

Joint SDG Fund
Template for the Joint Programme
Evidence-based Final Narrative Report
SDG FINANCING PORTFOLIO – COMPONENT 1

Cover page

Date of Report: 2 / 6 / 2023

Programme title and Country
Country: Cambodia
Joint Programme (JP) title: Integrated National Financing Framework (INFF) to Catalyze Blended Finance for Transformative CSDG Achievement
MPTF Office Project Reference Number¹:

Programme Duration
Start date²: 01/06/2020
Original End date³: 31/05/2022 Actual End date ⁴ : 31/12/2022
Have agencies operationally closed the Programme in its system: Yes/No
Expected financial closure date ⁵ :

Participating Organizations / Partners
RC: Ms. Pauline Tamesis, pauline.tamesis@un.org (until June 2022), Mr. Joseph Scheuer, joseph.scheuer@un.org (started October 2022)
Government Focal Point: Ministry of Economy and Finance, Secretary of State, H.E. Ros Seilava, rseilava@yahoo.com
RCO Focal Point: RCO Cambodia: Mr. Chandarany Ouch, chandarany.ouch@un.org (New Focal Point) Lead PUNO: Mr. Ivan Gonzalez de Alba, UNDP, ivan.gonzalezdealba@undp.org

¹ The MPTF Office Project Reference Number is the same number as the one on the Notification message. It is also referred to as "Project ID" on the project's factsheet page on the [MPTF Office GATEWAY](#).

² The start date is the date inserted in the original ProDoc submitted and approved by the Joint SDG Fund.

³ As per approval of the original project document by the relevant decision-making body/Steering Committee.

⁴ If there has been an extension, then the revised, approved end date should be reflected here. If there has been no extension approved, then the current end date is the same as the original end date. The end date is the same as the operational closure date which is when all activities for which a Participating Organization is responsible under an approved MPTF / JP have been completed. As per the MOU, agencies are to notify the MPTF Office when a programme completes its operational activities. Please see [MPTF Office Closure Guidelines](#).

⁵ Financial Closure requires the return of unspent balances and submission of the [Certified Final Financial Statement and Report](#).

Other PUNO Focal Points: Paul Martin, UNCDF, paul.martin@uncdf.org

Programme Budget (US\$)

Total Budget (as per Programme Document, without co-funding): 743,650.00

Agency/Other Contributions/Co-funding (if applicable): 215,000.00

Joint SDG Fund Contribution⁶ and co-funding breakdown, by recipient organization:

Agency/others	Joint SDG Fund contribution	Co-funding	Total
UNDP	428,000	160,000	588,000
UNCDF	315,650	55,000	370,650
Total	743,650	215,000	958,650

External Consultant Details

Name: Gerardo Sanchis Muñoz

Email: sanchismunoz@gmail.com

⁶ Joint SDG Fund Contribution is the amount transferred to the Participating UN Organizations – see [MPTF Office GATEWAY](#).

Table of contents

ABBREVIATIONS	4
EXECUTIVE SUMMARY	5
CONTEXT	6
JOINT PROGRAMME RESULTS	7
1.1. Overall assessment	7
1.2. Key results achieved	7
1.3. Results achieved on INFF/SDG financing building blocks	8
1.4. Contribution to SDG acceleration	10
1.5. Contribution to SDG financing flows	11
1.6. Results achieved contributing to UN Development System reform at the country level ..	12
1.7. Results achieved on cross-cutting issues	12
1.8. Results achieved on COVID-19 recovery	12
1.9. Strategic Partnerships	12
1.9. Strategic Partnerships	12
1.10. Additional financing mobilized	13
2. RESULTS BY JP OUTCOME AND OUTPUT	13
2.1. Results achieved by Fund's global results	13
2.2. Results achieved by Joint Programme Outcome	14
2.3. Results achieved by Joint Programme Output	14
3. CHALLENGES AND CHANGES	15
3.1. Challenges faced by JP	15
3.2. Changes made to JP	15
4. SUSTAINABILITY AND COUNTRY OWNERSHIP	16
4.1. Sustainability and country ownership	16
5. COMMUNICATIONS	16
5.1. Communication products	16
5.2. Events	17
6. LESSONS AND BEST PRACTICES	17
6.1. Key lessons learned, best practices, and recommendations on SDG financing	17
6.2. Key lessons learned and best practices, and recommendations on Joint Programming ...	17
ANNEX 1: CONSOLIDATED RESULTS FRAMEWORK	18
1. JP contribution to global programmatic results (full programme duration)	18
2. Selected global operational effectiveness indicators (full programme duration)	18
3. Results as per JP Results Framework	19
ANNEX 2: LIST OF STRATEGIC DOCUMENTS	23
1. Strategic documents that were produced by the JP	23
2. Strategic documents to which the JP directly contributed to	24
ANNEX 3. COMMUNICATIONS MATERIALS	25
1. Human interest story	25
2. Communication products	26

Abbreviations

BSP: Budget Strategic Plan

CDC: Council for the Development of Cambodia

CGCC: Credit Guarantee Corporation of Cambodia

CoA: Chart of Accounts

CSDGs: Cambodian Sustainable Development Goals

CSX: Cambodia Securities Exchange

CWEA: Cambodia Women Entrepreneurs Association

DFA2: Development Finance Assessment

DP: Development Partners

FDI: Foreign Direct Investment

IFAD: International Fund for Agriculture

IFIs: International Finance Institutions

INFF: Integrated National Financing Frameworks

IOA: Investment Opportunity Area

IOM: International Organization for Migration

JP: Joint Programme

M&E: Monitoring and Evaluation

MEF: Ministry of Finance

MoP: Ministry of Planning

NBC: National Bank of Cambodia

NSDP: National Strategic Development Plan

ODA: Official Development Assistance

PUNO: Participating United Nations Organizations

PPP: Public-private partnership

RC: Resident Coordinators

RS-IV: Rectangular Strategy Phase IV

SC: Steering Committee

SDGs: Sustainable Development Goals

UNCDF: United Nations Capital Development Fund

UNCT: United Nations Country Team

UNDP: United Nations Development Programme

UN SERP: UN COVID-19 Socio-Economic Response Framework

Executive summary

The Joint Programme (JP) produced **research studies and evidence** on current and upcoming government policies, including expanding financing options and implementation of the government economic response plan to respond, recover, and build resilience from the pandemic. Diagnostics also facilitated the understanding of the current financing landscape through the DFA2, the Sustainable Development Goals (SDG) Finance Synopsis Report and the Assessment of Capital Market Appetites for Cambodia Issued Sovereign Debt.

Other research studies on SDG financing include: a diagnostic study on remittance flows from Thailand to Cambodia focusing on constraints and recommendations for promoting digital remittances; a study on assessing potential impacts of fiscal measures and regulations of second-hand vehicle import considers the economic effects of modifying import barriers in terms of tax collection; a feasibility study on Khmer Riel Bond that analyses the economic situation in Cambodia and its relevance for issuing a local currency sovereign bond; work undertaken in partnership with Tax Inspectors Without Borders Programme that has provided options for optimizing national revenues; Blended Financing through PPPs: a detailed diagnostic covering the current institutional and legal environments found for PPPs at national and sub national levels highlighting new potentials for SDG contributing investments; and Sub-national Government Revenues Study: this diagnostic study undertaken in partnership with the General Department of Local Government (MEF) examines fiscal space and non-tax revenues at local government levels.

