



PROJECT PROGRESS REPORT

Policy and Innovation
Hub for Sustainable
Development

Project ID: 00114485
Reporting Period:
1 January – 31 December 2019



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BASIC PROJECT INFORMATION

Project ID:	00114485	Reporting Date/Quarter:	January – December 2019
Full Title:	Policy and Innovation Hub for Sustainable Development		
Start Date:	1/1/2019	Completion Date:	12/31/2023
Total Project Budget:	USD 8,568,430	Annual Project Budget:	USD 2,757,587
Implementing Partner:	UNDP Cambodia		
Donor/s:	UNDP Core donors British Embassy		
Responsible Parties:	DC-Cam Energy Labs RECOFTC		
Project Description:	<p>This project aims to develop a new set of programmes, policies and interventions to support the Royal Government of Cambodia (RGC) and its people. To respond to the development challenges facing Cambodia, and to ensure sufficient delivery of the Rectangular Strategy Phase 4, the National Strategic Development Plan (NSDP) 2019-23, and Cambodia Sustainable Development Goals (CSDGs) require new agile and innovative approaches. This project develops such approaches aiming at delivering timely and innovative policy solutions and small scale pilots, with a view to contributing to Cambodia’s transition towards a sustainable and inclusive upper-middle income country.</p> <p>The project focuses on a range of development problems and operationalize SDG innovation and acceleration to scale development impacts. The aim is to create effective programmes and incentives capable of producing measurable and valuable results. In particular, the project is structured around the following 3 pillars as given in the UNDP CPD: (1) Prosperity – focusing on maximizing inclusive and sustainable growth; (2) Planet – focusing on preservation of the national environmental endowment and combating climate change; and (3) Peace – improving the efficiency of governance by enhancing accountability.</p>		
Target Areas:	Nationwide with pilots supported in Kampong Speu, Pursat, Takeo, Kampong Cham, Kep		
Target Group:	Extreme Poor Poor and vulnerable population of all genders People living with HIV/AIDS Youth (Male/female) Start-ups		

ACRONYMS AND ABBREVIATIONS

BESD	Building an Enabling Environment for Sustainable Development
BRI	Belt and Road Initiative
DREI	De-Risking Renewable Energy Investment
FCPF	Forest Carbon Partnership Facility
FDI	Foreign Direct Investment
GDE	General Department of Energy
GDP	Gross Domestic Product
GNI	Gross National Income
HLPF	High Level Political Forum
HIV	Human Immunodeficiency Viruses
IDpoor	RGC Identification of Poor Households programme
LoA	Letter of Agreement
MCS	Ministry of Civil Services
MEF	Ministry of Economic and Finance
MoE	Ministry of Environment
MoH	Ministry of Health
MoI	Ministry of Interior
MoP	Ministry of Planning
MPTC	Ministry of Posts and Telecommunications
MPWT	Ministry of Public Works and Transport
NHDR	National Human Development Report
NSDP	National Strategic Development Plan
NRM	Natural Resource Management
NSPC	National Social Protection Council
NSPPF	National Social Protection Policy Framework
PES	Payment for Ecosystem Services
PIN	People in Need
PLHIV	People Living with HIV-AIDS
PPP	Public-private partnerships
REDD+	Reducing Emissions from Deforestation and forest Degradation
RGC	Royal Government of Cambodia
SDGs	Sustainable Development Goals
SUMAI	Sustainable Urban Mobility for All Initiative
UN	United Nations
UNDP	United Nations Development Programme
VNR	Voluntary National Report
YIC	Youth Impact Challenge

RESULTS SUMMARY

The “Policy and Innovation Hub for Sustainable Development” project aims to develop timely and innovative policy solutions, support pilot initiatives and mobilize partnership and resources, with a view to contributing to Cambodia’s transition towards a sustainable and inclusive upper-middle income country. The project is structured around three pillars: prosperity, planet and peace. 2019 marked its first year of project implementation, and important results contributing to the objectives of the three pillars were achieved.

Pillar I: Prosperity: Inclusive and sustainable growth

The Policy and Innovation Hub provided technical and policy support to the national planning process, specifically, the Ministry of Planning-led National Strategic Development Plan 2019-23. This support enabled the integration of the Cambodia Sustainable Development Goals (CSDGs) within policymaking and planning, notably by ensuring over 50% of M&E targets are drawn from the CSDG framework. The plan was adopted by the Government and officially launched in November 2019.

Aiming to foster policy discussions on Cambodia’s economic transition, the project brought Professor Yuen Yuen Ang, a global authority on China’s rapid development, to review the Cambodian development experience and bring balanced and politically-smart policy ideas and innovations to facilitate change in mindsets, processes and dynamics in government, business and civil society. Two policy dialogues on: the Belt and Road Initiative; and economic diversification and sustainable development were held targeting government policy makers, development partners, CSOs and academia. Professor Ang’s research on China and the ability of institutions to adapt development trajectories resonated strongly with Cambodian counterparts.

To tackle economic inequality and exclusion, a major social protection intervention, piloting “graduation” based approaches (providing assets as opposed to cash alone) for poor and vulnerable populations was developed and endorsed in 2019. It also secured funding from the Government of the Russian Federation.



The pilot aims to generate empirical evidence via a randomized control trial to support the model’s adoption and scale-up as part of the Government’s National Social Protection Policy Framework (NSPPF). In addition, an analysis of RGC’s fiscal space for the expansion of social protection provision was completed. This was presented for consultation with the National Social Protection Council (NSPC), hosted within the Ministry of Economy and Finance (MEF).

The project further supported research into the potential impacts and opportunities of the fourth industrial revolution (also termed *Industry 4.0*), and provided evidenced based-policy options. A scoping report based on a major field mission was completed by Cambridge University’s Institute of Manufacturing (IfM) and soft-launched in December 2019. And an industry level empirical assessment was initiated, which will be fully completed in late 2020. UNDP also resourced and took part in the organization of the Cambodia Outlook Conference 2019 themed “Digital Transformation Towards Industry 4.0” featuring UNDP’s Innovation Champion, the Hanson Robotics human-like robot *Sophia*. The event included an interactive session between Sophia, Nick Beresford (UNDP’s Resident Representative) and Dr Chhem Rethy (Executive Director of CDRI) on the role of artificial intelligence on development. PIH also supported the establishment of two centers of excellence at leading universities – one at the Institute of Technology Cambodia (ITC) on the transfer of I4.0 technologies, and one at the National University of Management (NUM) on digital economy, to advance technological research and linkages with industry. These centers are accompanied by partnership agreements specified in Memorandums of Understanding (to be concluded in 2020).

