

# OPEN CALL FOR APPLICATIONS

Cambodia Growth Stage Impact Ventures  
(GSIV) for Climate Adaptation

**Deadline: 05 January 2024**

#GSIV 



# CAMBODIA GROWTH STAGE IMPACT VENTURES



## **FOCAL POINT FOR GENEVA**

Luisa E. Bernal  
luisa.bernal@undp.org

Mialy Nomenjanahary  
mialy.nomenjanahary@undp.org

## **FOCAL POINT FOR CAMBODIA**

Paolo Dalla Stella  
paolo.d.stella@undp.org

Thida Tieng  
thida.tieng@undp.org



## Background

As a country highly vulnerable to climate change, the Royal Government of Cambodia is committed to driving the transition to a low carbon economy that is more inclusive and sustainable, as part of its long-term development vision. Cambodia supports multilateral action against climate change through its active participation in the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement. In this context, the RGC produced an ambitious Nationally Determined Contribution (NDC) showcasing its progress in climate policy and setting up mitigation targets and adaptation actions responding to its national circumstances.

According to the World Bank, foreign direct investments (FDI) accounted for 13.5 percent of the GDP in 2019 placing Cambodia among the top 15 countries in the world with high investment rates. Local investments have also played a crucial role in boosting the economy, comprising around 35 percent of total investment from 2016 to 2019. The country's economic growth is now primarily driven by the private sector, particularly industries stimulated by FDIs in the agriculture, tourism and textile and apparel sectors.

Small and medium-sized enterprises (SMEs) play a vital role in Cambodia's economy. According to the Ministry of Industry, Science, Technology, and Innovation (MISTI), SMEs represent up to 70 percent of employment and 99.8 percent of enterprises, while contributing to 58 percent of the GDP<sup>1</sup>. However, these SMEs face challenges such as limited access to finance, skill gaps, low productivity, and weak governance. On the financing side, while the majority of impact

investments have focused on the financial services sector, there are limited investments in other sectors like agriculture, education, energy, and information and communications technology<sup>2</sup>. Very few deals with considerably smaller ticket size went to agriculture, education, energy, or technology and communication. It is argued that the size of impact investment in other sectors than finance could be as low as USD 30 million to USD 50 million between 2017 and 2020, often with small ticket size.

In the wake of the COVID-19 pandemic, it is vital to restore and attract more and quality investment to support Cambodia's recovery and long-term sustainable development – including climate mitigation and adaptation. To assist this process, the UNDP developed the Cambodia SDG Investor Map supported by the Centre for Impact Investing and Practice (CIIP) which has partnered with UNDP throughout ASEAN for promoting impact activities.

The Growth Stage Impact Ventures (GSIV) Cambodia seeks to expand market intelligence for SDG investments in Cambodia by identifying enterprises contributing to climate adaptation in line with Cambodia's Nationally Determined Contributions (NDCs).

<sup>1</sup> [https://www.nbc.gov.kh/download\\_files/macro\\_conference/english/Roles\\_of\\_SMEs\\_in\\_Cambodian\\_Economic\\_Development\\_and\\_Their\\_Challenges.pdf](https://www.nbc.gov.kh/download_files/macro_conference/english/Roles_of_SMEs_in_Cambodian_Economic_Development_and_Their_Challenges.pdf)

<sup>2</sup> UNDP (2022). Cambodia SDG Investor Map: Investment Opportunity Areas report.

# What is the GSIV Programme?



Established by UNDP in 2019, the GSIV programme aims to identify, through a highly competitive process, enterprises from developing countries that have developed at-scale products and services that contribute to the SDGs while achieving commercial success and are committed to embed impact considerations into decision-making. Identified ventures have a proven impact, demonstrated product-market fit, and a revenue-generating self-sustainable model or have raised already a round of investment - becoming therefore attractive for international capital. By showcasing and supporting these ventures, UNDP aims to bring forward evidence of the existence of pipelines of investable ventures that can advance the transition to SDG-aligned investment in developing countries.

UNDP also works with a network of partners at the global, regional and country level to promote the changes necessary, including through [Sustainable Finance Hub \(SFH\)](#) flagship initiative [SDG Impact](#). The initiative involves among others, market intelligence by identifying areas of SDG investment opportunities in developing countries through the formulation of [SDG Investor Maps](#).

