

United Nations Development Programme – OAI, Social and Environmental Compliance Unit



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Resilient nations.*

ELIGIBILITY DETERMINATION:

Complainant: Confidential, represented by the Cambodian League for the Promotion and Defense of Human Rights

Regarding UNDP projects: *“SDG Impact – Catalyzing Private Sector Capital for the SDGs” and “Policy and Innovation Hub for Sustainable Development”*

Case No. SECU0025

Date: 9 May 2024

Basic Data

Case No.	SECU0025
Category of Non-Compliance:	Social and Environmental
Location:	Cambodia
Date Complaint received:	6 March 2024
Source of Complaint:	Confidential
Eligibility assessment conducted by:	Richard Bissell, Lead Compliance Officer
Compliance Officer assigned:	
Other investigators assigned:	
Related Case(s):	N/A

I. Overview

1. On 6 March 2024, the UNDP Social and Environmental Compliance Unit (SECU) received a complaint from the Cambodian League for the Promotion and Defense of Human Rights (LICADHO). LICADHO submitted the complaint on behalf of several individual complainants, who have requested that their personal information and statements remain confidential due to concerns around retaliation and privacy.
2. The complaint relates to the SDG Investor Map for Cambodia, featured on the SDG Investor Platform, and prepared under the *SDG Impact – Catalysing private sector capital for SDGs* project (which is a global UNDP project) and the *Policy and Innovation Hub for Sustainable Development* project (which is a local, UNDP Cambodia project).
3. The SDG Investor Platform is a publicly available UNDP resource with the stated aim of providing data, information and insights on investment opportunities with potential to contribute to sustainable development.¹ The SDG Investor Platform houses over 40 SDG Investor Maps from countries all over the world. These Investor Maps identify commercially viable Investment Opportunity Areas (IOAs) in the respective countries. IOAs are described as business models which are aligned with sustainable development needs and government policy priorities, which have the potential for profitable private sector investment. The SDG Investor Maps are intended to result in SDG-aligned capital deployment, by encouraging more private sector investment in the identified IOAs.
4. The codified methodology for the preparation of SDG Investor Maps was developed under the global *SDG Impact* project. The development of an SDG Investor Map is driven by the respective UNDP Country Office, with the support of the SDG Impact team, which sits in the Sustainable Finance Hub between the Bureau for Policy and Programme Support (BPPS) and the Bureau of External Relations and Advocacy (BERA). Within each IOA, there is a tab on the platform titled “Partners”, which directs users to “discover public and private stakeholders that are active in the investment opportunity”.² According to the SDG Impact team, these entities are referred to in the SDG Investor Maps because they are leading relevant work or are pioneers in the IOA space.
5. The complainants allege failures of due diligence in the choice of organisations and companies that have been highlighted as partners in the SDG Investor Map for Cambodia, and harms that result from UNDP’s promotion of these entities. The complainants allege that a significant number of partners identified under the various IOAs in the SDG Investor Map for Cambodia have documented histories of perpetrating, contributing to, or being linked to human rights abuses, including coerced land sales; forced evictions; deforestation of protected areas and Indigenous lands; child labour; trafficking in persons; and other harms. The complainants also implicitly allege due diligence failures in relation to the identification of certain IOAs in the Cambodian context, calling into question the appropriateness of the decision to select these IOAs as business models

¹ <https://sdginvestorplatform.undp.org/>

² See, for example, the partners listed under Cambodia’s Access to Finance for Small and Medium Enterprises IOA: <https://sdginvestorplatform.undp.org/market-intelligence/access-finance-small-and-medium-enterprises-smes#partners>

aligned with sustainable development needs, and into which more private sector investment should be encouraged.

6. SECU registered the complaint on 8 March 2024 and thereafter sent a documentation and information request to the Cambodia Country Office and the SDG Impact team.
7. As required by SECU's Investigation Guidelines,³ this memorandum provides SECU's assessment of whether the complaint is eligible for a full investigation by SECU.
8. SECU has determined that the complaint is eligible for a compliance review.