Under a separate work stream, alternative financing and resourcing options for delivery of public services were explored including: conceptualization of models for impact investment; leveraging public private partnerships (PPPs) for greener development, linking to foreign direct investment (FDI); accessing the Tax Inspectors Without Borders (TIWB) scheme to provide tax auditor placements to boost tax revenues; and building a case and exploring options for issuance of domestic currency bonds (in concert with the National Bank of Cambodia and MEF). PIH also worked on innovations in private sector engagement on ecommerce development and SME cluster development. A partnership was built with a large Chinese ecommerce logistics company (Shenzen 4PX Express Co. Ltd.) in order to strengthen the ecommerce ecosystem in Cambodia. The project also supported the Ministry of Commerce to develop an ecommerce project in support of the achievement of the Cambodia Ecommerce Strategy. To support national efforts to ensure the industrial development path is inclusive and sustainable while promoting new sources of growth, a partnership engagement was built with a local firm (WorldBridge International) to establish a sustainable SME Cluster and networks with a focus on skills development, production and movement of higher value outputs as part of Cambodia’s industrial and economic development.



Pillar II: Planet: Environmental protection and climate change

To support sustainable management of Cambodia’s national resources and to combat the impact of climate change, the National Human Development Report (NHDR) for 2019 themed “Sustaining Natural Resources for All” was launched in November 2019. The report was recognized by the Minister of Environment as key to national planning with its recommendations for Cambodia to manage natural resources more effectively. Supporting the recommendation of the NHDR 2019, UNDP together with the Forestry Administration, community forest, NGO and private sector partners launched the Sustainable Charcoal Production Digital Platform in December 2019. This innovative platform aims to promote charcoal production from sustainable sources and improve the livelihoods of communities who depend on charcoal production for income generation. Sustainable charcoal production is a key solution to reducing forest pressure coming from the demand for wood fuel. This pilot work started with five selected community forests in Pursat province, where UNDP also supported re-forestation of 10 hectares of community forests.

Public awareness and policy advocacy on renewable energy were supported with two analytical pieces of work prepared and launched. Prepared in collaboration with the Ministry of Environment and the National Council for Sustainable Development, the De-risking Renewable Energy Investment (DREI) Report made the case that taking de-risking measures is cost efficient and that the economic benefits outweigh the costs of investing in solar energy. The subsequent Solar Booklet presented key information on solar energy in easy-to-understand language for journalists, policy makers and the general public on the current energy mix in Cambodia and potential of solar energy in promoting clean energy options. In addition to analytical work, the Hub also supported, in collaboration with Energy Labs, the development of small scale, low cost and innovative clean energy solutions. Clean Energy Week 2019 was supported and successfully organized bringing public and private stakeholders to ignite conversations, partnership and renewed interest in the clean energy. The event reached an audience of 2500 people.

A Clean Energy and Agriculture Incubator Programme involved pre-incubation of 10 business ideas, four of which were selected for an incubation programme by investment committee. An additional Urban Mobility Incubator supported inclusive and sustainable urban mobility solutions by eight youth teams, offering mentorship and incubation over a nine-month period. Three groups were awarded innovation challenge prizes to foster their ideas.



Pillar III: Peace, Participation, and Accountability

The final pillar of the project supports Government policies and initiatives that foster greater participation and accountability. Following the adoption of Cambodia SDG framework in 2018, UNDP supported the implementation of the framework, which enabled the preparation of Cambodia's first Voluntary National Report of SDG progress which was presented at the High Level Political Forum (HLPF) in July 2019. A gender wage gap analysis was also completed and contributed to the preparation of Cambodia Gender Economic Assessment.

In addition to Government policies, UNDP supported initiatives to foster participation through building resilience of media communities and an alternative media business challenge which selected five women-led startups for acceleration and coaching support. Two media labs were organized reaching 245 participants to guide, inspire, and support media entrepreneurs in Cambodia to rethink their current business models. This initiative received additional funding support from UNDP core resources and the UK Embassy in Cambodia. A grant was issued to the Document Center of Cambodia to support peace building and conflict prevention programme through the establishment of three provincial centers in Kampong Cham, Takeo and Pursat which will serve as educational resource centers and exchange forums to increase the knowledge of young people and community members on the Khmer Rouge and conflict prevention.

A high-level national conference was organized aiming to bring international experts to share their initiatives, challenges and success stories in transforming their traditional services delivery into citizen-oriented services. In close collaboration with the Ministry of the Civil Service, the conference was preceded over by the Ministry and successfully engaged up to 330 plus government officials across the country, and relevant development partners. Carrying on results after the event, UNDP and MoCS are identifying innovative governance initiatives that empower bottom-up approaches, such as the Wat Bo case study. An innovative governance project concept titled "Building Capacities for Civic Engagement, Peacebuilding and Inclusive Dialogue: Towards Inclusive and Participatory Governance" was developed and submitted to donors.

The Policy and Innovation Hub has taken important steps towards its targeted results in its first year of implementation through the achievements detailed in this progress report.



PROGRESS ON PLANNED ACTIVITIES AND RESULTS FOR PERIOD JANUARY – DECEMBER 2019

UNDP Strategic Plan Output Alignment:

- 1.1.1 Capacities developed across the whole of government to integrate the 2030 Agenda, the Paris Agreement and other international agreements in development plans and budgets, and to analyze progress towards the SDGs [...]
- 1.2.2 Enabling Environment strengthened to expand public and private financing for the achievement of the SDGs
- 1.4.1 Solutions scaled up for sustainable management of natural resources, including sustainable commodities and green and inclusive value chains
- 1.5.1 Solutions adopted to achieve universal access to clean, affordable and sustainable energy¹

UNDAF/ CPD Outcome Alignment:

By 2023, women and men in Cambodia, in particular those marginalized and vulnerable, benefit from expanded opportunities for decent work and technological innovations; and participate in a growing, more productive and competitive economy, that is also fairer and environmentally sustainable.

