



Joint Programme 2021 Annual Progress Report

SDG Financing Portfolio - Component 1

Cover page

UNCT/MCO: Cambodia

Reporting Period: 1 January - 31 December 2021

JP title: Integrated National Financing Framework to Catalyze Blended Finance for Transformative CSDG Achievement

PUNOs: UNDP, UNICEF

Government partner: Ministry of Economy and Finance

Target SDGs: SDGs 17, 8, 10

Gender Marker: 2

Approved budget: USD 743,650

Co-funding: USD 215,000

Total Disbursement by 2021: USD 743,650

Total estimated expenditures: USD NA (est. Delivery rate: NA%)

Total estimated commitments (including expenditures): USD 378,751 (est. Committed rate: 50.9%)

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Executive Summary

First, extensive diagnostic research, dialogues and analysis have been undertaken to support the development of the financing strategy through the issue of the following key reports: (i) Second DFA; (ii) SDG Finance Synthesis (macro and budget data); (iii) Capital Markets Appetites for Cambodian Debt; (iv) Debt and Credit Rating Analysis on Unsolicited Rating Opinions; (v) Khmer Riel Bond Issuance; (vi) Stock Exchange Performance and Bottlenecks; (vii) Public Private Partnerships landscape and Legal Review. The Tax Inspectors Without Borders programme with General Department of Taxation and Second-hand Vehicle Imports study are in progress.

Second, in partnership with the Ministry of Economy and Finance (MEF), Frankfurt School of Management and Finance have been engaged to support the co-development of the financing strategy. A financing strategy road map has been developed and the shape and scope of the financing strategy has agreed with an initial skeleton document being discussed at the end of Q4. An internal working group has been established with MEF with inputs from the UNCT to drive the development of the finance strategy. In addition, discussions are advanced with the

World Economic Forum Sustainable Development Investment Partnership (SDIP) that is supporting Cambodia to develop a country finance map and MEF to synergize the work taking advantage of the SDIP positioning with the private sector. The Public Financial Management Reform Technical Working Group (PFM-TWG) of MEF, which the JP team was approved to join, will be leveraged towards building ownership and buy-in of the government.

Third, SDG budget tagging is being conducted with MEF with support from UNDP Mexico Office. This exercise aims to produce a methodological guidebook and provide training to government agencies to enable tracking of the national budget against the SDGs.

Annual Progress

Overall JP self-assessment of 2021 progress:

Satisfactory (majority of expected results achieved; 1 to 3 months delay in implementation)

Comments on self-assessment: A delay to JP start was incurred as the government counterparts were charged with undertaking midyear budget reallocations, generation of new policy directives and the establishment of new infrastructures to respond to and support the COVID-19 recovery efforts. As soon as the multi-stakeholder JP Steering Committee (JPSC) was formed and the JPSC kick off meeting was conducted, steady progress of the intervention has been made. Efforts have been placed on the sequenced development of the INFF but have also been complemented through demand driven ad-hoc synergized activities that were not pre-programmed but which have enriched the diagnostics. The core diagnostic exercises have been completed and results shared with all stakeholders. The outputs, in addition to providing an evidence base for the financing strategy, are helping to shape and contribute to emerging policy actions related to the introduction of debt financing instruments, PP modality blended finance and enhanced government revenue streams at national and local levels. As the JP cycle enters its final year the pathways to introduce a succinct financing strategy that opens up debt financing and blended financing through PPPs and improved revenue collection to bolster financial inflows are in place.

Overall progress and key developments to date (3 key JP milestones)

1. Governance: the JP from the outset with support from UNRCO have placed strong emphasis on the critical partnership with the Ministry of Economy and Finance (MEF). This partnership has been fully secured through the establishment of a formal high level JP Steering Committee (JPSC) that has met twice in 2021 approving programme work plans and budget. The JPSC has fostered the extension of cross ministry partnerships that have enabled JP to work effectively with institutions such as National Bank of Cambodia (NBC), Securities and Exchange Regulator of Cambodia, Ministry of Planning and Council for the Development of Cambodia. In addition, the inclusion of observers from the development partners and private sector has deepened the UNs engagement with IFIs and specific technical working groups, such as the Government-Development Partners Public Financial Management Reform Technical Working Group (PFM-TWG) of MEF. During the capital markets diagnostics, the JP have created new partnerships with the ADB ASEAN BONDS team in the exchange of data and advisory related to debt financing. The spill over of this JP to create new operational space within the debt financing and public sector finance spheres has provided real value added and is allowing for the finance strategy to take better shape and to obtain deeper buy-in from the development partners.

