEAN gender asset class, exploring the potential for blending infrastructure finance in order to drive women's empowerment and analyzing remittances through a gender lens. The outputs from these studies will in part be translated into policy and/or regulatory briefs and contribute to informing dialogues and policy and regulatory measures, thus providing the critical components of a new development financing architecture that articulates the UNSG SDG financing strategy and the decade of action declaration. These activities and tools will play a crucial role in allowing for deeper socioeconomic analyses of spending and financing needs and sources to promote equity and ensure no group is left behind. For example, they would enable for pro-poor and gender responsiveness assessments to be undertaken.

Outputs: The UN JP will allocate a certain number of analytical works to advance the SDG 5, specifically in terms of unlocking public and private financing to promote and contribute gender equality and women’s empowerment. Particularly, studies on new revenue streams will consider and mainstream gender aspects, potentially through an ASEAN gender asset class, blending finance for infrastructure to drive women's and empowerment; and analyzing remittances through a gender lens.

Collaboration: In the period preceding the launch of the UN JP, the programme team will ensure that women CSOs and women-led government and enterprises are represented and included in the conversation. The emphasis would be on better understanding gender-based investment options in Cambodia, including analysis of public and private finances. In terms of public financial management as part of INFF, the policy discussions will be on enabling a responsive gender tracking, and gender-responsive budgeting. These will ensure targeted future investment decision-making and interventions to include women in the new financing architecture in line with the ‘leaving no one behind’ principle.

Budget: The UN JP budget allocation will be revised to ensure at least 30% of the total budget is allocated to gender equality or women’s empowerment, especially in SDG financing assessment and strategy.

Evaluation: After completion of a joint programme, a final, independent and gender-responsive evaluation will be organized by the Resident Coordinator. The costs will be budgeted, and in the case that there are no remaining funds upon the completion of the joint programme, it will be the responsibility of PUNOs to pay for the final, independent evaluation from their own resources.

Indicator		Score	Findings and Explanation	Evidence or Means of Verification
<i>N°</i>	<i>Formulation</i>			
1.1	Context analysis integrate gender analysis	2	The UNJP will integrate gender-based assessments in areas of SDG financing, investments and provide recommendations on financing Goal 5 to advance gender equality.	Outputs and ongoing policy work
1.2	Gender Equality mainstreamed in proposed outputs	2	The UNJP visibly indicated and mainstreamed gender equality and the empowerment of women across where relevant, including some output areas and activities.	Prodoc
1.3	Programme output indicators measure changes on gender equality	1	Between one-fifth and one-third (20-33 percent) of the output indicators measure changes in gender equality and the empowerment of women in line with SDG targets including SDG 5.	Prodoc
2.1	PUNO collaborate and engage with Government on gender equality and the empowerment of women	2	PUNO's consulted CDC and MOP that oversees the implementation of CSDGs in Cambodia, including gender equality. Once implemented, the UNJP is expected to unlock financing for gender-related SDG implementation.	Consultation reports
2.2	PUNO collaborate and engages with women's/gender equality CSOs	2	a) The PUNO have collaborated at least with two GEWE CSO and women's rights advocates on elaborating the project. b) GEWE CSO participates in project consultations: context analysis, strategic prioritization, implementation, M&E.	Consultation reports
3.1	Program proposes a gender-responsive budget	1	The UNJP will allocate less than 15% of resources for gender equality and women's empowerment, including mainstreaming gender issues in its deep dive analyses and technical assistance for Integrated Financing Strategy.	Prodoc
Total scoring		2		

- The project will mainstream gender, while building on the experiences of UNDP's Leading the Way for Gender Equality (LWGE) project. This falls specifically within Facility 3 "data and systems for performance-based budgeting and policy and SDG resource tracking". Additionally, the UNJP will ensure representation from the Ministry of Women's Affairs to facilitate dialogue and provide inputs to other areas of activity.

- The UNJP will also mainstream gender aspects and equality within all studies. Some examples of studies include exploring the potential for blending infrastructure finance in order to drive women's empowerment and analyzing remittances through a gender lens.

A.2.4. Vulnerable groups

Will the JP directly impact marginalized and/or vulnerable groups through a dedicated outcome or output?