By 2023, women and men in Cambodia, in particular the marginalized and vulnerable, live in a safer, healthier, more secure and ecologically balanced environment with improved livelihoods, and are resilient to natural and climate change related trends and shocks

By 2023, women and men in Cambodia, including those underrepresented, marginalized and vulnerable, benefit from more transparent and accountable legislative and governance frameworks that ensure meaningful and informed participation in economic and social development and political processes.

CPD Output Alignment:

- Output 1.1:** Extreme poor, disadvantaged populations, including PLHIV and people with disabilities (PwDs), have access to improved RGC social protection.
- Output 1.2.** Government fosters productivity alongside inclusive/ sustainable growth.
- Output 2.3.** Rules and regulations formulated and adopted for forest/natural resource management and market solutions developed for conservation and renewable energy.
- Output 3.1.** Government builds an evidence-based monitoring, evaluation and reporting system supportive of delivering the Goals.

CPD Output Indicator(s) Alignment:

- 1.1.1 Number of people participating in social protection programmes supported by UNDP.
- 1.2.1: Number of adopted relevant RGC policies, plans and strategies supported by UNDP
- 2.3.1: Number of rules and regulations developed and adopted for forest/natural resource management
- 2.3.2: Number of market solutions for conservation and renewable energy in place
- 2.3.3: Number of households benefitting from clean, affordable and sustainable energy access (Strategic Plan indicator 1.5.1)
- 3.1.1: CSDGs adopted and voluntary national report (VNR) submitted.

Output Indicators	Baseline	Target (2019)	Status (Achievements and Challenges)
SP output indicator 1.1.1.1: Country has development plans and	No	Yes	Yes (Achieved)

¹ Includes renewable energy as well as clean fuels and technology

<p>budgets that integrate international agreements across the whole-of-government (a. 2030 Agenda for Sustainable Development)</p>			<p>RGC was supported with the development of the National Strategic Development Plan 2019-23. The plan was adopted by the government and launched in November 2019 which integrates the Cambodia Sustainable Development Goals within policymaking, notably by ensuring over 50% of M&E targets are drawn from the Goals' framework.</p>
<p><u>SP output indicator</u> 1.2.2.1: Country has an enabling environment in place leveraging additional resources from public and private sources² for the SDGs (a. policy, legal and regulatory framework; b. institutional mechanism)</p>	<p>No</p>	<p>Yes</p>	<p>No (Not achieved)</p> <p>Three alternative financing options for development financing for inclusive growth were explored including models for Impact Investment, and public private partnerships for ecommerce development and SME cluster development.</p> <p>On the environmental front, a number of assessments were initiated to explore options for Payment for Ecosystem Services as a sustainable financing option for natural resources and biodiversity conservation.</p>
<p><u>SP output Indicator</u> 1.4.1.2: Natural resources that are managed under a sustainable use, conservation, access and benefit-sharing regime (d. areas under sustainable forest management)</p>	<p>0</p>	<p>10ha</p>	<p>10ha (Achieved)</p> <p>In collaboration with RECOFTC, the reforestation initiative has restored 10 ha of community forest areas in Pursat province. The project support also enabled training of community forest members on the benefit of forest restoration and tree planting techniques through tree planting and maintenance activities.</p>
<p><u>SP output indicator</u> 1.5.1.1: Number of households benefitting from clean, affordable and sustainable energy access: (total, women headed, in rural areas)</p>	<p>0</p>	<p>100</p>	<p>Refer to Project output indicator 2.9.</p>

² Includes alternative modes of financing such as Islamic finance, social impact investing, and socially responsible investments.

OUTPUT 1: Government policies and innovative measures/initiatives formulated in support of sustainable and inclusive development (Prosperity)

<p>Output indicator 1.1: Number of knowledge products/ events for policymakers (per year) to promote/ enable adoption of industry 4.0 technologies, development of a digital economy and other productivity/ competitiveness improvements (eg. Via BRI and ASEAN etc.) – referencing also the impacts on disadvantaged groups and women</p>	<p>1 (I4.0 policy workshop)</p>	<p>1</p>	<p>4 (Exceeded target)</p> <p><u>2 BRI dialogues & 2 I4.0 events organized</u></p> <p>Two high-level policy dialogues were supported to stimulate dialogues on BRI among policy makers, development professionals and academia:</p> <p>April 2019: BRI: Economic Diversification and Debt Management</p> <p>December 2019: Building Prosperous and Resilient SMEs in Emerging Economies’</p> <p>These two events featured Professor Yuen Yuen Ang and her research work on China’s development model and the ability of the market and institutions to adapt to development trajectories has been particularly effective in resonating with Cambodian counterparts needs and concerns. Over 260 audiences from government policy makers, development partners, NGOs and think tanks were engaged in the two events.</p> <p><u>1 – Cambodia Outlook Conference:</u> The project supported the organization of the 2019 Cambodia Outlook Conference themed “Digital Transformation Towards Industry 4.0” which featured featuring the UNDP’s Innovation Champion “Sophia the Robot” and the role of robotic technology in sustainable development”. Content on Sophia’s presence in Cambodia attracted over 1 million views on social media.</p> <p><u>2 – Policy dialogue on I4.0 Readiness</u> UNDP supported the Institute for Manufacturing (IFM) at Cambridge University to organize a policy dialogue based on the draft scoping report on I4.0 take-up. This included policymakers and private sector stakeholders. <u>The soft launch of the report was organized later in December 2019.</u></p>
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<p>Output indicator 1.2: Undertake pilot activities (mechanisms, surveys, tech. centers etc.) to enable take-up of know-how, test and implement transfer of Industry 4.0 technologies and build digital economy.³</p>	<p>Rating 0 (Helped set-up of IR4 Group)</p>	<p>1 – Moderate (I4.0 Readiness (IR4) Survey)</p>	<p>1- Moderate (2 I4.0 centers of excellence set up: ITC and NUM) (Achieved)</p> <p>UNDP continued to support the informal Cambodia IR4 Group, convened by a lead adviser at the Supreme National Economic Council (SNEC).</p> <p>Support provided in establishing two centers of excellence for the Institute of Technology Cambodia (Techno Innovation Center) and the National University of Management. The centers are envisaged to serve as important platforms/facilities in support of technological transformation and tech start-ups.</p> <p>The Industry 4.0 Scoping Report was completed (and a soft launch undertaken – see above).</p> <p>An industry-level readiness assessment has started and is expected to be completed in 2020. The industry level readiness survey is ongoing with the aim of generating evidence to inform government policies to mitigate threats and maximize opportunities presented by the 4th industrial revolution.</p>
<p>Output indicator 1.3: Deliver large-scale SP graduation programme pilot, as part of wider support to the National Social Protection Policy Framework (SPPF).⁴</p>	<p>0 = low extent: work initiate (1/3)</p>	<p>1= Moderate extent (Phase 1: Core case for pilot; Detailed pilot proposals)</p>	<p>1 - Moderate extent (Achieved)</p> <p>The social protection graduation model was advanced with funding secured from the Russian Trust Fund to support the pilot. Project document and detailed work plan to implement the pilot was endorsed and signed, ready for implementation. The project aims to pilot a “graduation” model for social protection in the Cambodian context. This pilot adopts randomized control trial methodology to generate experimental evidence on the possible adoption of the SP model in the NSPPF (both</p>