The **INFF Finance Strategy** in partnership with the Ministry of Economy and Finance (MEF), the Frankfurt School of Management and Finance was engaged to support the development of the financing strategy. A Financing Strategy Road Map was developed and the final report is in draft version by the end of 2022.

SDG budget tagging was conducted by the MEF with support from UNDP Mexico Office. This exercise produced a methodological guidebook and provided training to government entities on tracking of the national budget against the SDGs. 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. In addition, there is also an initiative of SDG FDI tagging with the CDC, aiming to introduce tagging methodology for tagging the FDI inflow to Cambodia.

The **SDG Investors Map** is a tool that generates country-level data and insights to inform private investors (finance institutions, corporations, foundations, etc.) on economically viable investment opportunities in Cambodia. It builds on business models that also advance sustainable development and accelerate the achievement of the Cambodia SDGs.

The INFF was 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 UNCDF are implementing this project in partnership with the MEF, in order to develop new financial flows explicitly for CSDG attainment. 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 was updated to reflect the new risk due to the evolving COVID-19 situation.

During the JP execution, some challenges were encountered. Notably delays were faced due to COVID-19 and new requests by MEF. The establishment of the JP Steering Committee (JP SC) and the launch of the JP were delayed, mainly due to MEF staff transition. While the project started in August 2020 when the RGC was in the process of containing the COVID-19 pandemic, UNDP and UNCDF supported the RGC with research and policy analysis on economic and social impacts of COVID-19” and **“Investment Requirements for Recover”**.

Context⁷

The Joint Programme (JP) titled *Integrating National Financing Framework (INFF)⁸ to Catalyze Blended Finance for Transformative CSDG in Cambodia* set out an ambitious agenda for building 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.
- iii. data for performance-based budgeting (PBB) and CSDG resource tracking.

Specifically, the JP would assist the government to:

- Align regulations and practices in critical financing areas as defined by the DFA
- Provide the government with a competence to work with the new ASEAN asset classes in relation to bonds
- Support the development of the sub-decree on government securities to implement the Law on Government Securities (2007).

Cambodia is embarked on an ambitious growth strategy, targeting graduation from LDC status by 2027, seeking upper middle-income status by 2030 and high-income status by 2050. This aspiration is built on robust annual economic growth (of approximately 7% headline and 5.5 % per capita) rooted in trade and capital account openness (and in turn high levels of exports and FDI). A lack of systems, data, and analytical tools, crucial to decision-making, are critical gaps for accelerating CSDGs delivery in Cambodia. No discernible INFF existed, and progress towards building the associated systems was limited. Nevertheless, RGC made commitments to link this to the budget framework via the inclusion of CSDG indicators within Budget Strategic Plans (BSPs).

Against this backdrop, the practical way forward, as offered by the JP, was to build capacities and strengthen systems to inform CSDG investment decision making by providing a formative INFF. This would include working on the evidence base on capital flows; offering practical guidance on the key capital flows to be expanded; developing new pathways for management of flows; and working to link CSDG data to performance-based budgeting (via BSPs) and enabling the tracking of budgets and expenditures to SDG and policy objectives via enhancements to the financial information management system.

⁷ Extracted from Project Document.

⁸ An integrated national financing framework (INFF) helps countries strengthen planning processes and overcome existing impediments to financing sustainable development and the Sustainable Development Goals (SDGs) at the country level. It lays out the full range of financing sources – domestic and international sources of both public and private finance – and allows countries to develop a strategy to increase investment, manage risks and achieve sustainable development priorities, as identified in a country's national sustainable development strategy (INFF Knowledge Platform, n.d.).

Joint Programme Results

1.1. Overall assessment

- Above expectations (fully achieved expected JP results and made additional progress)
- In line with expectations (achieved expected JP results)
- X Satisfactory (majority of expected JP results achieved, but with some limitations/adjustments)
- Not-satisfactory (majority of expected JP results not achieved due to unforeseen risks/challenges)

The project requested a no-cost extension of 6 months to complete its activities. Delays in execution were mainly due to the COVID-19 pandemic. The core diagnostic exercises were completed and results shared with all stakeholders. The project outputs provide an evidence base for the financing strategy and emerging policy actions related to debt financing instruments. The INFF Financing Strategy, main output of the JP, is in draft version and is yet to be transmitted to the RGC.

1.2. Key results achieved

- i. The JP strengthened a crucial partnership with the MEF. that the Steering committee met twice in 2021 and approved work plans and budget. The SC fostered cross ministry coordination that enabled the implementation of the in institutions such as NBC, SERC, MoP, and CDC. In addition, the inclusion of observers from the Development Partners (DP) and private sector deepened the engagement with IFIs and 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 created new partnerships with the ADB ASEAN BONDS team in the exchange of data and advisory related to debt financing. Furthermore, in partnership with NBC, the JP executed a feasibility study on Khmer Riel bond issuance, while UNDP continued supporting MEF to develop issuance plan and process. UNCDF provided advisory support and training to MEF's Public Debt Management general department on sovereign credit rating.

By continuing to work along these lines, Cambodia will be in a better position to plan for investment and development towards the 2030 Agenda. Mechanisms for monitoring and evaluating budget execution against national and CSDG targets were strengthened, and work on M&E harmonization is in progress.

- ii. The JP produced relevant studies and timely evidence for informing current and upcoming government policies, including expanding financing options and implementation of government economic response plan to respond, recover, and build resilience to the pandemic. The diagnostics facilitated the understanding of the current financing landscape through the DFA2, the SDG finance synopsis report and the assessment of capital market appetites for Cambodia issued sovereign debt.

In addition, the JP supported MEF to develop the national COVID-19 recovery strategy that was issued in December 2021. Inputs related to 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.

- iii. The financing strategy represents a core output of the JP and for providing pathways for sustainable debt financing. The JP commissioned the Frankfurt School of Management and Finance for this purpose. This was complemented by alignment to normative values.

1.3. Results achieved on INFF/SDG financing building blocks

Implementation stages	Planned (0%)	Emerging (1-49% progress)	Advancing (50-99% progress)	Complete (100% progress)	Previously completed	Not applicable
1. Inception phase	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>
2. Assessment & diagnostics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>
3. Financing strategy	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Monitoring & review	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Governance & coordination	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Inception phase: The inception phase resulted in cross ministry coordination on development finance; the generation of a complete set of diagnostics that cover various spheres of financing that range from government revenues to capital markets, i.e., own source revenue based financial flows and debt finance capital flows; and the development of a roadmap to formulate the INFF financing strategy, in synergy with the OECD/WEF Sustainable Development Investment Partnership (SDIP) project. The roadmap provides a six-step process⁹ that involves various stakeholders, and is driven by the government. The process includes three RGC decision events, that are to be considered as KPIs providing critical milestones.

