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Cambodian Banks Adopt Sustainable Finance Principles

PHNOM PENH, CAMBODIA – The Association of Banks in Cambodia (ABC), together with the Cambodia Microfinance Association, took an important step towards sustainable banking practices today by launching the Cambodia Sustainable Finance Principles and its Implementation Guidelines – a voluntary framework to help banks integrate sustainability considerations into lending operations. Some 47 ABC members today signed up to the principles, with endorsement of the National Bank of Cambodia (NBC) and the Ministry of Environment (MOE), underlining the Cambodia banking sector’s strong commitment to the national sustainable development agenda.

Dr. In Channy, Chairman of the ABC, told today’s launching ceremony: “Through the Cambodian Sustainable Finance Principles, we strive to be a success story in Southeast Asia, while also strengthening the trust of external markets and investors in our adherence to international best practices”. He said the banking sector could make a significant contribution to a more sustainable and prosperous Cambodia by building people’s awareness and leading by example.

Witnessing the launch, Her Excellency Chea Serey, Director General, Central Banking Directorate, National Bank of Cambodia congratulated ABC for its strong commitment and proactive initiative in adopting and embedding sustainability practices in its policies and operations.
The emergence of the Cambodian Sustainable Finance Initiative (CSFI) started in 2016, when ABC made its first public commitment to embark on its sustainability journey. ABC joined the IFC-supported Sustainable Banking Network (SBN), 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. IFC, together with SBN, supported ABC to develop these principles and will play key roles in implementation through knowledge sharing and capacity building.

This sustainable finance initiative was also supported by a group of other international partners, including the Government of Japan, U.S. Agency for International Development (USAID), Agence Française de Développement and the Wildlife Conservation Society.

ABC was formed in 1994 and is recognized by the Royal Government of Cambodia as the official organization representing the country’s private banking sector. ABC’s commitment to socially and environmentally sound lending practices comes at a critical time with the nation’s economy and inward foreign direct investment, particularly in large-scale infrastructure projects, growing rapidly.