JP has been working closely with MEF to develop new financing options, Khmer Riel bond, whose first issuance will be in mid-2022. In partnership with NBC, UNDP's final draft report on feasibility study on Khmer Riel bond issuance was submitted to MEF in December 2021 while continuing support MEF to develop issuance plan and process. UNCDF is also going to provide advisory support and training to MEF's Public Debt Management general department on sovereign credit rating.

2. Extensive work has been completed for assessment and diagnostics to provide a solid evidence base for the development of the financing strategy. The diagnostics provided a focus towards understanding the current

financing landscape through: (i) the second DFA and a separate SDG finance synopsis report; (ii) an assessment of capital market appetites for Cambodia issued sovereign debt; (iii) technical research and support towards the policy framework on development of the government local currency securities; (iv) review and policy advisory of unsolicited sovereign credit opinions; (v) assessment of securities exchange performance as a critical link to create SDG finance through expansion of IPOs and revenue bonds; (vi) optimization of national revenue streams; and (vii) PPP mechanisms, legal review and associated blended finance architecture analysis.

In addition to the programmed diagnostics, the JP has supported MEF to fully develop their COVID-19 recovery strategy that was issued in December 2021. Inputs related to the taxation and impact of vehicle importation by classification type and emission standards, macroeconomic modelling of the social sector and surveys related to SMEs have contributed to this body of work.

3. The financing strategy is viewed as a core output of the JP and brings together the expertise of the UNDP and UNCDF in addition to the RCO and the UNCT to support the government in the formulation of a document that will provide pathways for sustainable debt financing. To support and simultaneously develop new capacities within Government and its financial institutions the JP through UNCDF have commissioned Frankfurt School of Management and Finance to support the generation of the finance strategy. FSMF bring a robust technical, academic and real world input to the development of the financing strategy engaging faculty the banking and finance, capital markets, micro and environmental economists, and business sector and project finance. This is complemented through the development and development finance expertise of the two PUNOs who are steering the exercise to ensure alignment to normative valu

Changes made to JP: Changes were made to the results framework, workplan and budget as a 6-month no cost extension was requested after the approval of the SC. Those changes are: • Adjustment of activity 1.2.1.3 (a) to focus on elaboration of Cambodia SDG Investor Map to frame and facilitate SDG aligned impact financing • Adjustment of activity A1.2.1.1 (b) to the INFF financing strategy formulation and activity A1.2.1.2 (b) to support emerging works related to sovereign credit ratings • Extending the duration of the INFF financing strategy to the end of Q3 2022 • Adjustment of activity 2.1.1 to concentrate on “Harmonization of M&E mechanisms between CSDGs and RS IV/ National Strategic Development Plan”, building on the findings from mid-term review of NSDP 2019-2023, CSDG budget tagging and ODA database. • Adjustment of activity 2.1.2 to “Support on reporting the Cambodia SDGs progress”. The programmatic revisions will not affect the scope of the JP outputs, but would rather consolidate results.

Main Challenges: First, the JP launch and establishment of SC were delayed due to COVID-19 community outbreaks. Consequently, it created a delay in approval of workplan and budget implementation plan by SC.

Second, because of emerging demands from the Government for policy advice and technical assistance to respond to the pandemic, the JP has adopted a discovery and demand-driven approach. The rapid support from the UN has helped to: (i) move forward the discussion and policy development for the introduction of debt instruments; (ii) enable budget optimization that has boosted health sector and social protection allocations; and (iii) provided policy advisory to help shape the government’s recovery strategy. This being achieved through the streamlining of decision making, flexible programming and rapid procurements initiated by the PUNOs.

Third, the team faced difficulties to recruit competent international/local consultants. To offset these challenges, the team mobilized internal expertise from other country offices.