- Yes
 No

List of marginalized and vulnerable groups	Dedicated Outcome	Dedicated Output	Status (planned/in progress/complete)
Women and girls	Outcome 1	Output 1.2	Planned to include analysis through a gender lens
Children			
Youth			
Persons with disabilities			
Older persons			
Minorities (incl. ethnic, religious, linguistic...)			
Indigenous peoples			
Persons of African Descent (when understood as separate from minorities)			
Migrants	Outcome 1	Output 1.2	Planned to conduct diagnostic review on constraints on remittance transfers with ASEAN.
Refugees & asylum seekers			
Internally displaced persons			
Stateless persons			
Persons deprived of their liberty			
Peasants and rural workers			
Human rights defenders (incl. NGOs, journalists, union leaders, whistleblowers...)			
LGBTI persons (sexual orientation and gender identity)			
Persons affected by (HIV/AIDS, leprosy...)			
Persons with albinism			
Victims or relatives of victims of enforced disappearances			
Victims of (slavery, torture, trafficking, sexual exploitation and abuse...)			

A.2.5. Learning and sharing

- DFA consultation workshop will be organized in Q1 2021.
- There will be consultations between public and private sector actors to support the foundation of the Credit Guarantee Corporation of Cambodia (CGCC) and its operationalization with participation of the ADB as a partnering IFI to scale up the CGCC through additional thematic and sector capitalization support.
- The social economic modelling exercise is available as a downloadable report in the public domain via UNDP website.
- The recovery investment modelling exercise is available as a downloadable in the public domain via UNCDF website.

A.3 Update on events and partnerships

A.3.1. Events

Type of event	Yes	No	Comments
JP launch event	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The JP launch and partners' meeting are planning to be held in January 2021. Furthermore, key Government partner, MEF, has been well informed about JP and consulted on workplan. MEF agreed to be a co-chair of JP Steering Committee.
Annual donors' event*	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Partners' event **	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

A.3.2. Partnerships

Did your Joint Programme facilitate engagement with diverse stakeholders (e.g. parliamentarians, civil society, IFIs, bilateral/multilateral actor, private sector)?

- Yes
 No

- A partnership was forged with IFIs for the Credit Guarantee Corporation of Cambodia (CGCC).
- Credit Guarantee Scheme, working partnerships forged with; Moody's Analytics, Thai Credit Guarantee Corporation, Bangladesh Central Bank and Bond Critic (Hong Kong).
- Exploring partnerships with IMF, ADB and EU on the support to MEF on Khmer Riel Bond issuance.
- Engaging private sector are planned under the studies on remittance and impact investment.

A.3.3. Additional financing

- Yes
 No

Source of funding	Yes	No	Co-funding or Co-financing?	Name of organization	Amount (USD)	Comments
Government	<input type="checkbox"/>	<input type="checkbox"/>				
Donors/IFIs	<input type="checkbox"/>	<input type="checkbox"/>				
Private sector	<input type="checkbox"/>	<input type="checkbox"/>				
PUNOs	<input type="checkbox"/>	<input type="checkbox"/>				
Other partners	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>Both</i>	<i>MPTF COVID Recovery</i>	<i>0.8 million</i>	<i>INFF provided entry point for UN support to CGCC</i>

A.4 Strategic communications

Did the JP develop a strategic communications plan?

- Yes
 No

- A 4 part video series will be developed to increase awareness of and advocacy for innovative financing solutions in Cambodia
- Four blog articles will be published to Increase visibility of INFF joint programme and results in Cambodia and internationally.
- Social media has been continuously updated with content on the activities and results of the INFF programme through UNDP Cambodia's Facebook, Twitter and Instagram pages. This content will be cross-posted with the Joint SDG Fund's channels and UN Cambodia's channels).
- Other activities including press releases, events and knowledge sharing are also included in the JP strategic communications.

B. Annual Results (MAXIMUM 3 PAGES)

B.1. SDG acceleration

List up to 3 main SDG targets that your Joint Programme primarily focused in 2020.

SDG:17.3 Mobilize additional financial resources for developing countries from multiple sources
 SDG:8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries.
 SDG:17.1 Strengthen domestic resource mobilization, including through international support to developing countries to improve domestic capacity for tax and other revenue collection.

