

Opening of the 3rd USAID Adapt Asia-Pacific Forum
15-16 September 2014, Siem Reap, Kingdom of Cambodia
By Dr. Tin Ponlok, Secretary General of the Cambodian National Council for Green Growth

*Ms. Kendra Schoenholz, USAID Controller,
Ms. Setsuko Yamazaki, UNDP Country Director,
Excellencies, ladies and gentlemen,
Distinguished guests,*

First of all, allow me to say a very good morning and a warm welcome to all of you to Siem Reap on behalf of the Royal Government of Cambodia. We are very pleased that this 3rd Regional Forum is being held in Cambodia, which is consistently ranked among the top 10 countries most vulnerable to climate change in the world, and is actively working on strengthening its climate change responses. This Forum's focus on country systems is very welcome.

Key international financing mechanisms, such as the green climate fund are being operationalized as we speak, and the clock is ticking for developed countries to deliver on their commitments to provide additional climate finance under the UNFCCC. In addition, traditional ODA resources, domestic budgets and private investments must be reoriented towards climate-smart solutions as soon as possible, to avoid an exponential growth of adaptation and mitigation costs if we delay our response for too long.

Solid country systems provide the foundation to mobilize and manage these various sources of financing in a coherent way that supports our national priorities. Of course, country systems are an essential component of the functioning of any state, they have been in place long before climate change became a prominent issue, and initiatives to improve these systems have been part of development efforts for several decades. Developing countries plan for their development, produce budgets, mobilize resources and partnerships, spend, procure, monitor and evaluate their work on a routine basis.

So how does climate change impact all of this? What makes it important for us to adapt these systems in response to climate change? First of all, because we all want to be able to access the various streams of climate finance, and to access these in the most direct way possible, such as direct access to multilateral climate funds, to reduce transaction costs.

But also and most importantly because climate change directly threatens our development objectives. In Cambodia, loss and damage from the 2013 floods alone represented USD 356 million. Initial estimates from our work on a Cambodia Climate Change Financing Framework indicate that the impacts of climate change will represent annual losses of at least 1% of GDP by 2030, and 3.5% of GDP by 2050 if no adaptation measures are taken. It is essential that national planning systems analyze these impacts, and translate the response into national policies, plans and budgets, otherwise sustainable growth will not be achieved.

Cambodia has already taken significant steps to integrate climate change in its country systems, in particular at the planning stage. The National Climate Change Committee coordinates Government's work in this area and climate change is one of the cross-cutting issues in the 2014-18 National Strategic Development Plan. A 10-year Cambodia Climate Change Strategic Plan was launched by Samdech Techo Hun Sen, Prime Minister of the Kingdom of Cambodia, in November 2013. Ten ministries already have their sectoral strategies and action plans on climate change, and the building blocks of our monitoring and evaluation system are gradually being put in place.

Let me outline some of the next steps that Cambodia is currently working on:

First, Important work remains to be done to strengthen economic analysis of climate impacts and climate-relevant investments in key sectors. This should then inform the legal and regulatory framework, and guide the budget process and public investment strategies, to ensure maximum efficiency and effectiveness in the context of climate change. We are working with the Supreme National Economic Council, Ministry of Economy and Finance and selected key line ministries on these issues.

Second, while reforms to strengthen Cambodia's Public Financial Management systems continue, Cambodia will need to put in place tools to routinely track and analyze climate-relevant expenditures in national and sub-national budgets, as well as ODA. A methodology for this has already been tested through the Climate Change Financing Framework exercise, and further work is required with Ministry of Economy and Finance and the Council for the Development of Cambodia to fully integrate this into their systems;

Third, these are clearly new areas of work, and capacity development support will be crucial. Standard training modules on climate finance should be developed, tested, integrated in the regular training of Government officials, and these new skills should be applied to concrete investments and budget proposals. Cambodia, like other countries in the region, will need to establish a solid group of professionals who can analyze, prioritize, design and manage climate-relevant expenditures in key sectors and ministries;

Finally, development partners will need to play their part too. Despite global commitments to development effectiveness, climate finance remains very fragmented, and it is delivered through a wide variety of channels, which often do not support country systems. At a minimum, climate finance needs to be planned, budgeted and monitored in line with the standards and priorities set by recipient Governments, and we should work towards an endpoint where climate finance is fully integrated in national systems and does not require separate delivery channels.

I hope that these few thoughts on the Cambodian example will be a useful input in your discussions over the next few days

I wish you a very pleasant stay in Siem Reap, and a very fruitful event. Thank you.