

GCF Observer Network of Civil Society, Indigenous Peoples, and Local Communities

Intervention on

FP228: Cambodian Climate Financing FacilityAccess the document: <https://www.greenclimate.fund/document/gcf-b38-02-add08>

We recognize the Cambodian Climate Financing Facility's aim to catalyze public and private sector funding for high-impact climate mitigation and adaptation projects that contribute to Cambodia's achievement of its Nationally Determined Contributions.

However, we are concerned about the proposal's long implementation duration and lack of resource allocation to specific sectors. Considering the ambitious scope of the project and the various sectors it aims to impact, it lacks specific allocations to its focus sectors – namely renewable energy, energy efficiency, sustainable land use and agriculture, and low-emission transport – making the impact potential challenging to evaluate with specificity. The flexible approach on sector allocation can also lead to uncertainty about the final portfolio composition and impact potential.

The potential for the programme to finance teak plantations is still ambiguous. While we note that these would only be on degraded lands, and we appreciate that the AE has provided a definition of "degraded land" in the technical sessions, we remain very concerned that the definition contains no implementable metrics and is not formalised in the programme documentation. Plantations are not a climate solution, and there remains a risk that weak definitions and poor governance can displace productive land or damage biodiversity. Likewise, while we appreciate that the Indigenous People Planning Framework within the ESMS provides some protections, this is not extended to all forest communities.

We would also like to point out that the ARDB, as one of the executing entities in charge of the origination, issuance, and administration of loans for high-impact climate projects, has no previous experience with sectors outside agriculture.

Many of these concerns were also pointed out by the ITAP, and we agree that if approved, these gaps must be addressed by the proponent prior to the project's implementation, due to the long project lifespan of 35 years. In addition, we would like to see a condition added that formal metrics of "degraded land" are developed and implemented, and that enhanced due diligence is applied to any sub-projects in these territories with a view to protecting Indigenous Peoples and all forest-based communities.

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