Joint Programme action areas and the corresponding SDG target:

1. SDG 17.3: DFA covers the analysis of the current flow of development assistance and provides insight into the future trajectory of key development financing sources by taking into account the impact of COVID-19. Innovative financing is also discussed.
2. SDG 8.1: The issuing Khmer Riel bonds is a financing option with the goal of augmenting domestic resources. The draft action plan/ roadmap including technical consideration and key stages to be gone through in issuing Khmer Riel bonds was submitted to the MEF in December 2020.
3. SDG 17.1: The Tax Inspector Without Border placement programme within the General Department of Taxation of the MEF, had been launched in November 2020. This programme focuses on raising tax revenues, especially working on transfer pricing and base erosion.

B.2. Contribution to Fund's global results

Work has begun to integrate and develop new streams of finance through the establishment of the Credit Guarantee Corporation of Cambodia (CGCC). At a regional level, two strategic partnerships are being facilitated to deepen the engagement of the RGC with the private sector and neighboring countries' fiscal systems. In this context, an international webinar was implemented in November, bringing together the MEF, the Central Bank of Bangladesh, the Thai Credit Guarantee Corporation, Moody's Analytics and Bond Critic to discuss the use of credit guarantees to expedite COVID recovery policy.

B.3. JP Outputs and outcomes

- o Achievement of outputs

Output 1.1 An evidence-based assessment is conducted to identify resource and institutional capacity gaps in financing CSDGs.

- Activity 1.1.1: DFA 2 report is being finalized.
- Activity 1.1.2: A broad stocktake of various SDG Financing reports is currently being procured, and is planned to be completed in Q1. The information gathered from these reports will establish a baseline in terms of strategic policy thinking related to SDG financing from the perspective of IFIs and development partners. The stocktake will complement the DFA exercise and potentially provide a dashboard for the RCO in the context of regional and IFI policy related to financing the CSDGs.
- Activity 1.2.1.1(a): Tax Inspector Without Border placement programme within the General Department of Taxation (GDT) of the MEF, was launched in November 2020. This programme focuses on raising tax revenues, in particular working on transfer pricing and base erosion. TIWB tax audit assistance programmes bring foreign tax auditors to work directly with tax officials in the assistance-requesting country and relevant jurisdictions. Bridging the gap between theory and practice, the auditors work on actual audit cases and audit-related issues in transfer pricing and international taxation. HMRC, the UK is the partner country for the programme and HMRC's auditors are working remotely with GDT's staff due to travel restriction caused by COVID-19.
- Activity 1.2.1.2(a): The consultations on the Khmer Riel bonds have been taking place as part of the INFF project. The draft action plan/ roadmap including technical considerations and key stages to be undergone in issuing Khmer Riel bonds has been submitted to MEF.
- Activity 1.2.1.2(b): A consultant is being procured to undertake the initial analysis of the region's capital market appetite for Cambodia's debt, defining the appropriate instruments to be used in a

phased approach. The process should debt financing to bolster capital inflows and function as a long - term replacement to ODA as Cambodia enters the final stages of LDC graduation by 2030.

- Achievement of outcomes

Outcome 1: Cambodia develops a best-practice financing framework (INFF) driving effective and integrated financing for CSDGs

- The expected results of the JP are the delivery of a Cambodian Financing Framework (based on the INFF) and the increase of development resources delivered via three facilities: (1) establishment of an evidence base on finance sources; (2) policy and technical advisory; and (3) data for performance-based budgeting and CSDG resource tracking. During 2020, some worthy progress has been made on facilities (1) and (2) as listed above, contributing to the achievement the expected outcome 1.
- The positioning of the INFF JP within the MEF has enabled the UNCT to leverage additional funds via the MPTF to compliment and provide early operationalization of the INFF. The combination of the deliberately phased work initiated during the inception phase couple with the flexible discovery approach, has allowed the INFF JP to collaborate, interact and consult with the MEF on specific fiscal policy measures and tools related to COVID response and recovery. This has established a solid evidence base for the INFF, as well as gateways for interactive policy exchange that included consultation and technical inputs.

B.4. Strategic Documents

Did the JP produce strategic documents in the last year (policy, strategies, analyses/assessments, methodological documents, and other relevant documents)?

- Yes
 No

Please see Annex 2.