Updates on SDG financing framework

Inception phase	Assessment Diagnostics	Financing Strategy	Monitoring Review	Governance Coordination
Completed (100%)	Advancing (50-99%)	Emerging (1-49%)	Emerging (1-49%)	Advancing (50-99%)

Descriptions on progress by INFF building blocks

Inception Phase: The JP was not designed to deliver a complete INFF but partly deliver on the INFF through the following: (i) the enhancement of the governance architecture and whole of government coordination to effectively finance development through and post-graduation introducing debt financing as a replacement for lowering ODA receipts; (ii) the development of a comprehensive set of diagnostics to support the introduction of debt financing; and (iii) the generation of a coherent financing strategy and the identification and development of its means of implementation. The results of the inception phase and the current year have resulted in: (i) the establishment of a cross ministry coordination architecture for development finance that also brings together the NBC, CSX and SECC; (ii) the generation of complete set of diagnostics that will support the government's policy shift towards debt financing; and (iii) the development of a road map to formulate the INFF financing strategy, synergizing with the WEF Sustainable Development Investment Partnership (SDIP) project.

Assessment & Diagnostics: The diagnostics have formed a large percentage of the activities that have been undertaken and completed by the JP. A core focus of the diagnostics has been placed upon gaining a complete understanding of actual and potential financial flows. Underpinning the diagnostics in terms of design and scope has been the emerging government policy shift towards debt financing. The JP, working with MEF and the government finance institutions, have completed the following diagnostic exercises.

Financial Flows and SDG Crude Flows: The second DFA and the Financing Flows Synopsis provide a solid environmental scan related to current and potential future flows towards the SDGs. **Capital Markets:** A debt stocktaking and capital markets appetite diagnostic has been completed highlighting the positive demand for Cambodia issued debt emanating from the financial markets of Thailand, Singapore, Hong Kong and Shanghai. **Securities Exchange:** A performance and bottleneck diagnostic was completed of the Securities Exchange as the CSX will have a pivotal role to play in terms of private sector finance flows that invest into the SDG either through government issued or corporate securities. **Credit Ratings:** Working in partnership with MEF the JP has critically analyzed unsolicited ratings and credit opinions issued by the international Credit Rating Agencies (CRA) and is supporting the government to organize with the CRA a review meeting. This critical diagnostic has allowed for the JP to estimate potential sovereign ratings for the issuance of local currency bonds. **Revenues:** work undertaken in partnerships with Tax Inspectors Without Borders Programme has provided options for optimizing national revenues. **Blended financing through PPPs:** a detailed diagnostic has been completed covering the current institutional and legal environments found for PPPs at national and sub national levels. The diagnostic highlighted new potentials for SDG contributing investments.

2 additional diagnostics are planned for diaspora and sub national revenues.

Financing Strategy: The financing strategy is considered by the UNJP, the government and JP stakeholders as being the flagship of the UNJP, aiming to increase the financing options for SDGs and development needs. The strategy was informed by extensive work on assessment and diagnostics of the JP, including the second DFA, a SDG finance synopsis report, an assessment of capital market appetites for Cambodia issued sovereign debt, the feasibility study on local currency securities, which provided the understanding of the current financing landscape.

Taking into consideration the strategic necessity the UNJP has deliberated with the MEF to engage with a team of experts to help develop and transfer the strategy to government ownership. The engagement of Frankfurt School of Management and Finance will support the government and the UNJP to access a depth of academic and industry knowledge through their faculty. A three-stage formulation cycle has been presented by FSM: (P1) desk review, data analysis and construction of skeleton strategy, (P2) consultation and development of the strategy to reach a draft 0, and (P3) broad consultation and refinement of draft 0 leading to final strategy document.

Importantly, the government through the JPSC has established a technical working group led by MEF which will facilitate cross ministry strategic dialogue, provide access to official data and co-develop the strategy with FSM.

Various technical meetings have been held between the formulation team with the following documents being developed; (i) roadmap for the development of the finance strategy and (ii) a skeleton outline document of the strategy and critical content features that include components from the FSM technical proposal and the matrices provided through the INFF finance strategy guidance. The recent government recovery strategy will need to be considered as a core policy document that the financing strategy will reference, providing a means of policy implementation.

An initial desk review of legal documents and current policies is being completed in addition to the matching of the findings of the diagnostic's to develop key elements of the financing strategy that include: (i) identification of current and potential financial flows and any associated bottlenecks (inward and sector focused investment), (ii) financing infrastructure capacities and needs, (iii) debt financing, (iv) critical private sector partnership architecture and systems, and (v) sector priorities and mapping to SDGs.

