

Introduction

Cambodia is amongst the least developed countries in the world, and following years of political and social upheaval, faces significant socio-economic challenges. Nearly 70 per cent of the population survives on less than \$2 a day and 30 per cent live below the national poverty threshold of \$0.46–0.63 a day. Development needs are acute, affecting all sectors and regions.

Cambodia has been identified as one of the countries most vulnerable to climate change. In addition to the expected increase in frequency of climate hazards like cyclones, droughts, floods, and landslides, the country's adaptive capacity was evaluated to be among the lowest of all Southeast Asian countries.¹

Policy Instruments and Implementing Tools

Cambodia began implementing climate activities in 1999 with the Climate Change Enabling Activity Project, funded by the Global Environment Facility (GEF) and the UN Development Programme (UNDP). As a least developed country, it qualified for assistance from the GEF to complete its First National Communication in 2002, and from the Least Developed Countries Fund to produce its National Adaptation Programme of Action (NAPA) in 2007. The Second National Communication is expected in 2011. The purpose of the National Communications and NAPA were to assist with national policy development, awareness raising, and project identification.

Budget and resource limitations have impinged on policy development and project implementation. The Ministry of Environment (MoE) is the official focal point for climate change at the national government level. But, while the MoE has achieved a higher profile since it was put in charge of climate change, no additional resources accompanied the restructuring. Ministries are required to establish climate change units, yet many have not. In principle, under the process of decentralisation adopted by the government since 2002, policy from the national level should be carried out at the local level, yet there are no formal climate change focal points at the sub-national level or any relationship between national and local government processes.

Cambodia has recognised the need for national policy development on climate change, and discussions on a Climate Change Strategy and Action Plan (CCSAP) are ongoing. The National Committee on Climate Change (NCCC) is tasked with developing this national policy, as well as integrating climate change into relevant policies, strategies, legal instruments, plans, and programmes. The NCCC was also supposed to establish a climate change technical team to provide technical advice; however, due to delays in setting up the technical team, a climate change department now plays this role.



The impact of climate change in Cambodia

- More severe and frequent floods and droughts will damage agriculture, particularly rice production.
- Changes in rainfall patterns will affect the availability of surface and ground water, including drinking water and water for irrigation.
- Unpredictable water flows – in terms of seasonality, timing and duration will affect sensitive wetland ecosystems as well as the productivity of fisheries.
- Cambodia already has the highest fatality rate from malaria in Asia, with an average of 800 deaths per year. Changing climatic conditions will further spread vector-borne diseases such as malaria, disproportionately affecting the health of poor and marginalised communities.

¹ This is based on a three-tiered evaluation of the country. For more information see the Climate Change Vulnerability Mapping for Southeast Asia (2009), www.eepsea.org

The climate change department functions under the direct guidance of the MoE and NCCC. It addresses four technical issues: the country's greenhouse gas inventory; mitigation; vulnerability and adaptation; and implementation. The vulnerability and adaptation unit carries out activities in co-ordination with international development partners.

The government has yet to convene a technical working group on climate change. As a result, the topic of climate change has not been discussed thoroughly and has been subsumed under the responsibilities of the environment working group.

Cambodia has also developed a National Green Growth Roadmap, which includes an array of climate-related strategies and programmes to mainstream low-carbon and environmentally-sound development practices into key sector activities. The Roadmap adopts a 'holistic approach to development [that] will help the country improve resilience and decrease vulnerability to climate change'.²

The activities specified in the Roadmap include primarily those aimed at mitigation, such as renewable energy, low-carbon investments, and green industries. It also has a number of adaptation-related activities, such as forest management, sustainable agriculture, water-resource management and irrigation, and transportation and infrastructure management.

Cambodia has many other institutional mechanisms and processes to enable co-ordinated governance and policy integration. The country's development objectives are outlined in the Rectangular Strategy for Growth, Employment, Equity, and Efficiency adopted in July 2004, as well as in the NSDP. Both documents stress the need to reduce poverty and improve agricultural productivity through the expansion of irrigation and the management of water resources to reduce vulnerability to natural disasters. Yet, public expenditure in agriculture, water, and rural development made up less than five per cent of the 2009 national budget.³

The Cambodia Development Cooperation Forum is the highest level for political dialogue and review of National Strategic Development Plan (NSDP) and implementation of the plan. As part of the Forum, the Government-Development Partner Co-ordination Committee, chaired by the government, meets two to three times a year for high-level political and technical discussions. Climate change is a key priority in the NSDP for 2010–13. All concerned ministries and agencies are required to integrate the priority projects identified in the programme into their plans and work.

