



Press release

Fair Finance Cambodia Officially Publishes Green Financing Policy Study

Fair Finance Cambodia Coalition recently published a detailed study on the Green Financing Policy Implementation in Cambodia. This study is launched along with the publication of the ASEAN Taxonomy for Sustainable Finance to provide key policy recommendations and criteria for the Government, Ministry of Economy and Finance (MEF), and the National Bank of Cambodia (NBC) to assess the quality of financing activities and benchmark eligible green activities and investments.

Fair Finance Cambodia Coalition is a platform, under the banner of the regional Fair Finance Asia initiative being implemented in eight countries, by civil society organizations to promote sustainable finance in the country. In Cambodia, it is implemented by six coalition members including Oxfam, ActionAid, Cooperation Committee for Cambodia, SILAKA, NGO Forum on Cambodia and Transparent International Cambodia.

Stated in the report, “there is no legal basis or provision for the inclusion or integration of promotion of ecological and social issues and natural resource protection within the policies and practices of the financial sector in Cambodia”, in other words, there is an opportunity for the negative environmental and social impact from the financial sector to be measured and regulated in terms of risk management coupled with monitoring support in a direct or indirect manner in Cambodia.

Oxfam National Director Ms Sophoan Phean said “the environmental and social safeguards in Cambodia’s banking and financial sector is a significant concern. Credit from this sector has broadly contributed to many development or investment projects, some of which have impacted social, natural resources and the environment. With potential growth of the finance and banking sector, the study would be very informative to all concerned stakeholders working together to promote sustainable green finance for mitigating adverse impacts to the environment and societies.”

Overall, the study makes 6 key recommendations comprising raising awareness about definitions and criteria for green financing across stakeholders, financial institutions considering international benchmarks to rethink their role and policies, rewarding banks that fully comply with the Cambodia Sustainable Finance Principles (CSFP) of the Association of Banks in Cambodia (ABC), evidence-based research by NBC for use as a reference for the development of regulations and guidelines, and capacity building for policy makers and executioners for effective formulation and implementation of policies.

These recommendations were summarized into 6 key suggestions involving awareness raising, capacity building of stakeholders from regulators to implementors, adopting the newly published ASEAN Taxonomy and conducting evidence-based research.

“The green financing policy is critical for contributing to equitable, inclusive and sustainable development in Cambodia and environmental and social standards are key to ensuring that all aspects of development projects benefit the people and all stakeholders in an equitable manner. Findings from this study are an important achievement for knowledge, consideration and discussion among stakeholders to practice and contribute to sustainable development in Cambodia,” said Dr. Tek Vannara, Executive Director of NGO Forum on Cambodia during the opening of the seminar to launch the study report of the green financing policy implementation in Cambodia on February 24, 2022 at Cambodiana Hotel.

The study concludes on a positive note highlighting that collaboration across banking and financial institutions can significantly ensure a good climate for large green sustainable development and investments. This will provide employment opportunities and contribute to Cambodia's sustainable developmental progress by implementing environmental and social impact indicators to make loans and funds more accessible to seemingly risky projects.

The study as co-published by the NGO Forum on Cambodia, was launched at “the Launching-Dialogue on Research Study Findings” to disseminate the findings and recommendations as supported by Diakonia, the Swedish Embassy and Oxfam in Cambodia on the 24th of February to kick-start awareness-raising in 2022.

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Notes to Editors:

Link to full study: <https://bit.ly/35N0ZPP>