As a value-added and an indicator of the levels of high buy-in from the government, on-going discussions between the UNJP and the World Economic Forum (WEF) are evolving into a partnership that is being fostered through government demand. The WEF Sustainable Development Investment Partnership (SDIP) bring in expertise and a community representing institutional investors and the private sector.

The initial draft is projected to be available at the end of Q1 for internal review by the UNCT and government prior to the consultation and refinement phase.

Monitoring & Review: The potential collaboration with the Ministry of Planning have been explored on Monitoring and Evaluation of SDGs. The mid-term review of the National Strategic Development Plan (NSDP) 2019-2023, which was recently completed, informed the demand for harmonized Monitoring and Evaluation based on SDGs indicators which will also serve as the foundation for elaborating the upcoming Voluntary National Review in 2022/2023 (to be confirmed by the government).

In addition, in partnership with the Ministry of Economy and Finance, SDG budget tagging is being conducted to tag the government planned budget, develop a methodological guidebook on SDG budget tagging and provide training to relevant key ministries and government agencies. The SDG budget tracking will enable the government to link planning to budgeting for orienting and informing progress on the National agenda 2030, the CSDGs, NSDP, Nationally Determined Contributions and National Strategy for carbon neutrality.

Governance & Coordination: The JP Steering Committee was formulated in April 2021, co-chaired by Ms. Pauline Tamesis, UN Resident Coordinator and H.E. Ros Seilava, Secretary of State of Ministry of Economy and Finance (MEF). Ten members (MEF, National Bank of Cambodia, Ministry of Planning, Securities and Exchange Regulator of Cambodia, Credit Guarantee Corporation of Cambodia, Council for the Development of Cambodia) and four observers (Cambodia Women Entrepreneurs Association, Association of Banks in Cambodia, World Bank and Asian Development Bank) of JPSC represent key relevant government ministries and agencies, development partners and business associations that allowed JP to forge stronger partnership and sustain commitment from members and observers. The main functions of the JPSC are to provide strategic and policy guidance, approve technical and financial report, annual work programme and budget, review progress and provide recommendations for effective delivery of outcomes.

Since the co-chair of JPSC is JP main government partner (MEF), the discussion on transition of INFF beyond JP has been initiated in the mid-term meeting of JPSC in November 2021. The follow-up discussion on the process to institutionalize this and its oversight mechanism is planned in 2022.

Priority Cross-cutting Issues

How did the JP adapt to the COVID-19 context

The government launched the “Strategic Framework and Programs for Economic Recovery 2021-2023” in December 2021 to revive the economy back to its potential growth path and strengthen resilience for inclusive and sustainable socio-economic development. The JP diagnostic work have supported MEF to fully develop the COVID-19 economic recovery strategy and the INFF financing strategy was also aligned with this recovery strategy to enhance

ownership of the strategy. Particularly, the INFF is vital in supporting the strengthening of the government's fiscal space and expanding new sources of development financing which is also one of the priorities identified in the UN COVID-19 Socio-Economic Response Framework (SERF). The INFF (notably Output 1.2) enables the government to introduce new debt financing instruments such as Khmer Riel sovereign bonds as well as improving domestic revenue collection through the INFF's support on Tax Inspectors Without Borders Programme.

How did the JP apply the Gender Marker

The JP has mainstreamed gender aspects and empowerment within JP's diagnostics work and activities. First, the financial flows to SDG 5 highlighted in the CSDG Financing Synthesis Report formed a baseline to expedite stronger policy recommendations. Second, gender inclusive analysis will be included in the study on maximizing remittance flows, SDG budget tagging exercise and financing strategy development, where consultation with Cambodia Women Entrepreneurs Association (CWEA) and Ministry of Women's Affairs will be conducted. These activities and tools will play a crucial role in empowering women and promoting the social, economic and financial inclusion of all.

Finally, the JP team has ensured that women CSOs and women-led government and enterprises are represented and included in the conversation. In fact, the CWEA is an Observer to the JPSC. The emphasis would be on better understanding gender-based investment options in Cambodia.

