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## THE ASSOCIATION OF BANKS IN CAMBODIA

**FOR IMMEDIATE RELEASE**

September 19<sup>th</sup>, 2016

*Press Release*

### **Cambodian Banks Commit to Developing Sustainable Financing Principles**

**PHNOM PENH, CAMBODIA** – The Association of Banks in Cambodia (ABC) took a first major step towards sustainable lending practices this week by committing to develop sustainable finance principles and ultimately work towards integrating environmental and social safeguards and lending standards into their business decisions.

Adhering to these principles can help banks lower investment risks while also preserving the environment and supporting local cultures and communities

At the 19 September announcement ceremony, Mr. Charles Vann, Representative of ABC, signed a commitment statement to begin developing the sustainable finance principles, which will lead to banking policies that protect the environment, and promote social responsibility in making financial decisions.

“The intent is to develop and design environmental and social standards which are appropriate for Cambodia, designed by Cambodian banks with the assistance of international partners,” said Mr. Charles Vann, ABC Acting Chairman.

The Association was formed in 1994 and is recognized by the Royal Government as the official organization representing the country’s private banking sector.

ABC’s commitment to socially and environmentally sound lending principles comes at a critical time when both Cambodia’s economy and foreign direct investments into the country, particularly in large-scale infrastructure projects such as hydropower dams and special economic zones, is growing rapidly.

“Not only are sustainable lending practices vital to Cambodia’s economic growth and environmental health, but they just make good business sense,” said Christy Owen, Director of Mekong Partnership for the Environment, a regional project supporting the ABC’s efforts.

“These practices benefit communities but they also benefit banks by reducing risks and opening up new markets.”

ABC's commitment has also enabled them to join the International Finance Corporation's Sustainable Banking Network, an international community of financial sector regulatory agencies and banking associations from emerging markets committed to advancing sustainable finance in line with international best practices.

“The Sustainable Banking Network (SBN) welcomes the launch of the Cambodian Sustainable Finance Initiative with the leadership of the Association of Banks in Cambodia. IFC and SBN will continue to support the Association in their commitment to responsible and sustainable financing practices in Cambodia through knowledge sharing and capacity building.” Said Ms. Rong Zhang, SBN's Global Coordinator and IFC's Senior Policy Officer in Sustainability.

ABC's sustainable banking initiative is being supported by the U.S. Agency for International Development's (USAID)-funded project Mekong Partnership for the Environment (MPE), with partners Pact, Mekong Strategic Partners, and the Wildlife Conservation Society. The project aims to strengthen the social and environmental risk management capacity of Cambodian and other banks in the region.

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