Assessment & diagnostics: The DFA2 for Cambodia analyses the compositions and trends of Cambodia’s financial inflows, covering public, private, international, and national sources available (including remittances) to support development investment in the country. It also estimates the likely reductions in these flows resulting from the COVID-19 crisis and emphasizes the importance of a set of financing policy innovations (including some of the green financing mechanisms) to boost the capacity of the state to manage the public finances and secure ongoing high levels of private capital flows. The SDG Finance Synthesis Report as complement to the DFA2 elaborates on additional macro-economic and budget data to synthesize flows to SDGs expenditures applying current budget classification systems. The crude calculations illustrated the potential budget flows to SDGs.

The SDG Investors Map is a tool that generates country-level data and insights to inform private investors (finance institutions, corporations, foundations, etc.) on economically viable investment opportunities and business models that also advance sustainable development and accelerate the achievement of the Cambodia SDGs. The Map identifies six sectors, 11 sub-sectors, and particularly 15 IOAs that have the potential to contribute significantly to filling the financing gap by mobilizing private capital for achieving the CSDGs. Cambodia SDG Investor Map strengthen the INFF process through providing insights and data on priority sectors, subsectors, and regions where SDG need, policy priorities and financial opportunity intersect; and strongly contribute to the development of financing strategy under this JP via data on proven private-sector business models that can fill SDG gaps, investment opportunity areas and data on enablers and barriers to private sector investment towards the SDGs.

Other research studies on SDG financing include: a diagnostic study on remittance flows from Thailand to

⁹ Step 1 - Policy brief that describes the INFF finance strategy and its alignment with the government development architecture. Key decision 1 – MEF to endorse the policy brief. Step 2 – Scope: Opening chapter of the Financing Strategy that clearly describes the the CSDG environment, key government policies and the COVID impact and recovery responses from government. This scene setting will provide the grounding for the strategic thrusts that will be developed through the formulation process. Key decision 2 - MEF and JP SC to approve the structure and key contents of the opening chapter. Step 3 - Formulation: develop the financing strategy based on the “approved” contents table and chapter 1 (Key Decision 2). Step 4 – Draft 0 Finance Strategy: The Draft 0 will provide a distinct decision marker in that the document is transferred from the UNCDF output to the next stage of the process which is the review and QA mechanism. MEF and JP SC to approve the draft as a final INFF financing strategy. Step 5 – Review Process: the review process will function as a public hearing / presentation of the INFF financing strategy. Step 6 – Transfer: the final step will be the transfer of the INFF financing strategy to full government ownership.

Cambodia focusing on constraints and recommendations for promoting digital remittances; a study on assessing potential impacts of fiscal measures and regulations of second-hand vehicle imports considers the economic effects of modifying import barriers in terms of tax collection; a feasibility study on Khmer Riel Bond that analyses the economic situation in Cambodia and its relevance for issuing a local currency sovereign bond; work undertaken in partnership with Tax Inspectors Without Borders Programme that has provided options for optimizing national revenues; Blended financing through PPPs: a detailed diagnostic covering the current institutional and legal environments found for PPPs at national and sub national levels highlighting new potentials for SDG contributing investments; and Sub-national Government Revenues Study: this diagnostic study undertaken in partnership with the General Department of Local Government (MEF) examines fiscal space and non-tax revenues at local government levels.

Financing Strategy: Frankfurt School of Finance and Management (FSFM) was contracted by UNCDF to provide in-depth research and analytical support for the development of the INFF Finance Strategy. 29 quantitative studies and documents from government entities, academic studies, international partners, and others have been considered to assess financing needs for Cambodia to achieve the SDGs by 2030. An underlying financial gap analysis provides a clear picture of national financing needs and available financing sources and represents a major part of the INFF financing strategy. It is complemented by financing objectives and policy options to close the assessed funding gaps.

Monitoring & Review: The mid-term review of the NSDP 2019-2023, which was recently completed by MoP, identified M&E challenges in several sectoral entities. This often led not only to the duplication of efforts but it also overstretched the limited national resources. It was also observed that to realize the CSDGs commitments, a greater effort is needed by all stakeholders to enhance their M&E mechanisms using SDGs indicators.

UNDP initiated a study on the development and harmonization of M&E mechanisms, inter-linking SDGs and enhancing working relations between national and sub-national governments, development partners, NGOs, and CSOs for tracking progress, performance and budget utilization. The harmonization mechanism aims to consolidate a well-coordinated system that will facilitate and inform data users and set up a dashboard for decision making on policy options and strategies.

This is also the foundation for elaborating the upcoming Voluntary National Review to be submitted in June 2023 to the High-Level Political Forum. The Voluntary National Review (VNR) is part of the follow-up and review mechanisms of the 2030 Agenda for Sustainable Development. The review is a process where countries take stock of and assess progress and shortcomings in the implementation of their goals and targets. Cambodia's first Voluntary National Review, led by the MOP, was submitted in 2019. The 2019 VNR indicated that the country was on track or has achieved most of the SDG targets and reported efforts to adapt and deliver the CSDGs through the establishment of institutions and mechanisms; their integration within the NSDP 2019-2023 and public budgeting; and SDG advocacy and citizen engagement. In addition, the VNR also reviewed the progress of CSDGs implementation. This information will be updated in the 2023 VNR which will also consider the impacts of the pandemic on the achievement of the CSDGs.

Governance & Coordination: The JP SC is co-chaired by the UN Resident Coordinator and the Secretary of State of Ministry of Economy and Finance (MEF). It has six members (MEF, NBC, MoP, Credit Guarantee Corporation of Cambodia, Securities and Exchange Commission of Cambodia and CDC) and four observers (Cambodia Women Entrepreneurs Association, Association of Banks in Cambodia, World Bank and Asian Development Bank). The main functions of the JP SC include providing strategic and policy guidance, approving technical and financial reports, annual work programmes and budgets, reviewing progress and providing recommendations for effective delivery of outcomes. Since the co-chair of JP SC is JP's main government partner (MEF), the discussion on the sustainability of the JP outputs, namely the INFF was initiated in November 2021. A follow-up discussion on the institutionalization process and its oversight mechanism was held during 2022.

Finally, another output related to the Governance & Coordination stage is the SDG Budget Tagging exercise, which allows the government to track line ministries' investments towards the achievement of the Cambodia SDGs and to analyse trends and identify possible adjustments to public resources allocation for achieving national priorities. The SDG budget tagging methodology was developed with technical support from UNDP Mexico Country Office. UNDP and the Budget Formulation Department of the General Department of Budget developed the methodology handbook and relevant computational tools for SDG budget tagging. The tool

enables the government to track and report budget allocation and expenditure by SDG goals. The pilot tagging exercise was conducted in the second half of June 2022 and engaged three-line ministries including the Ministry of Environment, the Ministry of Social Affairs Veterans and Youth Rehabilitation, and the Ministry of Public Works and Transportation. SDGs tagging of the national budget was later applied in 29 government entities. The methodology is pending government endorsement to become regular practice.

The SDG budget tracking will enable the government to link planning and budgeting for orienting and informing progress on the National agenda 2030, the CSDGs, NSDP, Nationally Determined Contributions and National Strategy for carbon neutrality. This would be a first step in results-based budgeting. In addition, there is also an initiative of SDG FDI tagging with the CDC, aiming to introduce tagging methodology for tagging the FDI inflow to Cambodia.