The GSIV takes the SDG Investor Map one step further, defining a mechanism to identify and support specific ventures operating in the priority investment sectors coming out of the SDG Investor Map, and therefore, a potential investable pipeline to advancing the SDGs at country level. This pipeline of enterprises identified through the GSIV can be used by financial intermediaries (brokers) for aggregation and facilitating investments. In addition, the programme provides support to finalists in the adoption of the [SDG Impact Standards for Enterprises](#) as voluntary

management standards designed to guide businesses and investors on their sustainability journeys. Through the SDG Impact Standards, the GSIV finalists are provided with a holistic universal framework and management approach for embedding sustainability and the SDGs in all decision-making across organizational purpose and strategy, internal management, disclosure, and governance practices, supporting their long-term sustainability and contributions towards the SDGs.

## Who can apply?

Enterprises that meet the eligibility criteria are welcome to apply through the **online form**.

Applications can also be made by third parties, namely entities that have, or had in the past, a working relationship with the nominated enterprise. This might include accelerators, impact funds, family offices, international organizations, development banks, governments, NGOs, among others.

In the case of third-party applications, we encourage third parties to complete the application form in cooperation with the nominated venture, to ensure the accuracy of the information provided.

# What are the eligibility criteria for nominated enterprises?

## 1 Geographic criteria

This call for applications aims to promote the development of the private sector in Cambodia. Only ventures with substantial operations in Cambodia, with a **management team and workforce primarily based in Cambodia and providing products and services mostly in Cambodia and other ASEAN countries, are eligible.**

- **Investment:** have raised at least US\$100,000 or reached break-even through organic growth;
- **Innovation:** present an innovative technology, business model, or process with a strong competitive advantage (intellectual property, clear unique selling proposition, uniqueness factor);
- **Team profile:** retain a solid team with complementary competencies to run and grow a business;
- **Scalability:** demonstrate that the solution is scalable at the regional, continental, or cross-sectoral level.

## 2 Business model criteria

Eligible ventures, which should be seeking partners (technical, financial, or other) to grow will be evaluated according to the following criteria:

- **Impact:** be a mission-driven enterprise (possibly within by-laws) with an impact-driven model—meaning that the venture aims to generate a measurable, positive social or environmental impact, with impact management procedures and measurement metrics and/or key performance indicators in place; and the potential to contribute to the achievement of more than one SDG, in an integrated way;
- **Financial record:** have an established business model and strong financial track record based on the company's management accounts and audited financials (if available), number of clients, annual revenue, EBITDA, break-even, previous funding raised;



# 3 Thematic Criteria

The overarching theme of the call for applications is climate adaptation meaning that the business model of nominated enterprises contribute in one way or another to climate adaptation in Cambodia.

The UNFCCC defines adaptation as adjustments in ecological, social, or economic systems in response to actual or expected climatic stimuli and their effects. It refers to changes in processes, practices, and structures to moderate potential damage or to benefit from opportunities associated with climate change.

The call for applications is addressed to enterprises operating in one of the following six sectors and twenty-five Investment Opportunities Areas (IOAs) identified through the Cambodia SDG Investor Map and climate adaptation actions of the updated Nationally Determined Contributions (NDC) of Cambodia.



Photo:UNDP Cambodia Manuth Buth

## Food and Agriculture

Food & Agriculture sector should be aligned to one or more of the following areas in key sectors such as rice, cassava, horticulture and other food crops, industry crops, rubber, and livestock):

- i. Sustainable agriculture solutions to increase production and productivity for small, medium, and industrial farmers, improve quality safety, harvesting and post harvesting techniques and agro-business enhancement, including new technologies, approaches and crop varieties adapted to climate change
- ii. Agro-industrial processing facilities for food fortification
- iii. Agriculture value chain to improve value chain and distribution management
- iv. Support services for crop production resilient to climate change including through advancement of climate-smart farming systems
- v. Sustainable animal production systems, including improved breeding techniques and disease early warning systems
- vi. Sustainable fisheries and aquaculture systems
- vii. Logistics services (cold chain, storage, transport, and ancillary services) to promote Cambodian exports

## Infrastructure, green construction, and buildings

Ventures in the infrastructure sector should be aligned to one or more of the following areas:

- i. Affordable housing resilient to climate change, with financing solutions for low- and middle-income families
- ii. Waste-to-energy (WtE) solutions for a circular waste management system
- iii. Innovative solutions for wastewater treatment
- iv. Piped water systems (PWS) for peri-urban and rural areas in Cambodia
- v. Sanitation solutions adapted to climate change