Estimated % of overall disbursed funds spend on gender: 25%

Alignment with cross-cutting UN issues (e.g. human rights, decent work, inclusion, LNOB)

The JP has mainstreamed socio-economic rights and the principle of leaving no one behind within JP's diagnostics work and activities. For example, the diagnostic study on Maximising remittances flows has been shaped to contribute to reduce the cost of remittance transfer of migrant workers with low value remittances in which the transfer rate is far above the 3% global target and identify solutions to increase the usage of digital transfer service. Since the average cost of transfer in 2020 was about 12%, the reduction is expected to significantly benefit migrant households in the rural areas specifically female migrants who were found to remit more than male migrants.

Moreover, the SDG budget tagging exercise will help inform the Cambodia's government planned budget that will be spent and contributed to each SDG as well as build effective, accountable and inclusive institutions. The feasibility study on Khmer Riel bonds supports the government to expand the financing resources for COVID-19 recovery strategy for inclusiveness and resilience.

Finally, sub-national own source revenue streams for re-circulation into local economies for service delivery.

How did the JP work to build ownership and buy-in of key stakeholders

The JP team strategically engaged with the right government counterparts in JPSC, having the Ministry of Economy and Finance (MEF) to co-chair and other key counterparts to be members and observers of the JPSC. In addition, JP has built ownership and buy-in through a Memorandum of Understanding, establishment of technical working group, joining the government technical working group and collaborating in conducting study through LoA.

Additionally, the JP team set out the formulation process and sustainability strategy for the INFF financing strategy through the financing strategy road map which was developed in parallel to the government's own policy tool related to economic recovery that was approved in December 2021.

An innovative approach has been adopted by the JP to inbuild sustainability and continuation of the INFF work using a constituency-based formulation model: (1) government (2) investors (3) development actors, (4) CSOs and academia to set a detailed consultation and work programme to assure participation and ownership transfer.

Annual Reporting on Results

Results achieved in promoting the priority thematic SDG agendas

The JP contributed to SDG 17 (Partnerships to achieve the Goal), SDG 16 (Peace, justice and strong institutions), SDG 10 (Reduced inequality) and SDG 5 (Gender equality). • SDG 17: The Tax Inspectors Without Borders programme, Khmer Riel bond issuance, sovereign credit rating support, Maximizing remittance flows and Financing Strategy contribute to strengthen domestic revenue mobilization and expand financial sources, including improving domestic capacity for revenue collection, assisting country to attain long-term debt sustainability.

• SDG 16: The SDG budget tagging exercise will contribute to enhance policy coherence and build effective, accountable and inclusive institutions. Financing Strategy – expanding financing sources for development needs would contribute to sustain economic growth, strengthen the capacity of domestic financial institutions, promote financial inclusion, and promote economic diversification and innovation. • SDG 10 (Targets 10.5, 10.b, 10.c): The second Development Finance Assessment and CSDG Financing Synthesis Report analyse the compositions and trends of Cambodia’s financial inflows and synthesizes those flows to Cambodia SDGs expenditures applying current budget classification systems. As a result, they have boosted the capacity of Cambodia to manage the public finances and secure ongoing high levels of private capital flows, and illustrated the potential budget flows to CSDGs. Maximizing remittance flows through digital transfer would also help to reduce costs of migrant remittances with higher than 5%. • SDG 5: The financial flows to SDG 5 highlighted in the CSDG Financing Synthesis Report formed a baseline to expedite stronger policy recommendations. Second, gender inclusive analysis will be included in the study on maximizing remittance flows, SDG budget tagging exercise and financing strategy development, where consultation with Cambodia Women Entrepreneurs Association (CWEA) and Ministry of Women’s Affairs will be conducted.

JP contributions to the Joint SDG Fund’s global results (especially around Outcome 2 & Output 4)

In leveraging additional financing to accelerate SDG achievement, in 2021 the JP has contributed to leverage debt financing as well as strengthen domestic revenue mobilization. For instance, the JP has played a significant role in supporting the government to establish a new financing option and develop domestic capital market, which is the Khmer Riel bonds through the feasibility study on the issuance and advisory support on sovereign credit rating. Moreover, in partnership with the Tax Inspectors Without Borders Programme, JP is working with the General Department of Taxation on tax revenues optimization through transfer pricing to make sure large companies are paying their fair share of taxes and contributing to Cambodia’s development. This is generating additional revenues, very valuable for the government particularly in the context of COVID-19 recovery efforts.