1.4. Contribution to SDG acceleration

As stated in the Project Document, by unlocking public and private finance, the JP is expected to contribute to the achievement of the SDGs. It would provide both strategic direction and deliver new sources of finance. The systems and data component would enhance informed decision-making on SDG-related investments as well as improve cost effectiveness in SDG implementation.

The SDGs were localized and adapted to the Cambodian context in the Cambodia SDGs (CSDGs). It is worth noting that the CSDGs do not reflect all the goals and targets of the global SDGs. Cambodia also added an additional goal (SDG18) on demining. The CSDGs have a smaller set of (88) targets. The JP will specifically contribute to SDGs 17, 8, and 10.

SDGs indicators	Baseline	Expected target	Actual results achieved/to be achieved in the near future	Reasons for deviation from targets if any
<i>17.1. Strengthen domestic resource mobilization, including through international support to developing countries to improve domestic capacity for tax and other revenue collection.</i>	Not available	Not available	<p>The OECD/ UNDP Tax Inspectors Without Borders programme is supporting th RGV to address on domestic tax base erosion and profit shifting (BEPS) due to multinational enterprises exploiting gaps and mismatches between different countries' tax systems. Similar to other developing countries, Cambodia's higher reliance on corporate income tax means it suffers from BEPS disproportionately.</p> <p>The study on the potential impacts of fiscal measures and regulations of second-hand vehicle import considered the economic effects of modifying import barriers in terms of tax collection</p>	
<i>17.3. Mobilize additional financial resources for developing countries from multiple sources.</i>	5.74 (2018)	17.3.1 Official development assistance as % GDP (unit: % of GDP)	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.	
<i>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.</i>	8.54% (2018)	8.1.1 Annual growth rate of real GDP per capita (unit: %)	Khmer Riel bonds is a financing option with the goal of augmenting domestic resources.	
<i>10.5 Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations.</i>	Not available	Not available	The DFA2 and CSDG Financing Synthesis Report analyze 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.	
<i>10.c. By 2030, reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent.</i>	Not available	Not available	Maximizing remittance flows through digital transfer would also help to reduce costs of migrant remittances with higher than 5%.	

1.5. Contribution to SDG financing flows

The feasibility study on the issuance of Khmer riel bond was adopted in 2021 by MEF and NBC. Additional support was provided in in 2022 to MEF to issue KHR sovereign bonds equivalent to \$18 million USD¹⁰. The issuance of a Khmer riel bond was below expectations and can be seen as a test to develop the needed structures for sovereign bonds. In partnership with the Tax Inspectors Without Borders Programme, the JP worked with the General Department of Taxation on tax revenues optimization through transfer pricing to ensure large companies are paying their fair share of taxes and contributing to Cambodia's development.

Investment Partnerships: Through partnership with the World Economic Forum, diagnostics related to the stock exchange and securities commission, and the DFA for new partnerships that include institutional investors and private sector investors (domestic and international) were completed.

Blended Finance: INFF diagnostics on blended finance (PPP) and the component 2 work of the UNDP SDG budget tagging supported 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 continued with UNCDF providing direct support for PPP pipeline formulation whilst UNDP put its efforts in budget optimization.

¹⁰ <https://www.phnompenhpost.com/business/300m-maiden-sover-eign-bond-issue-set-begin-sept-7-nbc>

[1.6. Results achieved contributing to UN Development System reform at the country level](#)

The JP interventions were aligned to the UN Socioeconomic Response Plan (SERP) and as such contributed to the National Recovery plan.

The INFF was complemented by an UN Multi-Partner Trust Fund financed COVID-19 response intervention. The JP **“Unlocking Cambodian Women’s Potential through Fiscal Space Creation”** supported the RGC in establishing a credit guarantee. UNDP and UNCDF implemented this project in partnership with the MEF to develop new financial flows explicitly for CSDG attainment.

[1.7. Results achieved on cross-cutting issues](#)

The JP mainstreamed gender aspects in diagnostics work and activities. For example, exploring the potential for blending finance to drive women's empowerment and analyzing remittances through a gender lens.

The financial flows to SDG 5 highlighted in SDG budget tagging exercise, was completed with the participation of the consultation with the Cambodia Women Entrepreneurs Association and the Ministry of Women’s Affairs. It is expected to play a crucial role in empowering women and promoting the social, economic, and financial inclusion. The JP team ensured that women leaders and women-led enterprises are represented. The JP budget allocation was revised to ensure that 25% of the total budget is allocated to gender equality and women empowerment.

Socio-economic rights and the principle of leaving no one behind were incorporated in, the JP diagnostic work and activities. For example, the diagnostic study on maximizing remittances flows contributed to reducing the cost of remittance transfer, benefitting the poor. Moreover, the SDG budget tagging exercise helped to inform the national budget.

[1.8. Results achieved on COVID-19 recovery](#)

The JP helped the RGC in mitigating the pandemic socio-economic impact. It supported MEF to develop the COVID-19 economic recovery strategy.

[1.9. Strategic Partnerships](#)

- UNDP and UNCDF have been included in the Government-Development Partners Public Financial Management Reform Technical Working Group (PFM-TWG) of the Ministry of Economy and Finance.
- Cambodia participated in the Global Sovereign Borrowers Conference, a side event to the 2021 UN General Assembly, organized by UNCDF. The conference brought ministries of finance, ratings agencies, and financiers around the table for a discussion focused on increasing financial flows for development to LDCs. The event offered a sounding board for all participants to identify bottlenecks and for LDC governments to share and shape south-south experiences for leverage.

[1.9. Strategic Partnerships](#)

- The rapid support from the UN to the RGC and MEF in the COVID-19 outbreak 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 have been the mainstay of the Royal Government of Cambodia’s approach.
- UNDP and UNCDF have been included in the Government-Development Partners Public Financial Management Reform Technical Working Group (PFM-TWG) of the Ministry of Economy and Finance. UNDP Mexico Office agreed to support on SDG budget tagging in Cambodia as Mexico has been identified as one of the best country practices for SDG budget tagging. This work and financing strategy are expected to contribute to Public Finance Management reform in Cambodia.

- Cambodia participated in the Global Sovereign Borrowers Conference, a side event to the 2021 UN General Assembly, organized by UNCDF. The conference brought ministries of finance, ratings agencies, and financiers around the table for a discussion focused on increasing financial flows for development to LDCs. The event offered a sounding board for all participants to identify bottlenecks and for LDC governments to share and shape south-south experiences for leverage. Further dialogues between UNCDF led by the UNCDF Executive Secretary and the Cambodian Secretary of State (Public Debt Management) were held with UNCDF and the government agreeing to a program of professional advisory to create capacity with government to work with the ratings agencies.
- The opportunity to build partnership with the World Economic Forum (WEF), who is working on the country financing roadmap, especially on bringing private sector collaboration has been explored under the coordination of the RC office. Exchanges of information have been made and JP team is going to engage WEF in the development process of financing strategy.
- Capacity building for key stakeholders on SDG financing: two staff of the government partner (MEF) and core staff of the JP and RC office joined the training workshop on “Integrated National Financing Framework and Budgeting for the 2030 Agenda: Financing Sustainable and Inclusive Recovery”, delivered over 3 half-days from 29-31 March 2021.

