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.

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.
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

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

22 February
Application window opens

17 April
Selection of successful applicants

19 March
Closing date of applications

18 April
Pilot begins

31 December
Pilot ends

18 April – 31 December
Technical Assistance & Support

1 January – 31 December 2024
Post Issuance Follow-up support

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

For more details please contact varabott.ho@un.org

Priority sectors

Energy
Clean Transportation
Smart Agriculture
Green Buildings

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

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