Funding Mechanisms and Issues

The funding mechanisms available include budget support, basket funds, multi-donor trust funds, sector-specific funds, international project funds, bilateral funds, and a wide variety of loans. The question is how to best approach climate adaptation financing. Some adaptation needs require large infrastructure investments, while others need community-based approaches rolled-out across the country.

The NSDP is envisioned as a guide for resource allocation, including Official Development Assistance (ODA). ODA, in theory, complements government financing and provides critical infrastructure development and services. It is a major vehicle for achieving Cambodia's Millennium Development Goals.

² National Green Growth Road Map, Royal Government of Cambodia (2009)

³ Annual expenditure by MAFF and MoWRAM was about 4.8 percent per year during the period 2006-2009', NGO Forum (2010)

In 2008, Cambodia received ODA of \$742.81 million – nearly 84.7 per cent of government expenditure. However, a recent UNDP study found that ODA to environment and conservation in Cambodia had decreased between 2004 and 2008 from \$19.6 million to \$7.6 million. A stated priority of the NSDP is to develop a National Strategy and Action Plan for Climate Change. However, the procedure, timeline, and resources for this are unclear.

The Council for the Development of Cambodia is a high-level institution tasked with coordinating development partner assistance; its database shows all partners, activities, sectors, funding levels, and other detailed information. The database has recently integrated a climate change filter, although this function is not yet fully applicable and therefore does not provide a full picture.

Development partners have made pledges of \$96 million for climate change over the next five years. Most of the climate-change projects and programmes in the country have been sourced by development partners or international NGOs, rather than applied for directly by the government or local organisations. This raises the issue of country ownership of these initiatives, which is critical for effective project implementation and requires close attention, as increasing levels of climate-change financing begin to enter the country.

Commune councils have been identified by many as an entry point for working with government at the local-level, as well as for partnerships with civil society groups. Working at the community level is a challenge for the government, and requires increased capacity building, awareness raising, and information dissemination. A possible way of providing sustainable local-level financing is through 'commune investment plans'. At present, communes receive around \$5,000 base funding; the rest comes from civil society groups and development partners. A strategy to connect climate financing to these investment plans will help align activities along national plans while strengthening government capacity.

Two Parallel Funds

Cambodian Climate Change Alliance (CCCA)

The CCCA is a UNDP trust fund for adaption and capacity building, due to be handed over to the government in 2012. The intention is for the CCCA to be country-driven, while project selection is government-determined. Many civil society groups are concerned, however, that it will simply use non-government parties as contractors depending on need.

Strategic Programme for Climate Resilience (SPCR) (developed through the Pilot Project for Climate Resilience (PPCR))

The SPCR is a programme funded by the PPCR, which was managed in Cambodia initially by the World Bank and, more recently, by the Asian Development Bank (ADB). Phase one, ongoing but significantly behind schedule, provided \$1.5 million to facilitate the development of a cross-sectoral approach to climate resilience. The program will last for two years and has no clear provision for continuation or sustainability, in this way it reflects the 'fast-start financing' dynamic that donors concerned with climate change. Phase two, valued at nearly \$105 million (approximately 50 per cent as grant and 50 per cent as concessional loan), includes some support for policy reform and institutional capacity-building, but the majority of the funds will be used to 'climate proof' ADB projects. There is a concern that, in terms of effectiveness, these funds should be directed towards the communities already recognized as most vulnerable to the impacts of climate change, rather than ADB

Suggested Climate Change Financing Modals

- Civil Society and Pro-Poor Markets (CSPPM) is a two-year, \$7.5 million programme which uses partnership grants to boost citizens' influence in local decision-making regarding the exploitation of natural resources. It helps ensure that local communities are the chief beneficiaries of local resources, and that those resources are managed sustainably.
- The WorldFish Center is working with communities and government for 'soft' adaptation needs such as knowledge, capacity, and information. But knowledge and capacity building are long-term results that demand time. The project's strategy is to broker links between government and civil society. After this, the next step is brokering coalitions of partners to provide a broader and better range of capacities.

priority projects, especially where, arguably, climate change action and responses should already have been integrated into the ADB projects.

At an earlier stage of the PPCR/SPCR development, a World Bank consultancy engaged with civil society groups to develop recommendations for civil society participation whereby \$3–5 million would go to a separate fund to build capacity among civil society and ensure their contribution to the success of the program. This intended investment has since been reduced to a Technical Assistance allocation of \$2 million and there remains concern that this will be omitted in its entirety from the final SPCR.