1.10. Additional financing mobilized

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

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 JP “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 UNCDF are implementing this project in partnership with the MEF which explicitly develops new financial flows for CSDG attainment.

2. Results by JP Outcome and Output

2.1. Results achieved by Fund’s global results

The JP played a significant role in supporting the government in identifying its financing options and test new tools to develop domestic capital market by supporting the feasibility study on the issuance of Khmer bond and advisory support on sovereign credit rating. Moreover, in partnership with the Tax Inspectors Without Borders Programme, JP has worked 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.

Although the work on SDG financing strategy is still not transferred to RGC, the road map was developed. The JP team developed a partnership framework to accelerate progress and buy-in by the government. An internal working group was established with MEF and benefiting from inputs from the UNCT.

2.2. Results achieved by Joint Programme Outcome

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 (DFA 2) and the CSDG Financing Synthesis Report.
- Completed 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, tax and economic effects of the ban on imports of second-hand vehicles).
- INFF Financing Strategy roadmap and draft report.
- Cambodia Investor Map.

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.
- Kickstart FDI Budget Tagging.
- Harmonization of M&E mechanisms between CSDGs and NSDP in progress.

2.3. Results achieved by Joint Programme Output

Each of the outcomes had two outputs. For the first output of the first outcome, an evidence-based assessment was conducted to identify resource and institutional capacity gaps in SDG financing. In turn this output was measured with two indicators, the first had to do with the endorsement and institutionalization of DFA2 and the second with the synthesis report complementary to DFA2. The second output is the development of an integrated SDG financing strategy that enables Cambodia to meet its SDG commitments and maximize new and existing financing flows.

The second output is the development of an integrated SDG financing strategy that enables Cambodia to meet its SDG commitments and maximize new and existing funding streams. This output consists of three indicators. The first, the number of evidence-based studies on sources of finance published with the MEF: four studies related to capital market diagnostics in Cambodia were published. The second indicator is that at least 1 new streaming flow is taken up (KHR bonds; remittance flows and impact financing). For which specific studies were conducted on KHR bonds, on maximizing remittances flows by improving cross border transfers within ASEAN, and on the tax and economic effects of the ban on imports of second-hand vehicles.

The last indicator of output 1.2 relates to the publication of the INNF Financial Strategy. This target had to be modified from the original timeline due to delays on the validation process due to the lower availability of national counterparts during the national budget construction process so that the strategy could not be published in 2021 as originally expected. In 2022, FSFM has been contracted by UNCDF to provide in-depth research and analytical support for the development of the INFF Finance Strategy, whose oversight lies within the MEF. The INFF strategy has been handed to MEF during 2022.

Outcome 2 states that mechanisms for M&E budget execution against national (SR, NSDP) and CSDG objectives are strengthened; and systems are proposed to track resource allocation and mobilization against CSDGs and RGC policy objectives to better inform budget, investment, and financing decisions. The indicator for outcome 2.1. is the operation of an established mechanism for performance review in line with SDG commitments within the SDG framework, formal M&E linkages have been established between the BSPs, SR-IV and the SDGs within the PFM process. The activities planned under this outcome were refocused at the mid-term meeting of the SC so that the target for 2022 would be the harmonization of M&E mechanisms between the CSDGs and the NSDP, based on the results of the mid-term review of the NSPD 2019-2023, the CSDGs budget tagging and the ODA database.

Finally, outcome 2.2 proposes to review and recommend ways to enable analysis and reporting on budget and resource flows against national policy objectives and/or SDGs. The first indicator was the joint publication with MEF of full proposals to reshape the CoA. This target was realigned based on consultations with key government partners, conducting an initial mapping of the national budget against the SDGs. The second performance

indicator was the publication of the ODA ODS/RS IV coding which, based on consultations with key government partners, which recommended testing a methodology for labelling the contribution of budget programs and sub-programs to the SDGs.

3. Challenges and Changes

3.1. Challenges faced by JP

- The JP encountered some delays since it started in August 2020 due to COVID-19 community outbreaks.
- Late establishment of the SC created a delay in approval of workplan and budget implementation plan.
- Members of the JP adopted a demand-driven approach by supporting the Government with research and policy analysis to respond to the pandemic.
- Recruitment of competent international/local consultants went through different options of procurements (competitive process, roster, and UNDP internal experts) to find ideal candidates.

Mitigation actions:

- Secured experts from Mexico UNDP Country Office on SDG budget tagging and international and national experts on bond and remittance studies.
- No-Cost Extension: the JP requested for a no-cost extension for 6 months to Joint SDG Fund to end the project in December 2022 to ensure the accomplishment of the remaining activities.

The INFF Financing Strategy Roadmap envisaged that the INFF financing strategy would be available in draft form by the end of November 2021, so that the strategy could be transferred to government ownership by January 2022. The remaining six months of the project would additionally support any updating of the document as information from further diagnostics and data related to the governments recovery strategy and economic performance emerge at the end of the fiscal year. In addition, the strategy would ideally be translated into a funding instrument by the government with UN support thereby installing sustainability into the INFF. Although these deadlines could not be met, procurement was completed, and contracts were handed over to the FSFM to facilitate the formulation of the Financing Strategy. The Funding Strategy has been delivered to the MEF as a complete document and has undergone several revisions since the submission of its initial draft.

3.2. Changes made to JP

- Adjustment of **activity 1.2.1.3** on enabling the establishment of Cambodia impact fund to specifically focus on the “Cambodia SDG Investor Map” given the direct benefits and linkages to INFF process.

For Cambodia, the SDG Investor Map development would follow the DFA assessment that was launched in July 2021, after earlier feasibility studies on impact investment, other key policy documents, and extensive consultations with stakeholders. This would allow the SDG Investor Map development team to leverage insights from previous exercises and relevant stakeholders to guide the identification of investment opportunity areas that are best suited to respond to CSDG targets and the financing framework best suited to the country context.

- Adjust **activity 2.1.1** on identifying CSDG and RS IV indicators and sources for the development of output and outcome measures within ministry and agency BSPs, plugging gaps where necessary to concentrate on “Harmonization of M&E mechanisms between CSDGs and RS IV/ NSDP”, building on the findings from mid-term review of NSDP 2019-2023, CSDG budget tagging and ODA database.
- Adjust **activity 2.1.2** on mechanisms for regular M&E of BSP output and outcome performance to “Support on reporting the Cambodia SDGs progress”.

4. Sustainability and Country Ownership

4.1. Sustainability and country ownership

The diagnostics opened doors for strategic dialogue and partnerships with capital market participants, international ratings agencies, and investors.

In addition, the JP extended reach to engage with government and non-government (domestic and regional banks) institutions that constitute the foundations of the financial architecture in Cambodia. As such partnerships have been developed and formalized with the NBC, Securities and Exchange Commission of Cambodia, and Cambodia Securities Exchange (CSX).

The inclusion of academia, think-tanks and professional bodies in the process of supporting the development and introduction of INFF is likely to consolidate ownership and sustainability. This has ensured incorporation of professional sector inputs and research coherent and realistic outputs.

