3. M&E during reporting

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Country Results Report

The Biodiversity Finance Initiative (**BIOFIN**) programme in **Cambodia**
REPORTING PERIOD: January to December 2025

19 December 2025



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BIOFIN COUNTRY PROGRAMME

W: https://www.biofin.org/index.php/cambodia

BIOFIN
The Biodiversity Finance Initiative

BIOFIN COUNTRY PROGRAMME PROFILE

Country: Cambodia

Geographic coverage: Country-wide, including protected areas, agricultural areas and wetlands, and seascapes of Cambodia.

Programme period (as funded by Phase II/Phase II Extended funds): January 2024 – December 2026

Budget (from Phase II/Phase II Extended funds): $650,000.00

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Executive summary

Progress toward targeted results

In 2025, Cambodia advanced its commitment to sustainable biodiversity financing through the Biodiversity Finance Initiative (BIOFIN). Building on the Biodiversity Finance Plan (BFP) validated in 2021, the national BIOFIN team, in collaboration with the Ministry of Environment (MoE) and key stakeholders, reviewed and updated priority finance solutions to align with current implementation contexts. Three validated solutions are now driving progress:

Developing Sustainable Ecotourism (CBET)

This initiative empowers Community Protected Area (CPA) members as ecotourism entrepreneurs, promoting green business practices that enhance livelihoods and biodiversity conservation. Inclusive participation of women, youth, and indigenous communities is central. By the second year, CBETs are projected to generate approximately USD 2,000 annually, with growth expected in subsequent years.

Promoting Payment for Ecosystem Services (PES)

A watershed PES scheme in Phnom Kulen National Park aims to strengthen protected area management and water resource governance. The mechanism is expected to mobilize USD 60,000 annually, ensuring transparent governance and equitable participation. Legislative frameworks and financial structures are being finalized to institutionalize PES as a long-term financing solution.

Exploring Blue Carbon Opportunities

Currently in its preparatory phase, this solution focuses on developing a strategic roadmap for leveraging blue carbon markets and blended finance to conserve coastal and marine ecosystems. The roadmap will guide policy engagement and investment strategies, supported by multi-stakeholder collaboration.

Key Achievements and Insights

- Two business models of tow selected CBETs were developed successfully.
- Updated Biodiversity Expenditure Review (BER) shows a 59% increase in biodiversity spending since 2018, reaching USD 178 million in 2023. However, a financing gap of USD 127 million persists, underscoring the need for diversified funding sources.
- Social inclusion remains a cornerstone of BIOFIN implementation, with strong emphasis on gender equity, indigenous participation, and transparent benefit-sharing.

- Lessons learned highlight the importance of embedding biodiversity finance into public financial systems and customizing solutions to Cambodia's socio-economic and ecological context.

Key Activities Planned for 2026

Sustainable Ecotourism (CBET)

- Coaching and Mentorship: Provide structured support to pilot CBETs to strengthen business models and entrepreneurial skills.
- Product Assessment: Review and upgrade ecotourism products to meet market standards.
- Green Certification: Develop guidelines for certifying green destination sites to promote sustainability and innovation.

Payment for Ecosystem Services (PES)

- Governance Structure: Operationalize PES governance, including accounting and transparent reporting mechanisms.
- Budget Framework: Design a PES financial management framework for efficient fund allocation.
- Legislative Support: Finalize PES-related laws and regulatory instruments to enable scaling.

Blue Carbon Opportunity

- Roadmap Development: Create a strategic roadmap outlining financing mechanisms and conservation actions.
- Policy Dialogue: Organize national-level discussions to secure political buy-in and stakeholder alignment.
- Regional Exchange: Facilitate knowledge-sharing visits to ASEAN countries with successful blue carbon initiatives.