C. Plan for the Next Year of implementation (MAXIMUM 2 PAGES)

C.1 Upcoming activities

UNDP:

- Finalizing DFA report
- Providing advisory support and inputs to assist Cambodian Riel bond issuance
- Conducting diagnostic review on constraints on remittance transfers with ASEAN
- Identifying CSDG and RS IV indicators and sources for the development of output and outcome measures within ministry and agency BSPs
- Conduct a review of the existing national CoA to examine the potentials for introducing additional CSDG/ policy code

UDCDF:

- Complete a stock take of existing SDG reports and studies that are relevant to the CSDG and pertinent to the creation of a future framework (of INFF quality)
- Deep dive study on debt financing
- Knowledge product – new economy investments
- Debt financing (bond issuance and securities) – Given emerging demands for blending public sector finance and the favorable public debt position of Cambodia, - continued TA for CGCC – new / updated

Many of the diagnostics and deep dive studies based on the DFA and early assessments will be completed during 2021, paving the way for the formulation of an evidence-based financing strategy. This formulation is planned to start in Q4 of 2021. In terms of expected results for 2021, the following Outcomes are planned:

Outcome 1: Cambodia develops a best-practice financing framework (complaint with global INFF guidelines), driving effective and integrated financing for CSDGs from public, private and blended sources (target 2021 75% completion by activity).

- Output 1.1. An evidence-based assessment is conducted to identify resource and institutional capacity gaps in financing CSDGs (target 2021 100% completion by activity).
- Output 1.2. An integrated SDG finance strategy is developed, enabling Cambodia to meet its SDG commitments, and new/ existing finance inflows are maximized (target 2021 50% completion by activity).

Outcome 2: Mechanisms for monitoring budget execution versus national (RS/ NSDP) and CSDG targets are strengthened; and systems to track resource allocation and mobilization to inform investment and financing decisions are developed (target 2021 50% completion by activity).

- Output 2.1. In line with RGC commitments in the CSDG Framework, formal M&E links between BSPs, the RS IV and the CSDGs are established within the PFM process (target 2021 50% completion by activity).

Output 2.2. Review and recommend pathways to enable national policy target and/or CSDG-based analysis and reporting of the budget and resource flows. (target 2021 50% completion by activity).

C.2. Expected changes

None

C.3. Risks and mitigation measures

Are there any changes made/expected to be made to the Risk Matrix?

- Yes
 No

Please see Annex 4.

Annex 1: Consolidated Annual Results

1. JP contribution to global programmatic results (annual)

Joint SDG Fund Global Outcome 2: Additional financing leveraged to accelerate SDG achievement (Update table below)

Indicators	Target 2020	Result 2020	Target 2021
2.1: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scope (for other/ additional sector/s or through new sources/means)	1:1	1:0	1:1
2.2: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scale(for the same multi-sectoral solution.)	1:0	1:0	1:2

Joint SDG Fund Global Output 4: Integrated financing strategies for accelerating SDG progress implemented (Update table below and provide details as requested)

Indicators	Target 2020	Result 2020	Target 2021	List of strategies/ frameworks developed
4.1: #of integrated financing strategies that were tested (disaggregated by % successful / unsuccessful)	0	0	1	CG Framework finalized and promulgated Q1 2021
4.2: #of integrated financing strategies that have been implemented with partners in lead disaggregated by (1) government/public partners (2) civil society partners and (3) private sector partners	0	0	1	(1) CG Framework being operationalized (2021)
4.3: # of functioning partnership frameworks for integrated financing strategies to accelerate progress on SDGs made operational	0	0	1	CG Partnerships (MEF, ADB, WB Moodys, Thai CG

2. Selected global performance indicators (annual)

2.1. Did your Joint Programme contribute to the improvement of the overall UNCT coherence in 2020?

- Yes, considerably contributed
 Yes, contributed
 No

Explain briefly: JP has made a stronger case for more attention to SDG financing. This has bolstered a consensus within UNCT. Moreover, it has helped strengthen the actions and interventions of various UN agencies', resulting in increased cohesiveness. It promoted a strong consensus in favour of SDG Financing for Cambodia by bringing other related JPs.

2.2. Did your Joint Programme contribute to reduced transaction costs for the participating UN agencies in interaction with national/regional and local authorities and/or public entities compared to other Joint Programmes?