In turn, other spin-off projects have been established that contribute to the continuity of the JP. An example of this is the Memorandum of Understanding¹¹ (MOU) signed in August of 2022 between the MEF and UNCDF, which extends the agreement signed in 2019. The MOU is aimed to enhance and expand the scope of cooperation between the two sides in the past, focusing on support for innovative financing, support for capacity development, support for the dissemination of the Public-Private Partnership Law and related legal documents, support for the development of the PPP project, and support for the establishment of a financial support mechanism for PPP projects.

At the same time, a MOU¹² was signed between UNCDF, CSX and SERC on "Technical Assistance to Promote the Development of the Securities Sector in Cambodia". Under this agreement, the UNCDF will support the SERC and the CSX in the implementation of institutional capacity development and human capacity development" and "the development and regulation of new transboundary products, facilitate south-south exchange and peer learning between the SERC and the CSX and similar regulatory institutions in ASEAN+3. The UNCDF will also lend support to the SERC and CSX for the further development, adoption, and implementation of related frameworks and laws pertaining to sovereign and non-sovereign securities.

5. Communications

5.1. Communication products

Activities including press releases, events and knowledge sharing were also included in the JP strategic communications. In addition to the products listed in Annex 3.2, the following project communication actions were carried out:

- A video series to increase awareness of and advocacy for innovative financing solutions in Cambodia.
- Blog articles published to increase visibility of INFF JP 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 was cross posted with the Joint SDG Fund's channels and UN Cambodia's channels.

The Fund requires all JPs to allocated at least 5% of the total budget to communication and visibility activities. In this case, for 2021 US\$3,000 were allocated.

¹¹ <https://ppp.mef.gov.kh/news-events/signing-ceremony-with-mou/signing-ceremony-of-mou-between-mef-and-uncdf>

¹² <https://opendevelopmentcambodia.net/announcements/mou-signing-ceremony-on-technical-assistance-for-promoting-the-development-of-the-securities-sector-in-cambodia/>

5.2. Events

Type of event	Yes	No	Number of events	Brief description and any highlights
JP launch event (mandatory)	X	<input type="checkbox"/>	1	In person event. April 2021. 1 st SC Meeting and Programme Launch. Participants from UNDP, UNCDF, MEF, NBC, SECC, CDC, CGCC, WB, IOM IFAD, Association of Banks in Cambodia and RCO.
Annual donors' event* (mandatory)	X	<input type="checkbox"/>	2	Online event. November 2021. 2 nd SC Meeting.
Partners' event ** *(optional)	X	<input type="checkbox"/>	3	In person event. July 2022. SDG Budget Tagging Training. In person event. August 2022. Launch event of SDG Investor Map. In person event. October 2022. INFF workshop for Cambodia. This Training on INFF was planned for relevant government officials from key government agencies MEF and NBC.

*Fund donor countries are Denmark, European Union, Germany, Ireland, Luxembourg, Monaco, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland. Please note that this event can be held together with a launch event or partners' event.

** Key advocacy outreach events with high level JP partners.

6. Lessons and Best Practices

6.1. Key lessons learned, best practices, and recommendations on SDG financing

The project was adaptive enough to incorporate new requirements, research reports and technical assistance according to the demands expressed by key stakeholders, mainly the MEF.

The main difficulty is the delay in launching the INFF financial strategy before the end of the project. the pending strategy is the core of the joint program. The reasons could be due to COVID, commune elections, coordination and other operational delays.

6.2. Key lessons learned and best practices, and recommendations on Joint Programming

Clear and frequent communication mechanisms should be ensured to avoid the case where for ex. the project SC met only twice in 24 months.

The design of the JP should insist on joint and complementary activities and outputs to enhance effectiveness and avoid silo-approach to implementation.

The INFF was complemented by the JP "Unlocking Cambodian Women's Potential through Fiscal Space Creation" supporting the RGC in establishing a credit guarantee. UNDP and UNCDF implemented jointly this project as well in partnership with the MEF, to develop new financial flows for CSDG attainment. This was timely and strengthened the 2 JPs and enhanced the impacts of their results.

Annex 1: Consolidated results framework

1. JP contribution to global programmatic results (full programme duration)

Joint SDG Fund Global Outcome 2: Additional financing leveraged to accelerate SDG achievement

Indicators	Baseline 2019	Target (end of JP)	Result (end of JP)	Notes
2.1: US\$ & Ratio of financing for integrated multi-sectoral solutions leveraged disaggregated in terms of public and private sector funds	0	3	3	Financing strategy, Remittance, SDG Investor Map.

Joint SDG Fund Global Output 4: Integrated financing strategies for accelerating SDG progress implemented

Indicators	Baseline 2019	Targets (end of JP)	Results (end of JP)	Notes
4.1: #of integrated financing strategies/instruments that were tested	0	1	0	Financing strategy was elaborated but not released.
4.2: #of integrated financing strategies that have been implemented with partners in lead	0	1	0	
4.3: # of functioning partnership frameworks for integrated financing strategies to accelerate SDG progress	0	1	0	

2. Selected global operational effectiveness indicators (full programme duration)

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

Yes, considerably contributed

X Yes, contributed

No

Explain briefly: This project started in August 2020 when the RGC was in the process of containing the COVID-19 pandemic. As an immediate response, UNDP and UNCDF supported the RGC with research and policy analysis that comprised of estimating 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. The JP intervention are fully aligned to the SERP and have provided and used common reports and diagnostics to generate an evidence base. 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.

The JP has advocated more strongly for more attention to be paid to financing the SDGs. This has strengthened consensus within the UNCT. It has also helped to strengthen the actions and interventions of various UN agencies, which has increased their cohesion. It has promoted a strong consensus in favor of SDG financing in Cambodia by attracting other related Joint Programs.

2.2. Did your Joint Programme contribute to avoiding duplication of efforts for the participating UN agencies in interaction with national/regional and local authorities and/or public entities?

Yes,

No

N/A (if there are no other joint programmes in the country)

Explain briefly: The JP has facilitated UN partnerships and engagement with government partners such as the MEF. The JP has helped reduce duplication of efforts in engaging with the MEF and participating in various activities. The examples described in section 1.6 show the contributions of the JP in reducing overlapping efforts through exchanges and direct collaboration with national stakeholders.

