

# CAMBODIA SUSTAINABLE BOND ACCELERATOR

for Companies planning to issue Green, Sustainability and Sustainability-Linked Bonds

This initiative is organized by the **United Nations Economic and Social Commission for Asia and the Pacific (ESCAP)**, the **Global Green Growth Institute (GGGI)**, and the **Securities and Exchange Regulator of Cambodia (SERC)** in collaboration with the **Credit Guarantee and Investment Facility (CGIF)** and **GuarantCo**.

## Context



Cambodia is in the top 10 out of 171 countries that are most exposed to climate risks



Climate change estimated impact could cost 1% of Cambodia GDP per year for the next decade



Severe flooding and droughts alone could reduce Cambodia's GDP by roughly 10% by 2050.

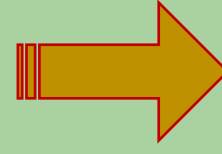


Total funding requirement for climate mitigation in Cambodia is around US\$ 5.8 billion and over \$2 billion for adaptation

There is strong potential for **thematic and sustainability-linked bonds** to close this gap by **raising finance** for the public and private sectors, while contributing to the implementation of the sustainable development goals and Cambodia's climate commitments towards net-zero

## Main Challenges for Bond Issuers in Cambodia

- High issuance costs
- Limited access to ESG finance, credit
- Limited opportunities for capacity development
- Lack of enabling policies and legislation framework
- Limited awareness on the issuance process and understanding of the regulatory environment



## Cambodia Sustainable Bond Accelerator

- ✓ unlock capital for sustainable finance
- ✓ support bonds issuances to align with market standard

## Scope and Objective

As Cambodia's capital market is still evolving, the **Sustainable Bond Accelerator** aims to provide **technical assistance and financial support** to enable the issuance of **green, sustainable or sustainability-linked bonds** in Cambodia. The overall objective is to enable a flow of financing towards green, sustainable and net-zero projects in Cambodia to support the country in meeting its climate priorities. Through a combination of technical assistance, capacity building and advisory support across the issuance and post-issuance processes, the initiative will:

- ✓ Enhance issuer's abilities to meet international **thematic and sustainability-linked bond standards**;
- ✓ Promote **climate-related investments** in Cambodia and combat greenwashing;
- ✓ Increase the ability and interest of issuers in Cambodia to **move from traditional bond issuance** to thematic and sustainability-linked issuance;
- ✓ **Lower the cost of issuance** and support the growth of a strong debt market in Cambodia.

## What are the benefits?

### Shortlisted applicants

- **TECHNICAL ASSISTANCE and SUPPORT** – Issuance support based on best practices and international standards, review of green and sustainability bond framework and capacity building
- **INVESTMENT SUPPORT** – Identification and connecting with relevant investors

### Selected applicants

- **TECHNICAL ASSISTANCE** – Issuance support based on international best practices, review and in-principal approval from SERC for issuance, short-term post-issuance support and capacity building for reporting and compliance
- **FINANCIAL SUPPORT** – Cost-sharing support for the second-party opinion and other issuance costs
- **INVESTMENT SUPPORT** – Support for roadshows, connecting to investors, and credit enhancement where feasible

## Priority sectors



Energy



Smart Agriculture



Clean Transportation



Green Buildings

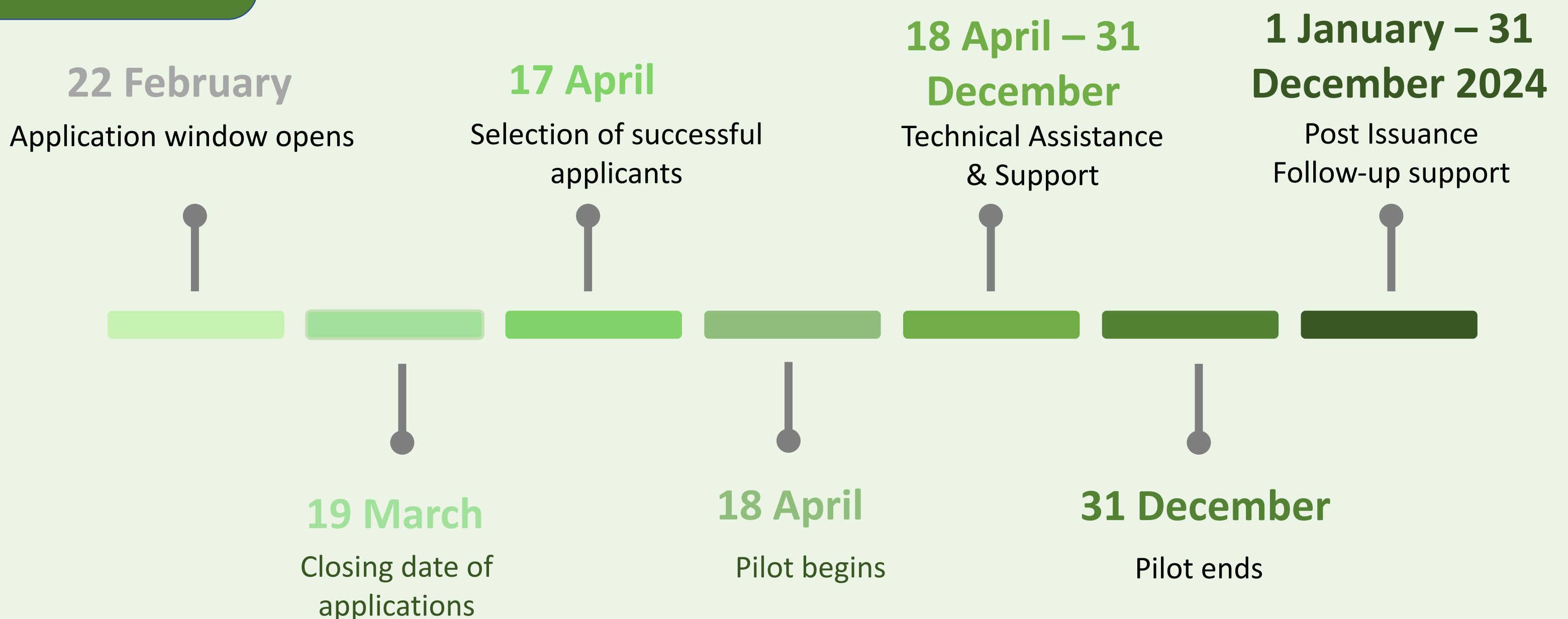
Applications are open to all organization including private entities and government or municipalities operating in Cambodia.

## Criteria of selection

The initiative will support up to 4 bond issuers for issuance by December 2023. Selected applicants will be provided with needs-based technical assistance and support. Interested applicants can access more information and apply at: <https://www.serc.gov.kh/english/m86.php?pn=10&no=1>

Potential issuers are requested to specify the type of support needed and specify their green and net-zero objectives and planned use of proceeds of the bond issuance.

## Timeline



Submission of proposals by email by **19 March 23:59 ICT** with the subject line: **RFA-ESCAP-GSSBONDSKH**. More info at: <https://www.serc.gov.kh/english/m86.php?pn=10&no=1>

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