Expected Results Looking Ahead

- Enhanced CBET Capacity: Pilot communities become viable ecotourism enterprises, improving livelihoods and conservation outcomes.
- Improved Ecotourism Products: Market-ready offerings attract visitors and generate sustainable income streams.
- Green Certification Framework: Adoption of certification guidelines promotes eco-friendly tourism practices.
- Operational PES Governance: Transparent and accountable PES system supports long-term financing for protected areas.
- Budget Management Framework: Enables efficient tracking and allocation of PES revenues.

- Legislative Progress: PES-related laws create an enabling environment for scaling ecosystem service payments.
- Strategic Blue Carbon Roadmap: Provides actionable steps for integrating blue carbon into biodiversity finance.
- Policy Engagement & Regional Collaboration: Strengthens national commitment and fosters best-practice adoption through ASEAN partnerships.

A. Country factsheet: the country's biodiversity finance profile and the programming approach

A.1. Biodiversity finance profile

Cambodia stands out as one of Southeast Asia's most biodiverse nations. Its rich ecosystems shaped by deeply interconnected natural processes, deliver vital services and resources that support human well-being, wildlife conservation, economic development, and climate resilience. While biodiversity is essential for all life, it holds particular importance for the most vulnerable populations. Many Cambodians, especially indigenous peoples and those in remote areas, depend directly on biodiversity for food, water, shelter, medicine, and sustainable livelihoods.

However, Cambodia faces several pressing challenges in achieving its biodiversity conservation goals. These include habitat degradation, deforestation, and limited public awareness of the value of biodiversity and ecosystem services. A major constraint is the lack of sustainable financing and effective revenue management mechanisms to support the country's extensive protected area (PA) network. These areas, which are home to numerous endemic and endangered species, also store approximately 30% of Cambodia's carbon stock (Sixth National Report to the CBD, 2019).

Despite these challenges, Cambodia has shown strong commitment to biodiversity conservation. The country has expanded its protected areas to cover 41% of its national territory and established the National Council for Sustainable Development (NCSD). This council brings together 36 key ministries and agencies, along with 25 capital and provincial governors, to coordinate sustainable development policies and initiatives. Cambodia has also developed a comprehensive set of policies, strategies, and action plans to conserve and sustainably manage its biological resources (Biodiversity Finance Plan, 2018).

In line with global commitments, Cambodia is aligning its national strategies with the Kunming-Montreal Global Biodiversity Framework (KMGBF). The country recently joined 136 other nations in signing the United Nations treaty on the conservation and sustainable use of marine biodiversity in areas beyond national jurisdiction—highlighting its dedication to multilateral cooperation and global biodiversity protection.

According to the 2018 Biodiversity Finance Plan, Cambodia allocated approximately USD 112 million (KHR 453 billion) to biodiversity-related activities—equivalent to 2% of the national budget and about 0.5% of GDP. While this investment is significant, it is proportionate given that protected areas cover 41% of the country and biodiversity efforts involve 12 ministries and numerous development partners.

Key areas of biodiversity spending included:

- Sustainable agriculture and animal production
- Biodiversity and climate change
- Resource mobilization
- Environmental security
- Quality of life and poverty reduction
- Protected area system management

Areas receiving relatively limited investment:

- Access and benefit-sharing
- Protection of threatened species
- Sustainable mining practices
- Customary sustainable use and traditional knowledge
- Ex-situ conservation

A Finance Needs Assessment conducted in 2018 estimated that implementing the National Biodiversity Strategy and Action Plan (NBSAP) would require approximately USD 305 million, revealing a financing gap of around USD 195 million. This underscores the urgent need for increased investment to achieve Cambodia's biodiversity conservation and protection objectives.

National implementation context

In Cambodia, BIOFIN II is being implemented by UNDP in close partnership with the government, particularly through the Department of Biodiversity (DBD) under the Ministry of Environment (MoE), which leads the implementation of the National Biodiversity Strategy and Action Plan.

B. Overview of key results

B.1. PIR>BER>FNA>BFP

In 2024, Cambodia implemented the Global Biodiversity Framework Early Action Support project to accelerate the update of its National Biodiversity Strategy and Action Plan (NBSAP). As part of this initiative, the country also updated its Biodiversity Expenditure Review (BER). The updated BER drew on data from the 2016 NBSAP and expenditure figures available as of 2023. This marks the second BER, following the initial review conducted in 2021, which was based on 2018 data.