3. Results as per JP Results Framework

Result / Indicators	Baseline	Original Target (as per ProDoc)	Revised Target (if applicable)	Result (end of JP)	Reasons for variance from original target (if any)
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		
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	Year 1: Draft DFA 2 Year 2: DFA2 endorsed and institutionalized		DFA 2 report launched and published	
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 was procured. Additional info 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 based on sources of finance	Year 1: (1 of 4) deep-dive studies and/ or detailed proposals published Year 2: Remaining 3 deep dive studies published		4 deep dive studies published Further study related to credit ratings planned q1 2022 as per MEF request (demand driven)	
Output 1.2 indicator: At least 1 new source taken up (Khmer Riel bonds; remittance flows & impact finance)	0	Year 1: Preliminary review and stakeholder consultations completed Year 2: At least 1 new source taken up (Khmer Riel bonds; remittance flows & impact finance)		No change Status: Completed the feasibility study on Khmer Riel bond issuance to inform MEF on market demand. Further support to MEF in 2022 on the development of issuance plan and process of issuance as per request from MEF. Cambodia SDG Investor Map publish on Global SDG Investor Platform.	.
Output 1.2 indicator: Financing strategy published/developed	No clear financing direction/ vision	Year 2: Financing strategy published	Target Q2 2022 for initial draft.	Financing strategy elaborated.	There have been delays on validation process due to lessen availability of national counterparts during the national budget construction process
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	Year 2: 50% of BSPs employ CSDG targets as outcomes		No change	
Outcome 2: indicator: Mechanism to deliver SDG/ policy-based analysis made available	Limited mechanisms to track spending & flows by policy target	Year 2: Mechanism to deliver SDG/ policy-based analysis made available		No change	
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	Year 1: CSDG targets for BSPs are identified & data gaps filled Year 2: Mechanism in place for performance review	Target Q2 2022. Harmonization of M&E mechanisms between CSDGs and NSDP introduced, building on the findings from mid-term review of NSDP 2019-2023, CSDG budget tagging and ODA database.	Harmonization of M&E mechanisms between CSDGs and NSDP introduced, building on the findings from mid-term review of NSDP 2019-2023, CSDG budget tagging and ODA database.	Under this output, revised activities have been identified based on consultation with key government partner and the revisions have been approved by the SC.
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	Year 1: Feasibility review & diagnostic published Year 2: Full proposals to reshape CoA jointly published with MEF		Methodology and training on CSDG budget tagging put in place.	Recommended by key government partners after consultations

Output 2.2 indicator SDG/ RS IV Coding of ODA published	CDC flow recording does not enable SDG or policy analysis	Year 2: SDG Coding of ODA published		Review of SDG tracking of ODA inflows published	
---	---	-------------------------------------	--	---	--

Annex 2: List of strategic documents

1. Strategic documents that were produced by the JP

Title of the document	Date	Document type	Brief description of the document and the role of the JP in finalizing it
<i>INFF Financing Strategy Formulation Process</i>	June 2021	Roadmap document	The INFF CSDG Financing Strategy is considered as being the core component of the JP. The CSDG INFF financing strategy bring together the diagnostics that have been completed by the UN project, current government policy, and other relevant reports and policy advisories. It fuses these elements with other external studies that have been completed by development partners and other relevant stakeholders to develop a fit for purpose financing strategy to support the achievement of the CSDGs whilst simultaneously rapidly advancing the socio-economic recovery from the pandemic.
<i>Capital Market Appetite 1 – Stocktake of Cambodia Debt Position</i>	June 2021	Deep-dive study	A based line research component of a deep-dive study related to capital markets and debt financing, provides an overview of Cambodian sovereign debt.
<i>Capital Market Appetite 2 – Debt Financing Development in Cambodia</i>	June 2021	Deep-dive study	A core research component of a deep-dive study related to capital markets and debt financing, provides an overview of market appetites for the future issuance of Cambodian sovereign debt.
<i>Cambodia Stock Exchange – Identifying Key Bottlenecks</i>	June 2021	Deep-dive study	As the initial phase of a deep-dive study related to capital markets and debt financing, identifies critical bottlenecks that is restricting expansion of the CSX. The work adds to the large body of work undertaken in the sphere of development financing undertaken the RGC, the IFIs, Development Partners and the external finance sector and rating agencies.
<i>Capital Market Diagnostics – Policy Advisory to Cambodia Securities Exchange</i>	June 2021	Deep-dive study	Provides an overview of market appetites for the future issuance of Cambodian sovereign debt. The findings will support the Royal Government of Cambodia (RGC) The work adds to the large body of work undertaken in the sphere of development financing undertaken the RGC, the IFIs, Development Partners and the external finance sector and rating agencies.
<i>Cambodia’s Development Finance Assessment (DFA2)</i>	July 2021	Assessment	The DFA2 for Cambodia analyses the public, private, international, and national flows available to support investment in the country. It offers findings and policy recommendations for the RGC, specifically the MEF to maximize the level of flows, and their quality and allocation, in order to achieve long-run development objectives.
<i>CSDG Financing in Cambodia: A Synthesis Report</i>	July 2021	Research paper	This research paper has been drafted as a complementary to the DFA2. This extends the DFA2, analysing the financial flows towards the SDGs inclusive of all forms of external finance, FDI, ODA and the public sector budget. In addition, the document carries a stocktake of current SDG reporting for Cambodia in the form of a compendium list that provides a suitable source of reference materials and data for CSDG policy analysts.
<i>Feasibility study: Khmer Riel Bond</i>	December 2021	Feasibility study	This document provides the market sounding analysis on instrument selection, issuance mechanism, size of bond, maturities, coupon rate, frequency of issuance, bond management including cash settlements, price discovery and

			conditions for an active secondary market. In addition, while price reveals, we provided a reference yield curve for government securities that could be used for debt sustainability analysis and for debt management purposes.
Support for SDG Budget Tagging	July 2022	Pilot report	The SDG Budget Tagging envisages an initial mapping of the national budget against the CSDGs. This implies the definition of a methodology that allows for tagging and quantifying the contribution of budgetary sub-programmes to the CSDGs for informed decision making and public resources allocation. The tagging exercise will allow the Government to track the contributions of sectoral ministries to the CSDGs, and to analyze trends and possible adjustments to public resources allocations for achieving national priorities. The pilot was held with the MEF as leading ministries, together with two line-ministries, the Ministry of Environment and the Ministry of Social Affairs, Veteran and Youth Rehabilitation.
Cambodia SDG Investor Map	August 2022	IOA report	<p>The SDG Investor Map, a tool that generate country-level data and insights about national development priorities and SDG-enabling investment opportunities. This innovative tool targets the business models that could provide impactful and investable opportunities to finance SDGs achievements. Around 40 countries will have used the Investor Maps services by the end of 2021.</p> <p>Cambodia SDG Investor Map is a piece of market intelligence managed/coordinated by UNDP Cambodia to help private investors (funds, financiers, corporations) identify investment opportunities and business models that advance the SDGs. The Maps provide the insight and tools needed by the private sector to increase their investments towards the SDGs. They can make a significant contribution to filling the financing gap by mobilizing private capital for the SDGs.</p>
Sub National Government Revenues Study	2022		This diagnostic examines fiscal space and non-tax revenues at local government levels. The research was done by UNCDF in partnership with the General Department of Local Government, MEF.

2. Strategic documents to which the JP directly contributed to

Title of the document	Date (month; year) when finalized	Document type (policy/strategy, assessment, guidance, training material, methodology etc.)	Brief description of the document and the role of the JP in finalizing it
N/A			

Annex 3. Communications materials

1. Human interest story

A considerable amount of research related to development financing has been undertaken in-country and within ASEAN. These studies include IMF Article IV (2019) and IMF Fiscal Policy and Development: Human, Social, and Physical Investment for the SDGs the World Bank's regular Cambodia Economic Update (CEU) and ADB's ASEAN Bond Market series. Another of the relevant institutions is USAID, which in December 2020 published the Country Development Cooperation Strategy (CDCS)¹³ Goal Statement is "Cambodia becomes a more open, prosperous, resilient, and inclusive partner in the Indo-Pacific region."