- Yes,
 No
 N/A (if there are no other joint programmes in the country)

Explain briefly: JP has made it easier for the UN's partnerships and engagement with Government partners such as MEF. JP has helped reduce duplications of effort when attempting to build a relationship with the MEF and engagements on various activities.

2.3. Was your Joint Programme aligned with the UNCT Results Groups in 2020?

- Yes
 No

Explain briefly: JP is strongly aligned with various Results Groups outlined in the UNSDCF. In particular, it is fully aligned with the Results Group 1 & 2 – expanding social opportunities and expanding economic opportunities. JP contributed to the effort of the UN in working with the Government to remove constraints on development resource mobilization and to increase investments in key social and economic sectors in order to enhance the people's living conditions.

3. Results as per JP Results Framework (annual)

Result / Indicators	Baseline	Expected 2020 Target	2020 Result	Reasons for variance from planned target (if any)	Expected 2021 target	Expected final target (if different from 2021)
Outcome 1: Cambodia develops a best-practice financing framework (which meets INFF) driving effective and integrated financing for CSDGs						
Outcome 1 indicator INFF standard framework in place	No	Not Applicable	Not Applicable		Yes	
Output 1.1: An evidence-based assessment is conducted to identify resource and institutional capacity gaps in financing CSDGs.						
Output 1.1 indicator: DFA 2	Unpublished initial DFA	Draft DFA 2	DFA is being finalized	As planned	DFA report published and report launch	
Output 1.1 indicator: On-line inventory/ library of reports is available	Atomized, disjointed, hard to locate studies & evidence	On-line inventory/ library of reports is available	A broad stocktake of various SDG Financing reports is being procured	As Planned	Info Addition to RCO Website	

Output 1.2: An integrated SDG finance strategy is developed, enabling Cambodia to meet its SDG commitments, and new/ existing finance inflows are maximized.						
Output 1.2 indicator: # of evidence-based studies on sources of finance published with MEF	Limited evidence base on sources of finance	(1 of 4) deep-dive studies and/ or detailed proposals published	Capital Markets Assessment being implemented – procured 2020	As planned (q1 2021)	Remaining 3 deep dive studies published	
Output 1.2 indicator: At least 1 new source taken up (KHR bonds; remittance flows & impact finance)	0	Preliminary review and stakeholder consultations completed			At least 1 new source taken up (KHR bonds; remittance flows & impact finance)	
Output 1.2 indicator: Financing strategy published/developed	No clear financing direction/ vision	Not Applicable	Planned for Q4 start		Financing strategy published	
Outcome 2: Mechanisms for monitoring and evaluating budget execution against national (RS, NSDP) and CSDG targets are strengthened; and systems proposed to track resource allocation and mobilization by CSDG and RGC policy targets, to better inform budgetary, investment and financing decisions.						
Outcome 2: indicator: % of BSPs employ CSDG targets as outcomes (& gender disaggregated)	No direct connection CSDGs & budget execution	Not Applicable	Not Applicable		Not Applicable	50%
Outcome 2: indicator: Mechanism to deliver SDG/ policy-based analysis made available	Limited mechanisms to track spending & flows by policy target	Not Applicable	Not Applicable		Not Applicable	Mechanism to deliver SDG/ policy-based analysis made available
Output 2.1. In line with RGC commitments within the CSDG Framework, formal M&E links between BSPs, the RS IV and the CSDGs are established within the PFM process.						
Output 2.1 indicator: Mechanism in place for performance review	No formal link CSDGs/ budgets, & missing data	CSDG targets for BSPs are identified & data gaps filled	Not Applicable	This activities under this output are planned to start in 2021 based on the workplan.	CSDG targets for BSPs are identified & data gaps filled	Mechanism in place for performance review
Output 2.2 Review and recommend pathways to enable national policy target and/or CSDG-based analysis and reporting of the budget and resource flows.						
Output 2.2 indicator Full proposals to reshape CoA jointly published with MEF	CoA does not allow for policy based coding	Feasibility review & diagnostic published	Not Applicable	This activities under this output are planned to start in 2021 based on the workplan.	Feasibility review & diagnostic published	Full proposals to reshape CoA jointly published with MEF
Output 2.2 indicator SDG/ RS IV Coding of ODA published	CDC flow recording does not enable SDG or policy analysis	Not Applicable	Not Applicable		Not Applicable	SDG/ RS IV Coding of ODA published