Lessons Learned and Recommendations

1. Consultation and participation

The NAPA claims to have followed a participatory consultation process, with a focus on country-driven adaptation measures that affect the lives of local people, especially the poorest. According to the NAPA, information was gathered on 684 households in 17 provinces regarding the following climatic hazards: flood, drought, windstorm, seawater intrusion, and rising tide. The survey results identified which provinces suffer which hazards. The responses of the villagers, when asked to describe existing ways they adapt to these hazards, demonstrated little access to information and little understanding of how to respond safely.

Most local communities are unprepared for extreme climate events and have little adaptation capacity. Those which are resourceful when dealing with climate hazards are usually settlements with higher social capital and stronger local institutions. Even where communities are aware of possible coping and adaptation mechanisms, the lack of financial resources prevents them from implementing these projects.

2. Capacity

While many adaptation projects and programmes include a capacity-building component, few provide capacity-building programmes that also adapt to changing needs and capacity. Furthermore, few capitalise on the existing knowledge of local communities or the broad networks and capabilities of civil society groups. Instead, they veer towards one-shot workshops with external trainers who provide information without a careful assessment of needs or a consideration of cultural context. All levels – from the most remote village to the highest political level – require a better understanding of their roles and a greater capacity to strategise, co-ordinate, respond to, and monitor climate change.

3. Co-ordination and planning

Cambodia is only just beginning to address climate concerns, and so far has done so in an uncoordinated manner. There is limited understanding of how to mainstream climate change in development planning and budgeting, and little engagement with civil society or community-based groups, despite their potential to support climate adaptation through research, funding, know-how, monitoring, and evaluation. For example, many civil society groups consulted on the NAPA were asked to react to a close-to-final draft of the document. The NAPA has therefore focused mainly on large-scale infrastructure projects rather than responding to the needs of vulnerable communities. The involvement of the private sector in adaptation, disaster risk management, and even mitigation activities is non-existent. The integration of gender considerations in climate change plans is limited.

Overall, there is a need for coordination mechanisms to ensure adequate dissemination of information and ensure stakeholder participation at all levels. The recent confirmation of the Ministry of Women's Affairs (MoWA) as the 20th member of the NCCC is very welcome. As a member of the NCCC, the ministry is now expected to build capacity to contribute to policy formulation and debates. Moreover, the MoWA is also expected to champion gender mainstreaming and climate change incorporation into plans and policies across government. To do that the ministry needs climate-change related and gender-disaggregated information, capacity, and resources, which are absent at present.

4. Information

Climate-related information is scattered throughout the country's institutions. While many studies exist or are in the making, there is no centralised source of information that can help educate and reduce duplication. Technical, financial, and human resources to address climate change are much needed throughout the country, as are early-warning systems for extreme climate events. At the same time, basic hydro-meteorological data for planning is limited, as are the human resource capabilities to process this information. Although the National Climate Change Network intends to improve this, it may take time as capacity and co-ordination challenges also impede results within the network.

5. Financing

Adaptation finance needs to be nuanced to address varying needs and capacities. The first phase of adaptation finance needs to support policy development, and institution and capacity building. To begin channelling funds without a clear national policy for climate adaptation will result in approaches that are incoherent and lacking in country ownership. As such, projects are likely to fail. Currently, the 'soft adaptation' phase is focusing primarily on government capacity and to a limited extent on local-level capacity.

Civil society plays a significant role in Cambodia's development, which cannot be over-emphasised. The integration of civil society groups is essential, from local community-based organisations to the private sector, national, and international NGOs, research institutions, and beyond.

More information on this issue can be found in Oxfam's new briefing paper, *Owning adaptation: Country-level governance of climate adaptation finance*. To download your free copy of *Owning adaptation*, please go to www.oxfam.org.uk/publications.

As financing for climate change adaptation gathers pace, it has become fundamentally important to identify how it flows into developing countries. This is a major opportunity to shape the governance of funding at the national level so that the needs of the most vulnerable can be met. The core issue is country-level ownership of adaptation finance. Consequently, providers of adaptation finance must put developing countries in the driver's seat, and the countries themselves must exercise leadership and respond to the needs of those most affected by climate change. Most importantly, civil society and vulnerable communities must be able to steer and hold accountable the way in which adaptation finance is used.

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