³ Measured on three-point scale:
0 = Low extent: work initiated (1/5 activities)
1 = Moderate extent: some mechanisms in place (2/5 activities)
2 = Great extent: most mechanisms in place & lessons generated (4/5 activities)

⁴ Measured on a completion scale:
0 = Low extent: work initiated (1/3 phases)
1 = Moderate Extent: work progressed (2/3 phases)
2 = Great extent: Testing completed (3/3 activities)

			<p>on the graduation model and management arrangement).</p> <p>Additionally, research into the fiscal space was completed and presented to MEF in draft form. This will be launched in 2020.</p>
OUTPUT 2: Government policies and initiatives formulated in support of preservation of the national environmental endowment, and combating climate change (Planet)			
<p>Output indicator 2.1: Number of knowledge products for policy makers to adopt effective strategies for climate change, NRM and green growth (such as waste management, renewable energy, energy efficiency and sustainable transport)</p>	0	2 (NHDR and DREI)	<p>2 (Achieved)</p> <p>Two major analytical reports were prepared and launched in 2019: The Cambodia: De-risking Renewable Energy Investment (DREI) Report and National Human Development Report 2019: Sustaining Natural Resources Management in Cambodia. These reports contribute policy recommendations for clean energy options and sustainable natural resources management in Cambodia.</p> <p>1. Prepared in collaboration with the Ministry of Environment and the National Council for Sustainable Development, the De-risking Renewable Energy Investment (DREI) Report made the case that taking de-risking measures is cost efficient and that the economic benefits outweigh the costs of the measures. By analyzing the most cost-effective public de-risking measures to support private sector investment in on-grid and off-grid solar photovoltaic (PV) energy in Cambodia comprehensively in four different solar PV sub-sectors: on-grid: (i) utility-scale PV and (ii) rooftop PV and off-grid: (iii) solar-battery mini-grids (solar-battery MG) and (iv) solar home systems (SHS), the report demonstrated that Cambodia has potential to attract significant private sector investment in solar PV while the de-risking modelling also shows that tariff affordability and electricity accessibility could be improved and greenhouse gas emissions could be reduced.</p> <p>2. NHDR: the National Human Development Report (NHDR) for 2019 themed “Sustaining Natural Resources for All” was launched in November 2019. The report looks at the trend of the human development index in Cambodia</p>

			<p>and explores how natural resources can be sustained for everyone in Cambodia. Its content includes:</p> <ol style="list-style-type: none"> 1. Human Development today 2. Sustainable Timber Production 3. Sustainable Consumption and Production of Woodfuel 4. Upgrading Value Chains for NTFPs 5. Communities and Natural Resources Management 6. Payments for Ecosystem Services 7. Integrated Land Use Planning <p>In addition to these two policy researches, several papers were also completed or initiated:</p> <ul style="list-style-type: none"> • The Solar Booklet presents some key information on solar energy in easy-to-understand language to non-experts. This helps the general audience (including journalists, policy makers, general public) to understand this technical topic • Economic appraisal of the potentials of photovoltaic solar energy • Support initiated to Government in the preparation of the State of the Environment Report
<p><u>Output Indicator 2.2:</u> Number of rules, regulations and standards developed and adopted for forest, natural resource management, and green growth recognizing leave no one left behind issues (gender, ethnicity etc.) (such as waste management, renewable energy, energy efficiency and sustainable transport) (jointly reported by the project, “FCPF” & “BESD”) (CPD output indicator 2.3.1)</p>	<p>3</p>	<p>4 (1 additional)</p>	<p>Additional policy/ regulation adopted: None (Not achieved)</p> <p>Progress: PES has been acknowledged as a market-based finance solution for protected area management and biodiversity conservation. NCS D urged UNDP to scale up to a national programme.</p> <p>While no PES options are operationalized yet, options are under discussion among NCS D and MoE inter-general departments. Funding mechanisms have been proposed for two sites and key ecosystem service buyers were identified for mobilizing funds in Siem Reap and Preah Sihanouk Provinces.</p>

			<p><u>Circular economy:</u> The Ministry of Environment/National Council for Sustainable Development established the special taskforce on plastic, focusing on four sets of interventions: 1) policy and regulation on plastic reviews, 2) plastic waste communication and outreach, 3) lead by example for MoE to tackle plastic waste, and 4) policy recommendations</p> <p>By end of 2019, MoE made an announcement on the process to draft a sub-decree to ban single use plastic in Cambodia</p>
<p>Output indicator 2.3: Number of market solutions and/or innovative business models/technologies for conservation and green growth (such as renewable energy, energy efficiency, waste management and sustainable transport) in place (CPD 2.3) recognizing leave no one left behind issues (gender, ethnicity etc.) (jointly reported by the project, “BESD”)</p>	0	1	<p>Market solutions adopted: 1 (Sustainable Charcoal Digital Platform - Kjuongo⁵) (Achieved)</p> <p>UNDP partnered with the Group for Environment, Renewable Energies and Solidarity (Geres), the Regional Community Forestry Training Center (RECOFTC) and Okoone to develop an innovative digital platform for the Royal Government of Cambodia to promote sustainable production and consumption of charcoal. The platform provides a traceability system which captures the traceability of charcoal production, logistics and sales management in selected communities. It also features an e-commerce function to improve efficiency in the entire value chain of charcoal, reduce transaction costs, and make sustainable charcoal more accessible to consumers. Under the leadership of the Forestry Administration (FA), this digital platform was successfully piloted in Pursat province.</p> <p>With Energy Lab as a partner, the development of small scale, low cost and innovative clean energy solutions was supported through the launch of the Clean Energy and Agriculture Incubator Programme. The programme supported pre-incubation of 10 business ideas contributing to application of clean energy in agriculture, four of which were selected for the incubation programme which will be completed in 2020.</p>