While this plan is not specific to development from SDG financing, as it seeks to enhance U.S.-Cambodia linkages and promote human rights, it is aligned with the joint program in that this objective reinforces the priorities of the Royal Government of Cambodia (RCG) as articulated in its own development strategy, particularly with respect to improving livelihoods and well-being, improving efficiency and quality of government services due to the country's potential graduation from least developed country status in 2027. Like the joint program, this Cambodia strategy is aligned with the Rectangular Strategy for Growth, Jobs, Equity and Efficiency, Phase IV (RS-IV) of the RCG and the corresponding National Strategic Development Plan (NSDP) 2019-2023.

Another correspondence with the JP, is that the CDCS seeks to private sector engagement is integrated across the three DOs and will focus on collaborating with private sector actors whose interests and values align with those of the USG to catalyze investments into local systems and markets so that they become self-sustaining. Among the national development needs, this project recognizes the following: within the RS-IV and NSDP, the RGC has identified four strategic goals: sustainable economic growth, job creation, poverty reduction, and strengthening the capacity and governance of public institutions for effective public service delivery and an improved business environment. Complementing the strategic goals, the RS-IV also identifies four priority areas, or "Strategic Rectangles", for development: 1) Human Resource Development; 2) Economic Diversification; 3) Promotion of Private Sector Development and Employment; and 4) Inclusive and Sustainable Development. The RGC has also developed the Cambodia Sustainable Development Goals, which are the Cambodia-specific goals under the United Nations' (UN) global Sustainable Development Goals,⁵³ and is in the process of finalizing a post-COVID-19 socio- economic recovery plan.

The first development objective (DO1) of the CDCS is broadly inclusive and sustainable economic development. In order to achieve this, private sector engagement supports the delivery of development solutions across the three DOs. USAID's approach to private sector engagement will focus on collaborating with private sector actors whose interests and values align with those of the United States to catalyze investments into local systems and markets such that they become self-sustaining, and to accelerate Cambodia's progress on the Journey 2 self-reliance (J2SR).

Among the investment opportunities, one to bring about systemic change in Cambodia's is sustainable landscape management are increasing due in part to new legal and regulatory changes at the national and sub-national levels and a recent increase in enforcement to combat land grabbing and deforestation in protected areas. Generating revenue from conservation is an important counterbalance to economic development activities such as mining that threaten Cambodia's protected areas. With the initial success REDD+¹⁴ carbon credit generation and sales in Cambodia, there is an

¹³ https://www.usaid.gov/sites/default/files/2022-12/Cambodia_CDCS_External_2025.pdf

¹⁴ Reducing Emissions from Deforestation and Degradation of forests.

opportunity to expand REDD+ to new areas in Cambodia and promote the private sector's interest in sustainable investment opportunities. Increasing the engagement of the private sector within livelihood activities in and around protected areas will strengthen sustainable economic activities such as ecotourism, sustainable agriculture and forestry, and other non-timber-based income opportunities.

2. Communication products

Title of the document	Date	Brief description and hyperlink
How old money's return can bring new development	11/2020	Blog article. https://www.kh.undp.org/content/cambodia/en/home/presscenter/articles/2020/how-old-money-s-return-can-bring-new-development.html
UNDP push for gov't bonds as investors request good returns	11/2020	https://www.khmertimeskh.com/50786840/undp-push-for-govt-bonds-as-investors-request-good-returns/
Cambodian Currency Shows the Pathway to Growth	12/2020	Blog article. https://jointsdgfund.org/article/cambodian-currency-shows-pathway-growth
Investor appetite grows for 'positive outcome bonds' on CSX	12/2020	https://www.khmertimeskh.com/50795856/investor-appetite-grows-for-positive-outcome-bonds-on-csx/
Press release on UN Cambodia's website, "United Nations Launches Joint Programmes to Support Sustainable Financing for Cambodia to Build Forward Better"	04/2021	Press release. https://cambodia.un.org/en/124333-united-nations-launches-joint-programmes-support-sustainable-financing-cambodia-build
Press release on UNDP Cambodia's website, "United Nations Launches Joint Programmes to Support Sustainable Financing for Cambodia to Build Forward Better",	04/2021	https://www.kh.undp.org/content/cambodia/en/home/presscenter/pressreleases/2021/united-nations-launches-joint-programmes-to-support-sustainable-.html
DFA2 Launch		
Domestic Revenue is an Increasingly Important Source of Development Financing in Cambodia, Says a New Report	07/2021	Press release. https://www.undp.org/cambodia/press-releases/domestic-revenue-increasingly-important-source-development-financing-cambodia-says-new-report
Leveraging UNDP Country Office Support in Cambodia to Raise Resources and Strengthen Tax Revenue Collection	09/2021	http://www.tiwb.org/resources/reports-case-studies/undp-cambodia.htm

Is Covid-19 testing Cambodia's financing model?	07/2021	https://www.phnompenhpost.com/special-reports/covid-19-testing-cambodias-financing-model
Domestic revenue an increasingly important source of development financing in Cambodia	07/2021	https://www.khmertimeskh.com/50896037/domestic-revenue-an-increasingly-important-source-of-development-financing-in-cambodia/
UNDP assesses Cambodia's development funding trend amid C-19,	07/2021	https://www.khmertimeskh.com/50895810/undp-assesses-cambodias-development-funding-trend-amid-c-19/
Domestic revenue is an increasingly important source of development financing in Cambodia, says a UNDP's new report	07/2021	https://www.information.gov.kh/articles/49483
Domestic revenues a vital source of development finance: UN report	07/2021	https://zumbacombo.com/domestic-revenues-a-vital-source-of-development-finance-un-report/
Domestic revenue is an increasingly important source of development financing In Cambodia, says a UNDP's new report	07/2021	https://cambodianewsgazette.com/domestic-revenue-is-an-increasingly-important-source-of-development-financing-in-cambodia-says-a-undps-new-report/
COVID-19 leads to 3.6 bln USD financing flow losses for Cambodia last year: UNDP report	07/2021	http://www.xinhuanet.com/english/2021-07/16/c_1310065729.htm
Tax Inspectors Without Borders program 'proving to be valuable' for Cambodia's tax department,	07/2021	https://cambodiainvestmentreview.com/2021/07/30/tax-inspectors-without-borders-program-proving-to-be-valuable-for-cambodias-tax-department/
Leveraging UNDP Country Office Support in Cambodia to Raise Resources and Strengthen Tax Revenue Collection	09/2021	http://www.tiwb.org/resources/reports-case-studies/undp-cambodia.htm
UNDP: Financing of new development to double by year 2025	10/2021	https://www.khmertimeskh.com/50952379/undp-financing-of-new-development-to-double-by-year-2025/
Virtual Webinar on SDG Impact Standards - Remarks by Ms. Alissar Chaker	04/2022	UNDP in collaboration with Sustainable Finance Hub organized virtual launch of SDG Impact Standards. https://www.undp.org/cambodia/speeches/virtual-webinar-sdg-impact-standards

Video for the official launch of INFF Facility. (UNDP support)	2022	https://drive.google.com/file/d/19yOnhimEX8RrkOFmsBEvpqmPrHPUuvk2/view?pli=1
--	------	---