Annex 2: List of strategic documents

1. Strategic documents that were produced by the JP

Title of the document	Date (month; year) when finalized	Brief description of the document and the role of the JP in finalizing it
UNDP Policy Brief COVID-19 Economic and Social Impact Assessment in Cambodia: CGE & GTAP Simulation Exercises	October 2020	UNDP assessed socioeconomic impacts of COVID-19 to Cambodia, carefully consulted with the Ministry of Economy and Finance (MEF) and other partners. The impact assessment used three models: a static general equilibrium model (CGE), a social accounting matrix (SAM) and a global trade analysis model (GTAP).
Summary report and key findings from policy consultation on Khmer Riel Bond issuance.		UNDP deployed a mission led by Dr. Hamid Rashid, Chief of Economic Monitoring of UNDESA, in response to a MEF's request for assistance to assess the costs and benefits of domestic currency bonds and a need to create a new impetus. The mission aimed to understand: The Royal Government of Cambodia's interest in issuing domestic currency bonds; explore the macroeconomic and development implications of issuing domestic currency bonds; how the UN/ UNDP might assist; and identify the policy decisions and practical steps. After the mission, Deputy Prime Minister, Minister of Economy and Finance, H.E. Dr. Aun Pornmoniroth, approved UNDP's proposal on the technical assistance on the issuance of sovereign bonds.
UNCDF Investment Analysis – COVID recovery to regain pre-COVID growth trajectories and recover lost GDP	October 2020	In depth analysis of the structural impediments that contributed to the impact of COVID on GDP and GDP growth – a Regional comparative assessment, and investment case developed to regain pre -COVID 7% GDP growth trajectories and recover lost GDP

2. Strategic documents for which JP provided contribution

Title of the document	Date (month; year) when finalized	Brief description of the document and the role of the JP in finalizing it
UN Cambodia framework for the immediate socio-economic response to COVID-19	August 2020 - version 1 for consultation	The framework sets forth the UN system's commitment to support an effective socioeconomic response in Cambodia as it moves towards recovery, with a series of critical measures to take by the end of 2020 and 2021.

Annex 3: List of strategic communication documents

1. Have you created a strategic communication plan for the Joint Programme?
 Yes
 No



INFF Strategic
Communication Plan

Explain briefly: [Please see attached file.](#)

2. What percentage of the annual budget towards communications was utilized from the total budget? (Note that the entire JP comms budget must be min 5% of the total JP budget)

Explain briefly: [5%](#)

3. Have visibility outcomes increased due to the provided funding for JP strategic communications?
 Yes
 No

Explain briefly: [Not Applicable](#)

4. Does the Country Profile Page on the Joint SDG Fund website contribute to your JP outreach?
 Yes
 No

Explain briefly: [The project has been promoted via sharing the link about the project with other DPs/Ministries through Facebook, Twitter, LinkedIn, and Instagram.](#)

5. How many articles (interviews, human interest stories, press releases, expert insights, etc) about your JP were published by an external media outlet (Non-UN published)?

Total number: [3](#)

Explain briefly:

- 1) Asia Times Finance – Cambodian currency shows pathway to growth
<https://asiatimes.com/2020/11/cambodian-currency-shows-the-pathway-to-growth/>
- 2) Khmer Times – UNDP push or gov’t bonds as investors request good returns
<https://www.khmertimeskh.com/50786840/undp-push-for-govt-bonds-as-investors-request-good-returns/>
- 3) Khmer Times – Investor appetite grows for positive outcome bonds on CSX
<https://www.khmertimeskh.com/50795856/investor-appetite-grows-for-positive-outcome-bonds-on-csx/>

6. How many articles (interviews, human interest stories, press releases, expert insights, etc) about the Joint Programme were published by the UNCT and JP PUNOs?

Total number: [2](#)

Explain briefly:

- 1) UNDP Cambodia - kh.undp.org/content/cambodia/en/home/presscenter/articles/2020/how-old-money_s-return-can-bring-new-development.html
- 2) JP SDG Fund – <https://www.jointsdgifund.org/article/cambodian-currency-shows-pathway-growth>

7. Have you received an increase of social media followers?

Yes

No

Total number: (Not mandatory)

Explain briefly: We hardly know the exact number of new social media followers. However, we have posted 14 social media content at different platforms (Facebook, Twitter, LinkedIn, and Instagram) reaching more than 30K users with more than 130 shares and retweets.