⁵ www.kjuongo.com

<p>Output indicator 2.4: Extent to which a circular economy pilot is designed and implemented (municipality) ⁶ (jointly reported by the project, “BESD”)</p>	<p>0 = low extent</p>	<p>0</p>	<p>0 (Achieved)</p> <p>The MoE/NCSD established the special taskforce on plastic, focusing on four sets of interventions: 1) policy and regulation on plastic reviews; 2) plastic waste communication and outreach; 3) lead by example for MoE to taking plastic waste; and 4) policy recommendations. As a result, MoE has adopted the 4Rs – Refuse, Reuse, Reduce, Recycle, to lead the plastic reduction process within the ministry.</p> <p><u>Municipal waste business model</u> No business model proposed but workplans have been agreed on and are being implemented.</p> <p>The first scoping trip was conducted in March to assess the local needs and informed planning on solid waste management in Kep. It was jointly assessed between UNDP, NCSD and NCDD-S national team.</p> <p>Kep authority incorporated the circular economy model (3Rs) in their 3-year rolling plan for 2020. This shows the initial adoption of the concept and longer-term commitment to taking the plan into action.</p>
<p>Output indicator 2.5: Extent to which a circular economy pilot is designed and implemented (industry)⁷ (jointly reported by the project, “BESD”)</p>	<p>0 = low extent</p>	<p>0</p>	<p>0 (Low extent) (Achieved)</p> <p>Air emissions measurement sampling completed at the boilers for steam production (which use waste as fuel) at three garment factories by an international technical firm. Results to be reviewed and analysed for follow up activities.</p> <p>Informal exchanges with private companies regarding plastic reduction activities/strategies</p>

⁶ Measured on a three-point scale:
0= Low extent: Work has not been initiated
1= Moderate extent: Initial business models proposed and consulted with stakeholders
2=Great extent: Business models tested for lessons generated

⁷ Measured on a three-point scale:
0= Low extent: Work has not been initiated
1= Moderate extent: Initial business models and investment plans proposed and consulted with stakeholders
2=Great extent: Business models endorsed and implemented

			and waste-to-energy. Information will be used to feed into qualitative policy advice in the process of supporting the government with circular economy policy development.
<p>Output indicator 2.6: Number of people reached for raising awareness on advantages of proper waste management practices and use of renewable energy and energy efficient technologies (jointly reported by the project, “BESD”)</p>	0	100	<p>Exceeded target</p> <p>Waste management awareness-raising reach: Youth: 581 Social Media Viewers: 10 million (3.45 million women) TV audiences: 1.3 million viewers through commercial on 4Rs during water festival</p> <p>This reach was achieved through promotional content, youth engagement, plastic free concerts/events and public campaigns in partnership with MoE’s taskforce on plastic, Royal University of Phnom Penh and Cambodian artists (Boromey Production)</p>
<p>Output indicator 2.7: Number of air quality monitoring systems installed and functional (jointly reported by the project, “SUMAI”)</p>	1	10	<p>1 – (Not achieved)</p> <p>1 air quality monitoring devices was installed in Phnom Penh in 2019 in addition to the set up and operationalization of an air quality monitoring platform.</p>
<p>Output indicator 2.8: Number of economic and policy incentives proposed to promote usage of clean vehicles and fuel (jointly reported by the project, “CCCA” and “SUMAI”)</p>	0	0	<p>Policy adopted = 0 (Achieved)</p> <p>Work initiated to support the Government in the development of standards for 2- and 3-wheeled electric vehicles in Cambodia.</p> <p>Urban Mobility Incubator supported market-based inclusive and sustainable urban mobility solutions by eight youth teams, offering mentorship and incubation over a nine-month period. Three groups were awarded innovation challenge prizes to foster their ideas which include utilizing data and electric bikes, AI technology to reduce traffic accidents, and mobility options for person with disabilities.</p>

<p>Output indicator 2.9: Number of households benefiting from clean, affordable and sustainable energy access, including energy efficient applications (SP indicator 1.5.1) recognizing leave no one left behind issues (gender, ethnicity etc.); (jointly reported by the project, “BESD”)</p>	0	100	<p>Number of households supported: 0 (Not achieved)</p> <p><i>Progress</i> Draft terms of reference for an individual contractor for identifying off-grid solar energy projects drafted, shared with and approved in principle by the GDE BESD team</p> <p>Feasibility study was conducted to determine optimal technology and location for solar systems.</p> <p>Selected Steung Chrow village, Preah Kokir Commune, Baribour district, Kompong Chhnang province with 141 households to implement a DC micro grid. DC micro grid will be completed in 2020.</p>
<p>OUTPUT 3: Government policies and initiatives formulated to foster greater participation and accountability (Peace)</p>			
<p>Output indicator 3.1: Number of People Living with HIV and People with Disabilities having IDPoor card (CPD output indicator 1.1.1)</p>			<p>Exceeded target</p> <p>The government recognizes the importance of integrating PLHIV in the ID Poor System which will allow them access to free healthcare and school nutrition programmes. Compared to the annual target, the achievement in 2019 was 4 times higher, 2,910 HHs of PLHIV were integrated in the ID Poor system.</p>
<p>Output indicator 3.2: Number of innovative governance initiatives designed</p>	0	1	<p>2 (Exceeded target)</p> <p>An innovative governance project concept titled “Building Capacities for Civic Engagement, Peacebuilding and Inclusive Dialogue: Towards Inclusive and Participatory Governance” was developed and submitted to donor.</p> <p>A media alternatives initiative was developed to support the emergence of media alternatives in Cambodia as a means to expand democratic spaces and promote citizen participation in the country. The initiative secured UNDP additional funding and co-contribution from the UK Embassy. 2 media Labs were</p>