The 2024 BER revealed that Cambodia's biodiversity-related expenditure in 2023 reached USD 178 million, representing a 59% increase compared to 2018. However, this amount still fell short of the USD 305 million estimated to fully implement the 2016 NBSAP, leaving a financial gap of USD 127 million (49.3%). The top five funded themes - sustainable freshwater fisheries and aquaculture, sustainable agriculture, biodiversity and climate change, environmental security, and coastal and marine resource management - accounted for 63% of total spending. Despite this progress, three key themes - Ex-situ Conservation, Access and Benefit-Sharing (ABS), and Landscape and Seascape Management - received no funding.

As in the 2021 BER, the updated review showed that the Ministry of Agriculture, Forestry and Fisheries (MAFF) remained the largest spender, accounting for 53% of total biodiversity expenditure. This was followed by the Ministry of Water Resources and Meteorology (MoWRAM) and the Ministry of Rural Development (MRD), each contributing 14%. Funding was predominantly channeled through the central government (79%).

The Financial Needs Assessment (FNA) for 2023–2027 projected high investment requirements in the first two years, with operational costs expected to rise annually. However, delays in implementing key financial solutions have further hindered progress. The report calls for urgent action to implement these solutions, diversify funding sources (including private sector and public-private partnerships), and ensure a more equitable distribution of resources across all biodiversity themes to close the financial gap and achieve national biodiversity targets.

The Biodiversity Finance Plan is scheduled for an update in 2026, based on the newly revised NBSAP, which is expected to be finalized by the end of 2025.

B.2. Implementation of Finance Solutions

Cambodia is among the countries participating in the initiative. However, since the Biodiversity Finance Plan (BFP) and its associated financial solutions (FSs) were developed in 2021, a review of these FSs is necessary to ensure they remain relevant to the current context. Additionally, an update to the BIOFIN methodology is planned for 2026, which will further guide and refine the financial solutions moving forward.

As of this report, following the revision and validation of the FSs, three financial solutions have been validated and selected for implementation during the 2025–2026 period. They are included:

- Developing Sustainable Ecotourism
- Promoting Payment for Ecosystem Services
- Exploring and Initiating the Blue Carbon Opportunity for Biodiversity Conservation

These solutions were identified through a comprehensive review and consultation process with key stakeholders. They build upon the financial solutions prioritized in the 2021 BFP and were

selected based on the potential impact on biodiversity, scalability of financial opportunities, political feasibility, likelihood of successful implementation, and their contribution to local livelihoods.

Developing Sustainable Ecotourism through Community-Based Ecotourism (CBET)

This solution is designed to foster community-based ecotourism (CBET) by empowering members of Community Protected Areas (CPAs) to become ecotourism entrepreneurs. The core objective is to build local capacity for implementing environmentally sustainable business models that not only contribute to biodiversity conservation but also improve the livelihoods of two target communities.

By the second year of implementation, the initiative is projected to generate approximately USD 2,000 annually with looking further increasing in the future years, creating a sustainable revenue stream that supports both conservation and community development.

A central pillar of the initiative is inclusive participation. It actively promotes the equitable involvement of women, youth, and indigenous peoples across all components ranging from training programmes and decision-making bodies to community empowerment activities. Special emphasis will be placed on strengthening women's leadership roles and ensuring that benefit-sharing mechanisms are fair, transparent, and inclusive.

The implementation progress to date includes two business model of tow selected CBETs were developed successfully.

Promoting Payment for Ecosystem Services (PES)

This solution supports the full operationalization of a Watershed Payment for Ecosystem Services (PES) scheme within Phnom Kulen National Park (PKNP), a critical ecological zone that encompasses the entire Siem Reap watershed and serves as a habitat for numerous endangered species. The overarching goal is to establish a robust and functional PES mechanism that enhances the management and conservation of PKNP's protected areas, while simultaneously contributing to sustainable water resource governance and biodiversity preservation.