II. Project Details

9. The *SDG Impact – Catalysing private sector capital for the SDGs* project (Project ID: 00126637) had a start date of January 2020 and an original end date of June 2023, which has been extended to December 2025.⁴ It is a global project managed by the SDG Impact team in UNDP's Sustainable Finance Hub.
10. The *SDG Impact* project identifies three pillars to address factors of limited private sector investment aligned with the SDGs: impact management, impact intelligence and impact facilitation. Under the impact intelligence and impact facilitation pillars, the project works with regional bureaus, regional hubs and country offices to develop SDG Investor Maps. According to the SDG Impact team, the project has supported over 40 Country Offices to date in using the SDG Investor Map methodology to create country maps, with technical assistance and quality assurance provided by the SDG Impact team. Building on the information in the Investor Maps, under the impact facilitation pillar, the project aims to bring together private sector players, governments and other stakeholders, including civil society, at the country level to facilitate match-making and SDG aligned investments in accordance with opportunities identified through the development of the SDG Investor Maps.⁵
11. The *Policy and Innovation Hub for Sustainable Development (PIH)* project (Project ID: 00114485) had a start date of January 2019 and ended in March 2024. *PIH* was implemented by UNDP Cambodia under the Direct Implementation Modality (DIM). *PIH* focused on a range of development problems and its aim was to advance policy dialogues and innovation in support of Cambodia's efforts to attain the SDGs and inclusive and sustainable growth.
12. According to the Cambodia Country Office, the budget for the development of the SDG Investor Map for Cambodia was mobilized through the global project (*SDG Impact*, and specifically the

³ <http://www.undp.org/content/undp/en/home/librarypage/operations1/secu-investigation-guidelines/>

⁴ <https://open.undp.org/projects/00126637>

⁵ See page 4 of the Prodoc, available at: <https://open.undp.org/projects/00126637>

Temasek Trust⁶), the Country Office (included and expended under the *PIH* Project), and the SDG Fund (under the Integrated National Financing Framework⁷).

III. Summary of Process to Date

13. The Investigation Guidelines for SECU detail the process for responding to complaints: Section 8. The Complaint Review Process – Eligibility and Terms of Reference – directs SECU to register complaints within five days of receipt if they are not automatically excluded pursuant to Section 1.1 Policy basis.
14. SECU received the complaint on 6 March 2024, registered the complaint on 8 March 2024 and posted it on its case registry, available at www.undp.org/secu.
15. Section 8.1, Determining Eligibility of a Complaint, indicates that within twenty business days after registering the complaint, SECU will determine if the complaint meets the eligibility criteria specified in Section 8.2. Due to a variety of factors, including the need to obtain additional information from key stakeholders and proceed through an internal clearance process, it is rarely possible to achieve this timeframe in practice.
16. To be eligible a complaint must: (1) Relate to a project or programme supported by UNDP; (2) Raise actual or potential issues relating to compliance with UNDP's social and environmental commitments; and (3) Reflect that, as a result of UNDP's noncompliance with its social and environmental commitments, complainants may be or have been harmed.

IV. Determination of Eligibility

17. **Criterion 1: Relates to a project or programme supported by UNDP.** The Investor Map for Cambodia was developed as an activity under and funded through two UNDP projects: the global *SDG Impact – Catalysing private sector capital for the SDGs* project (*SDG Impact* project) and the local *Policy and Innovation Hub for Sustainable Development* project (*PIH* project). The identification of investment opportunity areas and partners, to which the complaint relates, was carried out according to a codified methodology, developed under the global *SDG Impact* project. The complaint accordingly relates to a project or programme supported by UNDP.
18. **Criterion 2: Raises actual or potential issues relating to compliance with UNDP's social and environmental commitments.** UNDP is required to ensure adherence to the Social and Environmental Standards (SES) for all project and programming activities implemented using funds channeled through UNDP's accounts, regardless of implementation modality.⁸ The SES encompass broad programming principles (Part A, which apply to all UNDP-supported activities); specific project-level standards (Part B); and overarching social and environmental management

⁶ The Temasek Trust is a steward of philanthropic assets, gifts and endowments. It strives to provide sustainable funding for community initiatives. The Temasek Trust is one of the key donors of the SDG Impact project, having contributed \$989,420 to the overall project budget.

