



Press Release

Fair Finance Cambodia Launches Study on ESG Compliance in Gold Mining

Fair Finance Cambodia (FFC) has recently published a comprehensive study on Environmental, Social and Governance (ESG) compliance in the Gold Mining Industry in Cambodia. The study aims to enhance understanding of the existing ESG-related policies, regulations, and practices employed by gold mining investments in Cambodia. It further aims to offer practical recommendations for taking appropriate action to address any challenges pertaining to ESG performance in the mining sector. These challenges include concerns related to human rights, gender, health and safety, and the well-being of the indigenous people. The study also seeks to identify financial institutions that provide funding for investments in Cambodia's extractive industry. Given that the extractive industry plays a central role in generating national revenue, it becomes increasingly important for Cambodia as it aspires to transition into an upper middle-income country by 2030. It is crucial to ensure that economic growth does not come at the expense of the country's natural resources and environmental well-being. Consequently, the adoption of ESG practices in this expanding industry is of utmost significance at present.

The report provides an overview of the state of labor rights during a specific period focusing primarily on working conditions, labor laws, health and safety regulations, environmental management, and any community-related concerns that may arise from gold mining operations. In Cambodia, there are established legal requirements that cover various aspects of ESG practices including labor rights, health and safety, environmental protection, impact assessment, human rights, child rights, gender equality, and private corporate governance. Although ESG may not be explicitly mentioned, its concepts and practices have been widely adopted and implemented. Several policies and sub-decrees, such as the Environmental and Natural Resource Code, , the Law on Mineral Resource Management and Exploitation, and the Law on Forestry have been effectively implemented. The Ministry of Mines and Energy (MME) has reported significant progress and growth in mineral management and revenue collection, while taking steps to mitigate for risks and impacts.

“We appreciate and encourage the responsible government agencies, particularly the Ministry of Environment (MoE) and the Ministry of Mines and Energy (MME), who have legal and institutional obligations in managing, monitoring, and auditing gold mining practices and companies. It is essential to ensure strict compliance with regulations and standards to protect both the natural and human ecosystems. Embracing ESG principles is a globally recommended approach that can assist both the government and private sectors in internalizing the associated impacts and promoting responsible practices.” said **Mr. Soeung Saroeun**, Executive Director of the NGO Forum on Cambodia.

The study presents five broad policy recommendations for government and regulators:

- Enforcing regulations is crucial for the Ministry of Environment (MoE), MME and other authorities at national and sub-national levels to address irregularities and non-compliance, especially in problematic mining projects.
- MME and MoE should work together to develop a comprehensive policy and guideline for integrating ESG in Cambodia's mining industry. A minimum standard should be established for gold mining to ensure compliance with labor rights, community rights, gender equity, and environmental considerations. MME should create a publicly accessible database of gold mining companies, including corporate profiles, licenses, reports, and financial statements. Exemplary practices of Renaissance Minerals (Cambodia) Ltd. (RNS) and Angkor Gold served as models for other companies.
- MME should develop a more effective grievance and redress mechanism to address issues and concerns raised by stakeholders, particularly local communities.
- Similarly, MoE should continue to update and disseminate information about the Environmental and Social Funds associated with gold mining projects to all relevant parties through its website or periodic announcements.
- MME should enforce strict requirements for the declaration or reporting of funds or capital investment in gold mining operations in Cambodia.

The study concludes that ESG has been quite well implemented for RNS in its advanced mining stage, Angkor Gold in its exploration phase, and Mesco Gold in its early but paused mining phase. For the other three corporate entities covered by the report, this is quite the reverse. Numerous attempts to access those corporate contacts and information were unsuccessful, which limits a detailed critical analysis. Best practices have been investigated, but it has been proven that they are still in the early stages of implementation, especially for RNS, which has only been operational for about two years. In an effort to address these gaps, the study proposes several practical recommendations outlined in the report.

Co-published by the NGO Forum on Cambodia and FFC, this report will be launched at “the Launching-Dialogue on Research Study Findings” in Phnom Penh on December 13, 2023. The dissemination of findings and recommendations was supported by Diakonia, the Swedish Embassy, and Oxfam.

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Notes to editors:

To access the full Policy Brief and report in English, visit: <https://shorturl.at/CLRY4>

Fair Finance Cambodia (FFC) is a coalition was established in 2019, it consists of seven Civil Society Organizations (Oxfam in Cambodia, The NGO Forum on Cambodia (NGOF), Cooperation Committee for Cambodia (CCC), Transparency International Cambodia (TIC), ActionAid Cambodia (AAC), SILAKA, and Pact Cambodia). The coalition is committed to advancing sustainable finance in Cambodia and has developed a roadmap to achieve this goal. FFC is part of Fair Finance Asia (FFA), a regional network of Asian CSOs committed to ensuring that financial institutions' funding decisions in the region respect the social and environmental well-being of local communities.

More information about FFC, visit: <https://cambodia.fairfinanceasia.org/>

The NGO Forum on Cambodia (NGOF) is a membership organization for local and international NGOs which exist for information sharing, debate and advocacy on priority issues affecting Cambodia's development. It's established in the 1980s with international Steering Committee which in the beginning focused on international advocacy for ending aid embargoes and land-mine clearance and from 1993, the NGOF has worked on a broader range of issues, such as an international ban on land mines, the creation of a permanent tribunal for crimes against humanity, and concerns about the impacts of development aid.

The NGOF facilitated NGO networks working on Gender, Trade and Economic Development, Environmental Awareness, Pesticides Reduction, Mekong Basin Community Rights, Resettlement and Forest Livelihoods. Moreover, the NGOF developed and implemented three programs namely Development Issues Program, Environment Program and Land and Livelihoods Program. Each of them encompasses three to five projects.

In 2012, the NGOF shifted its registration with Ministry of Foreign Affairs and International Cooperation and was registered with the Ministry of Interior. Since then, the NGOF continue to focus on natural resource governance, development policies, land and livelihoods, and environment, agriculture, and climate change, socio-economic development.

As development trends have changed rapidly, the NGO Forum on Cambodia and its members have developed a new strategic plan 2024-2030 or Vision 2030 based on the key findings and recommendations from the evaluation, and through participatory approaches such as workshops with NGOF staff and management committee members, consultations with the members, NGO partners, government relevant ministries, development partners/funding partners, private sector, and the other key stakeholders. This strategic plan is responding to the key findings from the evaluation of current strategic plan (2018-2023), the needs of vulnerable and poor peoples, the NGO Forum members and civil society organizations and is aligned with the UN 2015 development agenda or SDG (2016-2030), Paris Agreement on Climate Change, the Cambodia 2030 vision, Pentagonal Strategies phase I, National Program Phase II for Sub-national Democratic Development (NP 2) for 2021-2023, and other sectoral policies, and development trends.

For more information about The NGO Forum on Cambodia, visit: <https://www.ngoforum.org.kh/>

Oxfam in Cambodia has been supporting Cambodia's development since 1979, making it the first INGO operating inside Cambodia during the controversial post-Khmer Rouge genocide period. Oxfam in Cambodia works in a wide range of programs advocating for women Economic Empowerment, Livelihoods for vulnerable groups, Natural Resource Governance, Climate Change Resilience and Sustainable Energy, Financial Inclusion, Social Protection and Decent works, Sustainable and Climate Resilient Agriculture, Civic Engagement, Financing for Development and inclusive green business.

For more information about Oxfam in Cambodia, visit: <https://cambodia.oxfam.org/>