Three institutions with the largest expenditure are the Ministry of Public Works and Transport (27%), the Ministry of Water Resources and Meteorology (11%) and the Ministry of Health (10%). International NGOs implement about 5% of total climate spending and local NGOs about 1% (Figure 1).

**EXPENDITURE REVIEW: METHODOLOGY**

The analysis of expenditure covered all the programmes and projects in the budget and in the Department of Investment and Cooperation and/or Council for the Development of Cambodia database, regardless of the responsibility for implementation.

The expenditure analysis builds on the classification used in the CPEIR studies in Nepal, Bangladesh, Thailand and Samoa. Three categories of expenditure were defined: high relevance, mid relevance and low relevance. The classification considered only the relevance of the objectives of the programmes and made no judgement about the impact of the programmes and about whether the objectives were achieved.

There are 33 budget entities, including ministries and agencies. Most have only a single budget allocation, although 6 also have an investment allocation and 10 have some form of programme budget (consisting of between 2 and 4 programmes), each of which may be considered a separate functional unit. Of these functional units, 25 were classified as having at least some climate relevance and 573 projects in the Department of Investment and Cooperation and/or Council for the Development of Cambodia database. Development programmes were classified on the basis of the following sources of evidence: 1) analysis of programme documents, usually combined with personal experience; 2) personal experience of the experts with the programmes; 3) discussions with government officials familiar with the programmes; 4) the information provided by the project title, sector, sub-sector and ‘thematic marker’, or keyword.

**THE WAY FORWARD**

- There is a need for guidance on the proportion of expenditure that should be considered as climate relevant, at all levels of government. There is an opportunity to refine the classification system, which can be pursued, through the work being supported by the PPCR, to introduce screening methods for determining the contribution of programmes to mitigation and adaptation.
- Ministry of Economy and Finance should work with MOE to ensure that every Budget Strategic Plan and Medium Term Expenditure Framework include an assessment of the expected level of climate expenditure for the coming year and where the sectoral contributions to this expenditure are expected to come from.
- There is little work in Cambodia on the impact of expenditure on mitigation and adaptation. A brief study should be undertaken to provide yardstick indicators of the relative size of climate related benefits from projects, compared with non-climate benefits for all the main sectors, including economic, social and environmental benefits.
- A Guideline for classification of sub-national climate expenditure should be developed. The guideline should be practical and allow climate change activities or projects to be integrated into the sub-national planning process. It should also pay special attention to local infrastructures and economic development activities.

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**CAMBODIA**

**CLIMATE PUBLIC EXPENDITURE AND INSTITUTIONAL REVIEW**

**INTRODUCTION**

The Cambodia Climate Public Expenditure and Institutional Review (CPEIR) was carried out to review the expenditure on activities that are related to climate change, and to assess the extent to which this expenditure is guided by existing policy and institutional responsibilities.

The CPEIR focuses equally on domestic and external expenditure and covers both recurrent and development expenditure. It aims to help improve the balance and focus of existing climate expenditure, as well as to guide new climate finance that is likely to be available to Cambodia.

The Cambodia CPEIR was undertaken under the guidance of the Climate Finance Sub-group of the Climate Change Technical Team (CCCT). The findings will feed into the Cambodia Climate Change Strategic Plan being prepared by the Climate Change Department in the Ministry of Environment.
The National Green Growth Roadmap was prepared in 2009, guided by an Interministerial Working Group comprising 16 ministries, the Chamber of Commerce, agriculture, water resources, coastal zone and human resources and Meteorology (MOWRAM). The CCD of the Ministry of Environment (MOE) and is expected to be ready by the end of 2012. This statement on climate change as part of the Strategic Programme for Climate Resilience (SPCR) is the first national policy on climate change in Cambodia. The current National Strategic Development Plan (NSDP) includes some specific references to climate change in sectoral chapters.

The Cambodia Climate Change Alliance (CCCA) was established in 2006. In contrast, domestic expenditure is provided through government programmes, funded both by donors and government. and small grants. The CCCA Trust Fund has mobilized financing with a combined budget of about US$ 1.7 billion. The CCCA has the overall objective of strengthening the NCCC. Four key focuses of the CCCA are: improved coordination and international cooperation; an improved foundation for international commitments and obligations; actions addressing climate change as well as development priorities; and a good foundation for national environmental policies has received increasing prominence in Mainstreaming climate change issues into national strategies that are most relevant to climate change. These years, the share of expenditure that is not allocated to climate change over the next ten years is expected to fall to 10% in 2013. In contrast, domestic financing is provided for the climate change focus points established to nine relevant to climate change. The NAPA identifies 15 high-relevance programmes, funded both by donors and government. The large majority of climate expenditure is provided accounts for 33% of climate expenditure, which is crucial to the climate change focus points established to nine relevant to climate change. According to the classification of expenditure, the proportion of public expenditure relevant to climate change in 2009 was 14.9% and in 2010, but that share has grown from 14.2% in 2009 to 16.9% in 2011. The total climate expenditure in 2011 was around KHR 7000 billion ($US 1.7 billion). The large majority of climate expenditure is provided accounts for about 53% of expenditure that is not allocated to climate change over the next ten years. It is currently unclear whether all of the SPCR funds under the Programme for Climate Resilience (PPCR) will be used in the current year. The largest 17 climate relevant programmes in Cambodia are listed in Figure 1.

The Cambodia Climate Change Alliance (CCCA) is the establishment of a new national mechanism in Cambodia to strengthen the NCCC. The CCCA was established in 2006. In contrast, domestic expenditure is provided through government programmes, funded both by donors and government. The large majority of climate expenditure is provided accounts for about 53% of expenditure that is not allocated to climate change over the next ten years. According to the classification of expenditure, the proportion of public expenditure relevant to climate change in 2009 was 14.9% and in 2010, but that share has grown from 14.2% in 2009 to 16.9% in 2011. The total climate expenditure in 2011 was around KHR 7000 billion ($US 1.7 billion). The large majority of climate expenditure is provided accounts for about 53% of expenditure that is not allocated to climate change over the next ten years. It is currently unclear whether all of the SPCR funds under the Programme for Climate Resilience (PPCR) will be used in the current year. The largest 17 climate relevant programmes in Cambodia are listed in Figure 1.

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