			<p>organized bringing some of the most successful media entrepreneurs and experts from Cambodia and Asia and started conversation on how to rethink business models and the concept of media itself. 5 women-led media start-ups were supported through an acceleration and coaching programme, receiving a one-time investment to support the scaling of a media product plus 4 months of intensive mentoring and training, including governance and human rights components.</p> <p>A high-level national conference was organized aiming to bring international experts to share their initiatives, challenges and success stories in transforming their traditional services delivery into citizen-oriented services. In close collaboration with the Ministry of the Civil Services, the conference was preceded over by the Ministry and successfully engaged up to 330 plus government officials across the country, and relevant development partners. Carrying on results after the event, UNDP and MoCS are identifying innovative governance initiatives that empower bottom-up approaches such as the Wat Bo case study.</p>
<p>Output indicator 3.3: National development plans and budgets are aligned with SDGs/ SDG agenda across government (SP1.1.1), recognizing leave no one behind issues (gender, ethnicity, etc)⁸</p> <p>(CPD output indicator 3.1.1: CSDGs adopted and voluntary national report (VNR) submitted)</p>	<p>0 (<i>CSDG Framework adopted/ NSDP in draft</i>)</p>	<p>1</p>	<p>1 - Achieved</p> <p>Technical assistance was provided to the RGC in the preparation of the National Strategic Development Plan (NSDP), ensuring the integration of the Cambodia SDGs within planning structures.</p> <p>Preparation of Cambodia’s Voluntary National Report on SDG progress supported. TA to ministerial level delegation which presented the VNR at the High-Level Political Forum at UN headquarters in New York in July 2019.</p> <p>The M&E framework of NSDP was supported and finalized in May 2019, with inclusion of 50% of the CSDG indicators.</p>

⁸ 1 existing & 6 illustrative activities/milestones listed, but measures on a three-point scale:

- 0 = Low extent: work initiated (2/6 activities)
- 1 = Moderate extent: some models in place (3/6 activities)
- 2 = Great extent: Most models in place & tested (5/6 activities)

<p>Output indicator 3.4: Extent to which platforms that enable SDG data collection/ sharing mechanisms and SDG delivery outreach exist, with appropriate disaggregation (gender, geography).⁹</p>	0	1 <i>CSDG App. in place & open to public</i>	<p>0 (Not achieved) The CSDG app is fully functional, however not in operation or available to the public.</p>
<p>Output Indicator 3.5: Number of new innovations supported by the innovation hub</p>	0	At least 2	<p>3 (Exceeded target)</p> <ol style="list-style-type: none"> 1. Capital grants awarded to poor silk-worm farmers in Kampong Speu province. The grant enabled distribution of 20,000 mulberry trees and delivery of technical trainings to farmers. 2. Tax Inspectors Without Borders (TIWB) placements proposed and agreed: Concept material developed and shared with tax authority. A briefing meeting was held with the Tax authority and agreed plan of action. 3. High level mission undertaken to support issuance of domestic currency bonds was undertaken. This was followed by completion of a summary report completed and submitted to MEF.

QUALITY OF RESULTS

<p>Sustainability: <i>Do the benefits of the achieved results have potential to last past this year?</i></p>	<p>Many of the initiatives under the Policy and Innovation Hub focus on identifying and testing new approaches and innovations to provide solutions for sustainable development. Workable models to respond to environmental challenges have been initiated, such as PES for watershed conservation, circular economy for sustainable waste management and solar energy for enabling energy access for off-grid households. These models are piloted to assess their</p>
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⁹ 5 new illustrative activities listed, but success measured on a three-point scale:
0= No delivery
1= Moderate extent: some mechanisms proposed and operational (2/5 activities)
2=Great extent: Most mechanisms operationalized (4/5 activities)

	<p>potential for replication and scalability to have long-term and lasting impacts beyond 2023. Support for incubator programmes to strengthen innovative media, urban mobility, and clean energy start-ups additionally work towards building capacity of sustainable business models to carry on beyond the end of the project.</p>
<p>National Capacity: <i>How do the project results help strengthen national institutions and service delivery?</i></p>	<p>Support towards development of Cambodia's Sustainable Development Goals (CSDG) framework and the Government's five-year development plan, the National Strategic Development Plan (NSDP, 2019-2023) is critical for the Royal Government of Cambodia in its capacity to work towards the SDGs. The CSDG framework was approved and the NSDP was endorsed during the year with over 50% of the NSDP indicators drawn from CSDGs.</p> <p>Overall, many of the activities under the Policy and Innovation Hub are planned and implemented by key government partners. On the job training through 'learning by doing' has helped to enhance skills and knowledge of relevant government partners. Additional technical assistance and quality assurance support have been provided from the UNDP CO to ensure efficient service delivery, programming and high quality policy development.</p>
<p>Gender Equality and Women's Empowerment: <i>How does the project contribute to promoting gender equality and women's empowerment?</i></p>	<p>Gender differences in human development are analyzed in the Human Development Report 2019 themed "Sustaining Natural Resources for All". The report provided gender disaggregated data and analysis noting longer term trends towards gender equality while drawing policy makers' attention to examining power structures between women and men in community-based natural resources management. The report also provided recommended gender equality objectives are integral to the Payment for Ecosystem Services mechanism.</p> <p>The Clean Energy and Agriculture Incubator programme has tried to ensure that participants of all genders have equal chances of being considered. Of the four clean energy incubator teams, one team is entirely female, while the others are mixed gender.</p> <p>All of the five selected media agencies under the media business challenge for acceleration and coaching are women-led organizations.</p>
<p>Youth Engagement: <i>How do the project results support youth in contributing to sustainable human development and peace? *optional*</i></p>	<p>Engagement of youth is at the core of the project. The RUPP student-led plastic free campaign initiated a video competition that resulted in the development of youth-led solutions to plastic waste management. During the water festival in 2019, the plastic campaign reached over 9 million viewers, a majority of which were youth.</p>