Although the work on SDG financing strategy is still in its early phase, the road map has been developed and the shape and scope of the financing strategy has been agreed upon. The JP team has forged partnership framework to accelerate the progress and buy-in from the government. An internal working group has been established with MEF with inputs from the UNCT to drive the development of the finance strategy. In addition, discussions are advanced with the World Economic Forum Sustainable Development Investment Partnership (SDIP) that is supporting Cambodia to develop a country finance map and MEF to synergize the work taking advantage of the SDIP positioning with the private sector. The Public Financial Management Reform Technical Working Group (PFM-TWG) of MEF, which the JP team was approved to join, will be leveraged towards building ownership and buy-in of the government.

Progress against JP-specific outcomes

Outcome 1: Cambodia develops a best-practice financing framework driving effective and integrated financing for CSDGs from public, private and blended sources. • Completed two evidence-based assessment studies (Cambodia Development Finance Assessment 2 (DFA 2) and the CSDG Financing Synthesis Report) • Completed some technical and policy advisory activities (feasibility study on Khmer Riel bond issuance, four diagnostic reports on debt financing, a diagnostic report on Blended Financing through PPPs). • Kickstarted the activity on financing strategy in Q3 2021. 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. • SDG budget tagging is being conducted with MEF in collaboration with Mexico UNDP CO.

Progress against JP-specific outputs

Output 1.1: An evidence-based assessment is conducted to identify resource and institutional capacity gaps in financing CSDGs • The Cambodia Development Finance Assessment 2 (DFA 2) was launched and published. • The CSDG Financing Synthesis Report was published, completing a broad stocktake of various SDG financing and provide 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. • 4 deep dive studies part of the evidence-based studies on sources of finance were published: Cambodia Stock Exchange – Identifying Key Bottlenecks, Capital Market Diagnostics – Policy Advisory to Cambodia Securities Exchange, Capital Market Appetite 1 -Stocktake of Cambodia Debt Position, and Capital Market Appetite 2 - Debt Financing Development in Cambodia. • One new source of finance was taken up which is Khmer Riel bond. The feasibility study on Khmer Riel bond issuance was completed and submitted to Ministry of Economy and Finance (MEF). This contributed to the Policy Framework on Development of the Government Securities (PFDGS) 2022-2028 and the initial issuance of first Khmer Riel bonds in 2022. In addition, through government demand support to develop internal capacities to manage sovereign credit ratings is being provided. • A roadmap for the generation of the financing strategy and a stakeholder engagement strategy and timeline have been developed and presented at the Mid-term Steering Committee meeting Output 2.2: Review and recommend pathways to enable national policy target and CSDG-based analysis and reporting of the budget and resource flows. • SDG budget tagging is being conducted with MEF in collaboration with Mexico UNDP CO. This exercise aims to map the national budget against SDGs, produce methodological guidebook and provide training to relevant government agencies to tag the contribution of budget programmes and sub-programmes to SDGs.

JP contributions to strengthening UN coherence, partnerships and reducing duplications of efforts

JP had 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.

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.

The INFF is one of the key UN responses to support both the immediate needs of the country to address devastating socio-economic fallout of the COVID-19 pandemic and the long-term needs to accelerate progress towards the achievement of CSDGs. The UN in Cambodia rolled out the COVID-19 Socio-Economic Response Framework (SERF) in 2020, which has been converged with the UNDAF 2019-2023.

Due to the enormous impacts of the pandemic, the need to expand the government's fiscal space and mobile financial resources for development became more urgent. This is one of the priorities identified in the SERF. As such, the INFF is one of the key instruments for the UN to deliver this priority. It plays a vital role in supporting the government to generate critical diagnostics and evidence to inform policy and decision making. Plus, it assists the government to put in place essential policy instruments and develop a forward-looking SDG financing architecture.

Strategic Partnerships, Documents and Communications

How did the JP facilitate collaboration with diverse stakeholders in the SDG financing space

The UNJP has deployed traditional means (dialogues and the sector workgroup meetings) that bring together development partners and the government to foster the works in relation to the JP diagnostics and the financing strategy. The role of the diagnostics extended the traditional partnerships to incorporate what is considered as being the private sector. The diagnostic exercises have opened doors of strategic dialogue and partnerships with capital market participants, international ratings agencies and investors.

In addition, the UNJP has extend the reach of the UNDS to engage with the government and non-government (domestic and regional banks) institutions that are the construct of the financial architecture in Cambodia. As such partnerships have been developed and formalized with the National Bank of Cambodia, The Securities and Exchange Commission of Cambodia and the Cambodia Securities Exchange (CSX).