The PES scheme is projected to mobilize USD 60,000 annually with expectation of a stable small portion increasing in the further future years, offering a sustainable financing stream for conservation efforts. These funds will be directed toward maintaining ecosystem services such as clean water provision, forest protection, and climate resilience. The scheme is designed to be socially inclusive, ensuring the active participation of both women and men, and incorporating the perspectives and rights of indigenous people wherever relevant.

The Department of Biodiversity (DBD) of the Ministry of Environment (MoE) will lead the implementation of the PES scheme, with technical support from the UNDP/BIOFIN. Key institutional partners including the Ministry of Tourism, Ministry of Economy and Finance, Siem Reap Provincial Administration, and local authorities will play essential roles in revenue collection, fee structuring, and the broader execution of the scheme.

This collaborative approach aims to institutionalize PES as a long-term conservation financing mechanism, aligned with national strategies and responsive to local ecological and socio-economic dynamics. It also reflects Cambodia's broader commitment to integrating nature-based solutions into its environmental governance framework.

Exploring and Initiating the Blue Carbon Opportunity for Biodiversity Conservation

This solution is currently in its preparatory phase. Its primary objective is to develop a comprehensive strategic roadmap that leverages blue carbon as a powerful tool for biodiversity conservation. The roadmap will articulate clear strategies and actionable recommendations to support the protection and restoration of coastal and marine ecosystems, which are vital for climate resilience and ecological health.

To ensure the roadmap's implementation is both impactful and sustainable, this initiative will explore a range of innovative financing mechanisms. These include blue carbon markets, impact investment funds, and blended finance platforms that combine public and private sector resources.

The initiative will be led by the Department of Biodiversity (DBD) under the Ministry of Environment (MoE), with technical support from the UNDP/BIOFIN. Key stakeholders include the Fisheries Administration, Ministry of Agriculture, Forestry and Fisheries (MAFF), Ministry of Economy and Finance, UN-Habitat, Conservation International Cambodia, as well as various NGOs and private sector partners. These stakeholders will play a critical role in shaping the roadmap and ensuring its successful implementation.

Planned Key Activities for 2026

Developing Sustainable Ecotourism through Community-Based Ecotourism (CBET)

- Activity 1.3: Provide coaching and mentorship to pilot CBETs to support their development into CPA entrepreneurs.
- Activity.1.4: Review and assess the pilot CBET products' business development.
- Activity.1.5: Develop guidelines for green destination sites certification for CBET innovations

Promoting Payment for Ecosystem Services (PES)

- Activity 2.1: Provide support for the operationalized PES governance structure and mechanisms, including the accounting mechanism.
- Activity 2.3: Develop a PES budget management framework.
- Activity 2.4: Support finalization of PES-relevant legislations and frameworks.

Exploring and Initiating the Blue Carbon Opportunity for Biodiversity Conservation

- Activity 3.1: Develop a roadmap for blue carbon opportunity for biodiversity conservation.
- Activity 3.2: Organize a policy dialogue on the findings from the roadmap.
- Activity 3.3: Organize exchange visits with ASEAN countries where they are successful in managing blue carbon.

B.1.1. Implementation of activities under the "Enabling and Scaling up Nature-related Financial Disclosures" (IKI-TNFD) project [if applicable]

This section is not applicable.

C. Social inclusion stories

Cambodia's Commitment to Social Inclusion in BIOFIN Implementation

Cambodia is firmly committed to advancing social inclusion by aligning the implementation of its Biodiversity Finance Initiative (BIOFIN) with the United Nations Development Programme's (UNDP) overarching social inclusion strategies. These strategies are grounded in principles of equity, participation, and empowerment, particularly for marginalized and underrepresented populations.

Throughout the BIOFIN implementation cycle including methodology refinement, finance solution (FS) formulation, policy and guideline development, and on-the-ground activities. Cambodia will proactively ensure the meaningful inclusion of women and girls, indigenous people and local communities (IPLCs), and individuals living in poverty. These groups, often excluded from mainstream development processes, are now placed at the center of biodiversity finance planning and execution.