	90% of media start-ups, clean energy and urban mobility incubators supported are young people, including women-led start-ups supported.
Climate Change: <i>How do the project results help increase resiliency and reduce vulnerability to climate change? *optional*</i>	Under pillar two of the project, PES has been promoted to mobilize financial resources to conserve ecosystems to retain carbon stock, a circular economy approach has been promoted to reduce and recycle waste and minimize GHG emission from waste management, and solar energy has been supported to transition from fossil based fuel to more climate-friendly energy sources.
No One Left Behind: <i>In what way do the project results help left behind communities and individuals? *optional*</i>	Many of the target groups of activities include women-headed, vulnerable households and rural households who lack access to electricity. Further, through technical support on the inclusion of persons living with HIV in the IDPoor scheme, a regulation was issued to recognize PLHIV as a vulnerable population entitled to the IDPoor card. A “graduation package” pilot has been developed to support those most vulnerable in social protection models.

INNOVATION

What innovative methods were applied or tested this year?	<input checked="" type="checkbox"/> Alternative Financing <input checked="" type="checkbox"/> Behavioral Insight <input type="checkbox"/> Blockchain <input checked="" type="checkbox"/> Challenge Prizes <input type="checkbox"/> Crowdsourcing <input type="checkbox"/> Crowdfunding <input type="checkbox"/> Foresight <input type="checkbox"/> Games for Social Good <input type="checkbox"/> Hackathon <input type="checkbox"/> Human-Centered Design <input checked="" type="checkbox"/> Innovation Lab <input type="checkbox"/> Micronarratives	<input type="checkbox"/> Mobile-Based Feedback Mechanism <input type="checkbox"/> New and Emerging Data (e.g. Big Data) <input type="checkbox"/> Positive Deviance <input checked="" type="checkbox"/> Private Sector Partnership <input checked="" type="checkbox"/> Randomized Control Trial/Parallel Testing <input type="checkbox"/> Real-Time Monitoring <input type="checkbox"/> Remote Sensing/Unmanned Aerial Vehicles (UAVs) <input type="checkbox"/> Other (specify below)
<i>If 'Other' was selected, please specify what innovative initiative was implemented and what the result of the initiative was:</i>		

SOUTH-SOUTH AND TRIANGULAR COOPERATION

Was South-South and Triangular Cooperation promoted and utilized through the project?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, briefly explain how. List countries engaged.	<p>Circular economy model: The BESD project explored applicable solutions with other countries in Asia and globally.</p> <p>Payment for Ecosystem Services: The Ministry of Environment is pursuing collaboration with Costa Rica and exploring some practical lessons from the region, including from China.</p>

COMMUNICATIONS, KNOWLEDGE MANAGEMENT AND VISIBILITY

Knowledge Product Produced this Year	Type	Date Published/Produced	Target audience	Link (if available)
National Human Development Report	Publication	11/20/2019	Government and Public	http://hdr.undp.org/sites/default/files/nhdr_cambodia.pdf
Derisking Renewable Energy Investment (DREI)	Publication	10/06/2019	Government	https://www.kh.undp.org/content/cambodia/en/home/library/2019/cambodia--de-risking-renewable-energy-investment.html
Harnessing the Solar Energy Potential in Cambodia	Booklet	10/05/2019	Journalists, media, public	https://www.undp.org/content/dam/cambodia/docs/ResearchAndPublication/DREIBooklet/DREI%20Booklet%20English.pdf
Awareness raising material from Baramey Production (music video, animation,	Video	Between 11/06/2019 and 12/05/2019	General public	https://www.facebook.com/barameyofficial/videos/2760874500623931/?_tn_=%kCH-R&eid=ARBPHc2

theme song, pledge)				y2qZtGoIMDw8UXO-adJtyGLBsqg0gb- https://www.facebook.com/bameyofficial/videos/571280400316768/?so=permalink&rv=relatedvideos
4R posters for general events, used by MOEYS for public awareness raising	Poster	11/20/2019	General public	https://www.kh.undp.org/content/cambodia/en/home/projects/our-action-for-plastic-pollution-in-cambodia/what-we-re-doing-to-combat-plastic-0.html
TV commercial on the impact of plastic and its alternatives	TV Commercial	11/12/2019	General Public	https://www.youtube.com/watch?v=FAerldp7v9c&feature=youtu.be
Policy Regulation Reports	Report	12/13/2019	MoE and NCSD Staff	https://www.kh.undp.org/content/cambodia/en/home/projects/our-action-for-plastic-pollution-in-cambodia/what-we-re-doing-to-combat-plastic-0.html
Splice media mapping titled Cambodia: Redefining civic space and the media ecosystem	Report	08/2019	Media professionals	https://drive.google.com/file/d/1xByfCe6NDia5xAlySXrAe-aes8FtZhJT/view

<p>Was the project cited/quoted/featured in media reports/articles? <i>If yes, please provide link to article/video.</i></p>	<p>Bangkok Post “Cambodia puts circular economy in motion” Khmer Times “Youth urged to curb plastic use” The Khmer Times, “Call for more action to reduce plastic waste”</p>
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	The Phnom Penh Post , “Government set to act on plastic waste” Xinhua News , “Cambodia calls for more action to reduce plastic waste” The Ministry of Information , “More Action Should be Taken Against Plastic Waste” Khmer Times , “Water Festival Rubbish Collectors Should Be Thanked for Work” Khmer Times , “Water Festival concert to promote clean environment” Phnom Penh Post, “UNDP focuses on sustainability” Phnom Penh Post, “UNDP launches charcoal digital platform” Khmer Times, “Use what you have: UNDP panel advises on SME growth”
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PROJECT IMPLEMENTATION CHALLENGES

a. Updated Project Risks and Actions

Information in the Risk Log provided below in Annex I.

b. Updated Project Issues and Actions

N/A

FINANCIAL STATUS AND UTILIZATION

Table 1: Contribution overview 1 January 2019 to 31 December 2019

SOURCE OF FUND	CONTRIBUTIONS		CONTRIBUTION BALANCE
	Committed	Received	
04000 - TRAC	1,923,996.92	1,923,996.92	-
04010 - TRAC2	791,031.36	791,031.36	-
11968 - Country Investment Facility (CIF)	42,289.39	42,289.39	-
30000 - BRITISH FUND	20,467.25	20,467.25	-
30084 - Interest fund	14,176.66	14,176.66	-
Total:	2,791,961.58	2,791,961.58	-