Multi-Media Faucets

Title of the document	Date when finalized (MM/YY)	Brief description and hyperlink (if it exists)
Cambodian currency shows pathway to growth	11/20	Asia Times Finance – Cambodian currency shows pathway to growth https://asiatimes.com/2020/11/cambodian-currency-shows-the-pathway-to-growth/
UNDP push or gov’t bonds as investors request good returns	11/20	Khmer Times – UNDP push or gov’t bonds as investors request good returns https://www.khmertimeskh.com/50786840/undp-push-for-govt-bonds-as-investors-request-good-returns/
Investor appetite grows for positive outcome bonds on CSX	12/20	Khmer Times – Investor appetite grows for positive outcome bonds on CSX https://www.khmertimeskh.com/50795856/investor-appetite-grows-for-positive-outcome-bonds-on-csx/

Social Media Campaigns

Title of the document	Type (FB/Twitter/LinkedIn/Etc.)	Brief description and hyperlink (if it exists)
Sovereign bonds could be an important component in maintaining the Kingdom's borrowing capacity as it moves from less-developed country status and away from entering into concessional loan agreements. Read more: https://bit.ly/2Viwbh6	FB	https://www.facebook.com/UNDPCambodia/photos/a.144313525635777/3727951720605255/ Reach: 3,555 Shares: 13
"Now more than ever, countries like #Cambodia need good options for raising finance and expanding fiscal space. Issuing bonds in Khmer Riels is a much better way to raise finance while keeping exchange risks well managed," said Nick Beresford, UNDP Resident Representative. Read more: https://bit.ly/2LXD4mQ Khmer Times	FB	https://www.facebook.com/UNDPCambodia/photos/a.144313525635777/3786356658098094/ Reach: 2,237 Shares: 6
We do not know for sure why the Khmer Empire collapsed, but one theory is that its lack of currency gradually undermined its economy. Read our latest article on Cambodian currency shows the pathway to growth https://bit.ly/2J4FRcA	FB	https://www.facebook.com/UNDPCambodia/photos/a.144313525635777/3713789292021498/ Reach: 16,360 Shares: 112
Sovereign bonds could be an important component in maintaining the Kingdom's borrowing capacity as it moves from less-developed country status and away from entering into concessional loan agreements. Read more: https://bit.ly/2Viwbh6	Instagram	https://www.instagram.com/p/CIMwKRWnZIO/ Reach: 365
We do not know for sure why the Khmer Empire collapsed, but one theory is that its lack of currency gradually undermined its economy. Read our latest article on Cambodian currency shows the pathway to growth https://bit.ly/2J4FRcA	Instagram	https://www.instagram.com/p/CH_48fJH9IX/ Reach: 624
"Now more than ever, countries like #Cambodia need good options for raising finance and expanding fiscal space. Issuing bonds in Khmer Riels is a much better way to raise finance	Instagram	https://www.instagram.com/p/CJFcbP0Fmno/ Reach: 418

while keeping exchange risks well managed," said Nick Beresford, UNDP Resident Representative. Read more: https://bit.ly/2LXD4mO Khmer Times		
Low-risk riel bonds would free up public sector resources and take the strain off the dollarized economy. Learn more from our latest Op-ed piece on the @asiatimesonline : Cambodian currency shows the pathway to growth	Twitter	https://twitter.com/UNDPCambodia/status/1331180529312382976 Reach: 639 Retweest: 3
Sovereign #bonds could be an important component in maintaining #Cambodia 's borrowing capacity as it moves from less-developed country status and away from entering into concessional loan agreements. Read more: https://bit.ly/2Vivbh6 @KhmerTimes	Twitter	https://twitter.com/UNDPCambodia/status/1333246284593995776 Reach: 692 Retweest: 1
Cambodian currency shows the pathway to growth - Asia Times - our piece on expanding monetary options for development gains	Twitter (Retweet)	https://twitter.com/NickBeresford2/status/1331237717011697664 Reach: 716
The Noncommunicable diseases investment case for #Cambodia is now online. The package of #NCDs interventions will avert 184,236 deaths, lead to 694,858 healthy life years gained and US\$ 417 million averted losses for national economy over 15 years. http://bit.ly/3poel05	Twitter (Retweet)	https://twitter.com/KulikovUNIATF/status/1329365293752324096?s=20 Reach: 1,478
All that improved health and a 121% return on the investment	Twitter (Retweet)	https://twitter.com/DudleyTarlton/status/1329366197037637632 Reach: 518
"Now more than ever, countries like #Cambodia need good options for raising finance and expanding fiscal space. Issuing bonds in Khmer Riels is a much better way to raise finance while keeping exchange risks well managed," said Nick Beresford, UNDP Resident Representative. Read more: https://bit.ly/2LXD4mO Khmer Times	Linkedin	https://www.linkedin.com/feed/update/urn:li:activity:6746991030849142785/ Reach: 492