The engagement of consultancies through open procurement has provided a conduit to include academia, think-tanks and professional bodies in the process of supporting the development and introduction of INFF. Such engagements have been realized during the diagnostics phase and the formulation of the finance strategy through FSM. Professional bodies such as the international CRAs and TIWB have support specific diagnostics and review works. This has ensured that professional sector-based inputs and research has been undertaken to provide an accurate and solid evidence based from which to build a coherent and realistic financing strategy.

Did the JP secured additional financing (co-funding/co-financing) from the following stakeholders:

Government	Donors & IFIs	Private Sector	PUNOs	Other Partners
No	No	No	No	No

Comments on additional financing secured: The UNJP has deployed traditional means (dialogues and the sector workgroup meetings) that bring together development partners and the government to foster the works in relation to the JP diagnostics and the financing strategy. The role of the diagnostics extended the traditional partnerships to incorporate what is considered as being the private sector. The diagnostic exercises have opened doors of strategic dialogue and partnerships with capital market participants, international ratings agencies and investors.

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JP organized events in 2021

JP Launch Event	Annual Donor Event	Partners Event
Yes in 2021	Yes in 2021	Yes in 2021

Number of strategic documents produced by the JP: 7

Number of strategic documents contributed by the JP: 7

Number of communication materials produced: 7

2022 Plans & Way Forward

JP priority activities & expected results for 2022

Output 1.2: An integrated SDG finance strategy is developed, enabling Cambodia to meet its SDG commitments maximized: - A1.2.1.1 (b): Complete Deep Dive Study - Boosting Public Revenues - A1.2.1.2 (a): Continue support the Ministry of Economy and Finance on Khmer Riel Bonds Issuance Plan and Process to support its first issuance in mid-2022. - A1.2.1.3 (a): Complete and launch Cambodia's SDG Investor Map on Global SSDG Investor Platform: draft report and technical workshop to validate the report will be held in Q1 2022 and final report and policy briefs will be completed in Q2 2022. - A1.2.1.4 (a): Finalize the report on Maximizing remittances flows by improving cross border transfers within ASEAN. - A1.2.1.4 (b) Deep Dive Study – Remittances - A1.2.2. Financing Strategy:...

- 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: - Complete review and introduce Harmonization of M&E mechanisms between CSDGs and NSDP. Output 2.2. Review and recommend pathways to enable national policy target and CSDG-based analysis and reporting of the budget and resource flows. - Complete Mapping of the national budget against SDGs and Methodology and Training to tag the contribution of budget programmes and sub-programmes to SDGs.

3 major transformative results that will be achieved by the end of the JP

Debt Financing: The project through its diagnostics and strategy will usher in a new era of development financing that will utilize debt financing through the issue of government securities. The JP has already supported the government to promulgate the new Government Securities Law and is establishing new workstreams that will extend beyond the project in the context of sovereign and sub sovereign and management capacity for credit ratings. The government is intent on releasing its first bond in 2022 in local currency with an issue value of US\$300 m.

Investment Partnerships: Through partnership with the World Economic Forum, completed diagnostics related to the stock exchange and securities commission, and the DFA the need for new partnerships that include institutional investors and private sector investors (domestic and international) has been verified. The finance strategy and the SDIP product of the WEF that will be jointly developed and dovetail to provide a comprehensive solution that incorporates (existing government policy (vision) with the INFF finance strategy (what and how) and the WEF SDIP that provides for the implementation. This tripartite solution will lead to the establishment of a coherent investor platform in Cambodia.

Blended Finance: INFF diagnostics on blended finance (PPP) and the component 2 work of the UNDP – SDG budget tagging is supporting the government to link CSDG financing planning and costing estimates to the public sector budget and private sector (the latter through PPPs that include concession agreements and service contracts). Work in this sphere will continue with UNCDF providing direct support of PPP pipeline formulation whilst UNDP will continue its efforts in budget optimization. It is anticipated that the MEF will develop a new policy framework and guidance for blended finance which will link to the new PPP law as part of the INFF process.

Estimated rate of completion for each result as of 31 Dec 2021

Result.1	Result.2	Result.3
Advancing (50-99%)	Emerging (1-49%)	N/A