Table 3: Cumulative expenditure by Activity January 2019 to December 2019

Activity	TOTAL PROJECT BUDGET	CUMULATIVE EXPENDITURE	BALANCE	DELIVERY (%)
Output 1: Prosperity	659,153.81	621,886.81	37,267.00	94%
Output 2: Planet	885,345.47	718,390.78	166,954.69	81%
Output 3: Peace	815,542.91	688,082.21	127,460.70	84%
Project Management	431,919.39	431,919.39	0.00	100%
Total	2,791,961.58	2,460,279.19	331,682.39	88%

Remark: - The above expenditure does not include 2019 commitment of US\$331,682.39

ANNEX 1: RISK LOG

#	Description	Date identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Last Update	Status
1	<p>The risk of being poorly positioned and unable to respond to demands of government for policy advice.</p> <p>The positioning of UNDP's policy engagement, programming, and the quality of its knowledge and innovations networks matter.</p>	Oct 2018	Strategic Organizational	<p>UNDP could end up being irrelevant and end up unable to engage the government effectively.</p> <p>P = 3 I = 5</p> <p>Enter probability on a scale from 1 (low) to 5 (high)</p>	<p><u>First</u>, the composition and workings of the Policy Advisory Board is crucial in ensuring that UNDP remains engaged in critical human development priorities, by supplying the valuable medium to long-term perspective. <u>Second</u>, the project investment knowledge-based partnerships and partnerships for social innovation will be key to ensure the quality of policy dialogue and programme design.</p>	PIH	December 2019	<p>On track</p> <p>Trusted with key national partners such as the CDC, MOP, MEF, MoE, NCSD, and MME coupled with internal capacity to response enabled UNDP to response timely government's requests, for example in the economic appraisal of solar PV, State of the Environment report, capacity building on economic modelling.</p>
2	<p>Policy engagement is closely linked to the electoral cycle</p>	Oct 2018	Political Strategic	<p>In the past, the elections led to a slow-down in the dialogue on the social and environmental dimension of extractive</p>	<p>Assuming that the electoral cycle could lead to a slow-down in the <i>on-going</i> policy dialogue, the project will shift direct attention to supporting the analytical foundations for <i>future</i> policy dialogue on</p>	PIH	June 2019	<p>Closed</p> <p>The election in 2018 was held with minor disruption and led to quick formulation of the new government and subsequent</p>

				<p>industries, e.g. petroleum and mining concessions. With 2017 and 2018 as election years, as a consequence the project runs the risk of being unable to deliver on its commitments for policy dialogue.</p> <p>P = 5 I = 4</p>	<p>emerging human development priorities. On one level, this will require a shift towards policy research and exploring social innovations, in close collaboration with the knowledge partnerships and the partnerships for social innovations. The policy project could focus on exploring ways political parties could reach a consensus on a minimum policy platform.</p>			<p>adoption of the Rectangular Strategy phase 4 and new phase of NSDP.</p> <p>The risk is no longer applicable.</p>
3	<p>The Middle-Income Country transition will have consequences for the ability of UNDP in Cambodia to access regular/core resources and ODA grants.</p>	Oct 2018	Financial Operational Strategic	<p>As Cambodia transitions to MIC status, the availability of UNDP regular/core resources and ODA grants could decline, as domestic resource mobilization and other sources of development financing assume greater importance (e.g. Foreign Direct Investment, ODA loans, remittances, etc.) This transition will also have consequences for</p>	<p>First, it will explore government cost-sharing as a means to support policy engagement. Second, the project is also investing in establishing partnerships around knowledge-based partnerships will be a means to mobilize funding for policy research. Lastly, the investment in partnerships for social innovations is meant to explore opportunities from the emerging “social impact investment” funding for “impact driven-driven organizations”, that are engaged in “systems-impact projects”.</p>		December 2019	<p>Development financing landscape remains a challenge.</p> <p>Nonetheless, UNDP is able to leverage additional internal resources almost \$800k in 2019 to support policy and advocacy initiatives and innovative pilots.</p> <p>A few alternative financing options are in exploration stage including Public private partnership and impact financing model.</p>

				<p>the project to mobilize funding to support policy engagement and research, let alone new programming</p> <p>P =5 I = 4</p>				<p>Covid-19 crisis is an emerging this that adds pressure to ODA space.</p>
4	<p>The private sector does not cooperate and coordinate activities effectively</p>	Oct 2018	Financial Operational Strategic	<p>P =5 I = 4</p>	<p>The project will work with actors within the private sector who have demonstrated commitments to integrate SDGs into their business operations. These partners include H&M and GAEA. Based on the demonstration of successful results, the project seeks to influence and transform other actors in the private sector to adopt sustainable practices in their business operations (e.g. other municipalities, other SEZs and other types of industry).</p>		December 2019	<p>PS partnership were leveraged to promote CE model and awareness raising on waste and plastic waste issues. H&M particularly co-funded emission assessment at factories. Few other options were explored for waste to energy model adoption however, didn't pass UNDP due diligence process.</p>
5	<p>Governments do not commit to promoting new models such as renewable energy or circular economy</p>	Oct 2018	Political Strategic	<p>P =5 I = 4</p>	<p>For both renewable energy and circular economy, the project unpacks the political and economic context concerning energy and waste management, and provides solid evidence to determine cases for</p>		December 2019	<p>Continued engagement with key gov't partners were pursued in 2019 including support to the solar energy TWG and policy</p>

					<p>which adoption of innovative waste management and renewable energy models will bring significant benefits to Cambodia and for cases in which the new models are not (yet) feasible or attractive.</p>		<p>advisory support to MEF and MME.</p> <p>Advocacy efforts were supported by knowledge product such as the DREI report and solar energy booklet.</p> <p>Electricity outage in 2019 prompted government to look at alternative and clean energy sources and make request to UNDP to commission a study on the economics appraisal of solar energy, which is expected to be completed by Q3/2020.</p>
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