<p>Sovereign bonds could be an important component in maintaining the Kingdom's borrowing capacity as it moves from less-developed country status and away from entering into concessional loan agreements.</p> <p>Read more: https://bit.ly/2Viwbh6</p>	<p>Linkedin</p>	<p>https://www.linkedin.com/feed/update/urn:li:activity:6739012561049653248</p> <p>Reach: 1,396</p>
<p>Low-risk riel bonds would free up public sector resources and take the strain off the dollarized economy.</p> <p>Learn more from our latest Op-ed piece on the @asiatimesonline: Cambodian currency shows the pathway to growth</p>	<p>Linkedin</p>	<p>https://www.linkedin.com/feed/update/urn:li:activity:6736946363122229248</p> <p>Reach: 677</p>

Annex 4: Updated JP Risk Management Matrix

Risks	Risk Level: (Likelihood x Impact)	Likelihood: Certain - 5 Likely - 4 Possible - 3 Unlikely - 2 Rare - 1	Impact: Essential - 5 Major - 4 Moderate - 3 Minor - 2 Insignificant - 1	Mitigating measures	Responsible Org./Person
Contextual risks					
Economy takes longer to recover from COVID-19, and wider fiscal space is required to sustain economic stimulus.	12	3	4	Regular review, pursuit of a number of alternative funding channels, especially need to monitor impact of global outbreak coronavirus.	Iván González de Alba UNDP & Paul Marin UNCDF
Regional and global conditions worsen prevent successful application of proposed resource for options.	12	3	4	Regular review, pursuit of a number of alternative funding channels, especially need to monitor impact of global outbreak coronavirus.	Iván González de Alba UNDP & Paul Marin UNCDF
Political unrest that impacts key decision making in the policy and regulatory sphere	6	2	3	Keep under regular review and identify risk components.	Iván González de Alba UNDP & Paul Marin UNCDF
Non-performing loans increase above the acceptable threshold, putting the banking sector under pressure	6	2	3	Keep track of non-performing loans ratio as part of Credit Guarantee Programme.	Iván González de Alba UNDP & Paul Marin UNCDF
Programmatic risks					
Timeframe and scheduling difficulties prevent full realization and eventual sustainability of the JP (new wave of COVID-19)	12	3	4	Allow for greater buffers and embed work within RGC and within allied/ follow-on projects.	Iván González de Alba UNDP & Paul Marin UNCDF
PUNOs capability to deliver on the technical dimensions of the work	6	2	3	Effective self-appraisal and recruitment, with fall back operations	Iván González de Alba UNDP & Paul Marin UNCDF
Institutional risks					
National priorities change and INFF activities are relegated or subordinated to Post-COVID-19 economic recovery plan	12	4	3	Adapt the output activities to respond to new government priorities	Iván González de Alba UNDP & Paul Marin UNCDF

Government commitment to the implementation of proposed policy actions	10	2	5	Ensure effective consultation, and secure agreement on programming	Iván González de Alba UNDP & Paul Marin UNCDF
National capacity, especially on the data side, is insufficient to enable outcomes to be fully realized	9	3	3	Undertake effective assessment, and build in capacity building	Iván González de Alba UNDP & Paul Marin UNCDF
Fiduciary risks					
Balance and allocation of JP resources through RGC and other partners	4	2	2	Ensure resources are matched need, through effective review	Iván González de Alba UNDP & Paul Marin UNCDF
Potential issues with external resource flow providers (e.g. on bonds, impact finance etc.)	6	2	3	Undertake effective due diligence.	Iván González de Alba UNDP & Paul Marin UNCDF