⁷ <https://inff.org/>

⁸ UNDP Social and Environmental Standards, 2021, page 5. Similarly stated in the previous version of the SES, 2014, page 8. Since both of the relevant projects under which the SDG Investor Map for Cambodia was developed started before January 2021, the 2014 version of the SES apply to this complaint.

system requirements intended to screen, assess and manage social and environmental risks and ensure effective participation of stakeholders (Part C). A Social and Environmental Screening Procedure (SESP) is completed during the design phase of a project to identify potential social and environmental risks and opportunities associated with the proposed project. The SESP is also used as a basis for determining the application of the relevant SES project level standards. The SESP is updated as needed during implementation as part of project risk management and monitoring. At a minimum, projects that undergo substantive revision or experience a change in context that affects the risk profile are required to be re-screened and potentially re-categorized. In addition to the SESP, the SES require that potential social and environmental risks, impacts and opportunities are systematically identified and assessed, with the type and scale of assessment and the agreed management measures needing to be proportionate to the level of social and environmental risks and impacts. An SESP was prepared for the global *SDG Impact* project. An SESP was not prepared for the *PIH* project, with the Cambodia Country Office claiming that the project was exempt from having to prepare an SESP. Risk logs, identifying possible project risks and measures to address these risks, were prepared for both projects. Neither the SESP for the global *SDG Impact* project, nor the risk logs prepared under both projects and included as annexures in the respective Prodocs, appear to identify any risks specific to the identification of investment opportunity areas or partners as part of the development of SDG Investor Maps.

19. In response to SECU's documentation and information requests, both the Cambodia Country Office and the SDG Impact team have stressed that the Investor Map Platform is a market intelligence tool, that the SDG Investor Map for Cambodia is not in itself a pipeline of potential investments, and that UNDP Cambodia has not entered into any financial or non-financial partnerships with the entities listed as partners and that these entities are simply examples of entities active in the investment opportunity area. Both the Cambodia Country Office and the SDG Impact team assert that no due diligence process was required in relation to the entities featured as partners on the platform. In relation to the investment opportunity areas, the SDG Impact team advised that each IOA has a detailed section on the platform on business and impact risks that should be considered by any user that is considering investing in a given opportunity area.
20. The complaint raises potential issues relating to whether UNDP has adequately met its obligations under the SES to identify and assess potential social and environmental risks relating to the project activity of developing the SDG Investor Maps, and specifically the identification of investment opportunity areas and partners. Potential issues are also raised relating to whether the UNDP has adequately applied the SES Programming Principles to the development of SDG Investor Maps, particularly with respect to Human Rights. The complaint also raises potential issues relating to the extent of stakeholder engagement involved in the design and roll out of the SDG Investor Map for Cambodia. Lastly, the complaint raises the potential issue of whether the *PIH* project was correctly determined by the Country Office to fall within the categories of projects exempt from the SES screening requirements. The requirements of this criterion are accordingly satisfied, and these issues will be further assessed in a SECU compliance review.
21. **Criterion 3: Reflect that, as a result of UNDP's noncompliance with its social and environmental commitments, complainants may be or have been harmed.** The complainants describe various ways in which they, and others similarly situated, allege to have been harmed by the entities listed as partners in the SDG Investor Map for Cambodia. These harms include human rights abuses, in the form of coerced land sales, forced evictions, deforestation of protected areas and Indigenous lands, child labour, and trafficking in persons. The complainants allege that the UNDP, by

providing its reputational credit to these entities through listing them on the public SDG Investor Platform, which has the stated aim of helping users to identify SDG-enabling investment opportunities, is providing a degree of reputational cover and actively hindering the complainants' ability to advocate against these entities and their abuse of human rights. The complainants also allege that the SDG Investor Map for Cambodia is encouraging investment in the entities listed as partners. Further capital flow to these entities, with alleged records of violating human rights, could generally empower and increase activities that further human rights violations. SECU finds that the decision to list these entities as partners in the SDG Investor Map for Cambodia, which may have occurred in non-compliance with the requirements of the SES, may have already, or could in the future, cause harm to the complainants and others similarly situated. The complaint also alleged a number of specific harms that pertain to particular communities and companies, but requested this information be kept confidential as the complainants believe such information may identify them and thus expose them to an increased risk of retaliation or reprisals. SECU reviewed these specific allegations of harm and finds them credible to warrant additional investigation and has written an internal and confidential note to file further analyzing these allegations as they relate to criterion 3 of this eligibility determination. The requirements of this criterion are accordingly satisfied.

22. As all three Criteria are satisfied, SECU has determined that the complaint is eligible for a social and environmental compliance review.

V. Next Steps

23. As the complaint has been found eligible under SECU's procedures, SECU will initiate the compliance review with discussions with the complainants and relevant UNDP Staff. A complete description of investigative steps will be available in the terms of reference for the investigation, as posted on the SECU website.