## Education

Ventures in the education sector should be aligned to the following areas:

- i. Skill development centres offering specialized courses and training for priority sectors and contributing to climate change adaptation of different stakeholders
- ii. Educational and training services and products enhancing understanding and capacity for climate adaptation across sectors

## Healthcare

Ventures in the healthcare sector should be aligned to one or more of the following areas:

- i. Digital healthcare service providers
- ii. Services associated to the diagnosis, detection, control, preventing and treatment of vector-borne and water-borne diseases, injuries and other food poisoning illnesses arising from climate change

## Renewable Energy

Ventures in the renewable energy sector should be aligned to one or more of the following areas:

- i. Solar photovoltaic (PV) systems for infrastructure development
- ii. Solar irrigation systems and other climate-resilient practices
- iii. Solutions to enhance energy efficiency in residential buildings
- iv. Clean cooking solutions to reduce usage of fossil fuels such as coal or biomass such as wood
- v. Private forest management for sustainable livelihood and income generation activities



# Additional criteria for attention

The GSIV Programme in Cambodia will dedicate additional attention to enterprises that contribute to specific development objectives. Concretely, the programme will provide bonus points to impact ventures that — besides tackling one of the sectors above — present a business model that promotes the empowerment of women and contribute to trade as per the criteria outlined below:



## Women empowerment

Bonus points will be assigned to impact ventures:

- i) Whose CEO is a woman and/or at least 50% of C-level positions are filled by women
- ii) Founded by a woman or that have at least 50% of female ownership
- iii) That have at least a 30% share of women in the workforce
- iv) That promote the participation of women in economic activities; and/
- or v) Serve the needs of women and girls and aims to expand women's economic space.



## Trade

Bonus points will be allocated to ventures that contribute or have the potential to contribute to trade expansion of Cambodia. Accordingly, bonus points will be assigned to i) Ventures with trade connections (e.g., suppliers or clients) across borders in ASEAN and beyond; ii) Ventures whose business plans foresee investment and /or trade expansion in ASEAN and internationally.



## How does the selection process work?

The GSIV selection process consists of three main stages:

### Call for applications:

Which allows enterprises and third-party to submit applications through the online form

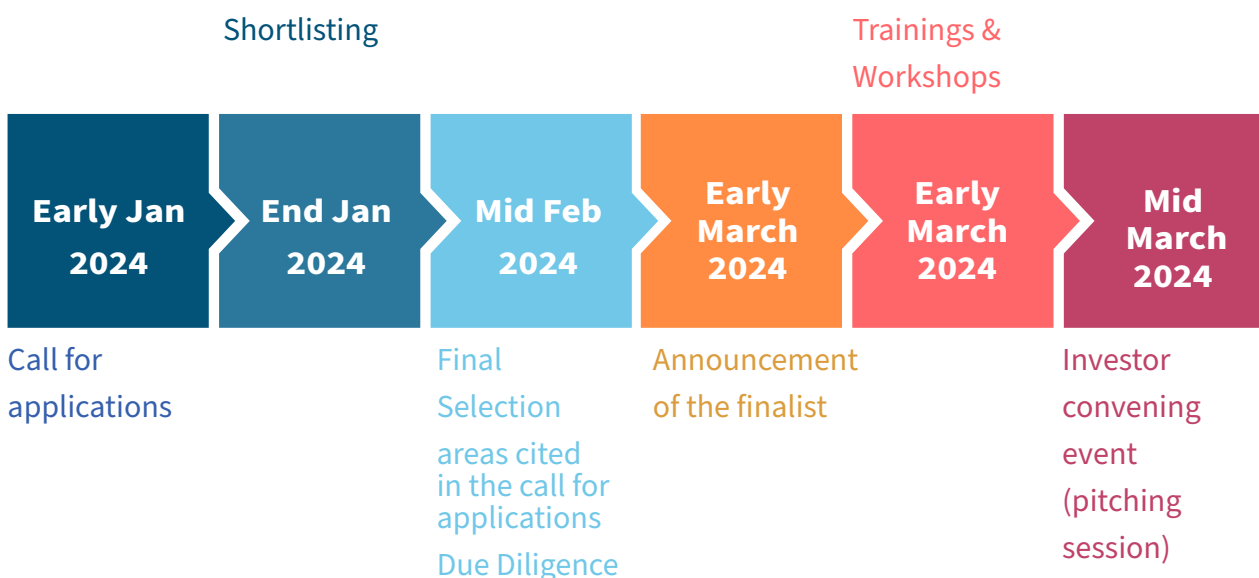
### Shortlisting:

Based on the information provided by the enterprises themselves or third-party applications in the online form, a shortlist of eligible ventures will be established. Each shortlisted venture will then be contacted to fill a detailed profile and provide supporting material to allow the programme to undertake an in-depth assessment of the financial, commercial,

### Final Selection:

The selection of the finalist impact ventures will be decided by a Selection Panel composed of technical experts on the areas cited in the call for applications, financial/private sector, academics, and development practitioners.

## What is the timeline of the GSIV programme in Cambodia?





## What are the benefits for the finalist ventures?

The GSIV programme has the objective to improve the visibility and exposure of the selected enterprise in the impact investment ecosystem at the local and international level, and to offer concrete possibilities for developing new connections and access networking opportunities. Ventures selected as finalist will be endorsed by UNDP and will receive capacity development to improve their impact management practices. The list of services offered by the programme are summarized below:

### Visibility

Enterprises ranking first will be given visibility as ventures contributing to climate adaptation in Cambodia, aligned with the country's SDG Investor Map and NDC's objectives. Such enterprises will receive a broad exposure through UNDP's communication channels and those of partners globally and in Cambodia. Their details will be uploaded as case studies on the [SDG Investor Platform](#) as part of the market intelligence provided by the SDG Investor Map.

### Capacity Building

Selected enterprises will have access to technical assistance provided by UNDP and partners aimed at strengthening their pitching techniques, enhancing their investment readiness, and better communicating their intended impact to an SDG-aligned investor profile.

### SDG Impact Standards and Impact Measurement and Monitoring trainings

Selected enterprises will be invited to participate in a workshop on the [SDG Impact Standards for Enterprises](#), to help them embed sustainability into their decision-making.

### Exposure in UNDP events

UNDP will extend to all finalist ventures an invitation to attend and pitch their solution during an investor convening event scheduled to take place in December 2023. This will also be an occasion to present and meet the investor and entrepreneurship community and discuss potential for partnerships and investment opportunities.



## Network

Finalist ventures will have the possibility to access the global presence of UNDP (+170 countries) and networks to support their scaling and the replication to new countries. They will have access to a wide network of stakeholders interested in learning more about their innovations, and benefit from one-on-one introduction to relevant decision-makers and other programmes to scale up their product and services' offerings.

“The GSIV programme truly enables entrepreneurs to access networks of investors, corporate and institutional partners to build support systems to scale into new markets. Our participation as finalist has enhanced our brand and improved our SDG-aligned practices.”

Okey Esse, CEO of Powerstove (Nigeria), GSIV finalist 2021

Photo:UNDP Cambodia 2020\Manuth Buth

## What are the benefits for third-party nominators?

Third parties that nominate ventures to the GSIV will be acknowledged on UNDP website and will be invited to attend exclusive events and investor convenings organized by UNDP.



## About the SDG Investor Map

The SDG Investor Map is a market intelligence tool that makes visible SDG-enabling investment opportunity areas (IOAs) – investment themes and business models – in emerging markets that are aligned to national sustainable development needs, government policy priority areas, and investor interest. The SDG Investor Map makes it

easier for organizations to identify business and investment opportunity areas with the highest impact potential and direct activity and capital to where it is needed most. Over 500 IOAs across 30+ countries and counting, are available for free on the [SDG Investor Platform](#).



## About the SDG Impact Standards

The [SDG Impact Standards](#) are voluntary management standards designed to guide businesses and investors on their sustainability journeys. Organized around 12 implementation actions, the SDG Impact Standards provide a holistic universal framework and management approach for embedding sustainability and the SDGs in all decision-making across organizational purpose and strategy, internal management, disclosure, and governance


practices. The SDG Impact Standards have been purposefully designed as an overarching decision-making framework. The primary focus of the SDG Impact Standards is not external reporting – although this is of course a critical element.



Photo:UNDP Cambodia

# UNELASHING GREEN SOLUTIONS FOR A CLIMATE SMART FUTURE

Get in touch with us

 @UNDPGeneva  
@ UNDPCambodia

APPLY or NOMINATE

[www.undp.org/Cambodia](http://www.undp.org/Cambodia)

#GSIV.្រ