In the design and rollout of Community-Based Ecotourism (CBET) business models, Cambodia will uphold principles of full, equitable, and gender-responsive participation. This includes ensuring that IPLCs have access to biodiversity-related information and are actively involved in decision-making processes. Their cultural heritage, land rights, natural resources, and traditional knowledge will be respected and safeguarded.

Special emphasis will be placed on:

- Strengthening women's leadership and representation in biodiversity finance governance;
- Establishing transparent and equitable benefit-sharing mechanisms;
- Embedding social inclusion principles into national and subnational policy frameworks.
- These principles will be operationalized across several key areas:
- Development and scaling of inclusive CBET business models;
- Formulation of guidelines for certifying green destination sites under CBET innovations;
- Design of a Payment for Ecosystem Services (PES) budget management framework;
- Finalization of PES-related legislation and regulatory instruments; and
- Development of a strategic roadmap for blue carbon initiatives to support biodiversity conservation and climate resilience.

All BIOFIN reports, including the current Cambodia-BIOFIN Semester I will systematically document and analyze the outcomes of social inclusion efforts. This ensures transparency, accountability, and continuous learning in the pursuit of inclusive biodiversity finance.

D. Lessons learned and adaptive measures:

- Throughout the BIOFIN implementation, it became evident that relying solely on donor funding limits visibility and long-term impact. Embedding biodiversity finance into public financial systems ensures continuity beyond project cycles. However, the process of mainstreaming biodiversity finance into national and subnational development plans and budgets significantly needs further effort and commitment from high-level political support.

- Customizing finance solutions to fit Cambodia's socio-economic, ecological, and institutional context was crucial. Approaches that worked in other countries needed to adapt to local realities to ensure relevance and effectiveness.

- Strengthening the institutional and technical capacities of key stakeholders, particularly within the ministries of environment and finance, has proven essential. Capacity building not only improves the quality of biodiversity finance solutions but also empowers national actors to lead implementation, monitoring, and scaling efforts independently.

E. Risks

E.1. Programmatic risks (risks *to* the programme)

Table 1: Risk register for BIOFIN Cambodia

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
1	There is a risk that ecotourism products and activities within protected areas may lack sufficient adoption of sustainable, low-impact practices, limiting their competitiveness.	May 2025	Social and environmental	P = 2 I = 2	The development of the CBET business model will be supported by thorough analysis to ensure sustainable green ecotourism encompasses environmentally conscious products and activities that prioritize nature conservation and local community well-being. .	Kunka Ouk	Kunka Ouk	Jun 2025	On going
2	There is a potential risk that the project's delivery timeline could be delayed due to the competing priorities and commitments of the DBD team. These overlapping responsibilities may limit their availability and capacity to fully engage with project activities, potentially impacting the pace and	Jul 2025	Operational	P = 2 I = 3	The project will conduct a regular check-ins and progress reviews to ensure timely identification of bottlenecks and enable proactive adjustments. The project will also develop the acceleration plan/adaptive measure to ensure the project meets the timely delivery.	Kunka Ouk	Kunka Ouk	Jul 2025	On going

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
	consistency of implementation.								

E.2. Social and environmental risks (*of* the programme)

In alignment with the global project's Social and Environmental Sustainability (SES) framework, the CO BIOFIN team has reviewed and contextualized the SES risks for Cambodia. Relevant risks have been identified and appropriately adapted to the national context. The overall project risk level is assessed as low. Particularly, two specific low-level risks within the social and environmental categories have been identified. These risks have been properly recorded and are being monitored through the Quantum system, ensuring compliance with risk management protocols.

List of annexes and related notes

Annex 1: Indicator Tracking Table (in Excel)

The Indicator Tracking Table provides an up-to-date snapshot (subject to the availability of related data) of progress made towards the BIOFIN country programme's M&E indicator targets.


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