



NATIONAL BANK OF CAMBODIA

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Opening Remarks by
H.E. Chea Serey, Director General of Central Banking Directorate
National Bank of Cambodia
On the Occasion of Official Launch of Cambodian Sustainable Finance Principles
Friday 29th March, 2019
Sofitel Phnom Penh Phokeethra



- **His Excellency Sao Sopheab, Secretary of State of Ministry of Environment**
- **His Excellency E Vuthy, Deputy Secretary General of Council of Sustainable Development**
- **Dr. In Channy, Chairman of The Association of Banks in Cambodia**
- **Mr. Kea Borann, Chairman of Cambodian Microfinance Association**
- **Excellencies, Lok Chumteav, Lok Okhna, Distinguished Guests, Ladies and Gentlemen!**

Good Afternoon!

Today, it is my great pleasure and honor to take part in the official signing of “**Cambodian Sustainable Finance Principles**” by the Cambodian financial industry.

In fact, sustainability is a key concept in the government’s rectangular strategies phase IV, which is focusing on “inclusive and sustainable development”. Sustainability is considered from three important dimensions which are environment, social and economics. In reality, it is difficult to strike a balance between these three aspects. Therefore, we need not just one single body and industry to achieve it, but every single entity and industry. As such I would like to applaud ABC and CMA for taking the leadership in ensuring that Cambodia’s financial sector will contribute positively not just to the shareholders, but also to the social, environmental and economic wellbeing of the country. I also understand that not all banks and MFIs took part in this process at this stage, but I hope that the remaining will join later and take part in this historic milestone.

Excellencies, ladies and gentlemen!

Considered as the heart of any economy, banking sector plays an important role in channeling excess fund to different economic agents in the economy, whereby supporting the economic activities in almost all sectors. The collapse of the banking sector as we witness during the last global financial crisis, was detrimental to the real economic sector resulting in one of the worst recessions the world has seen. Because of this influential role, the banking sector needs to be closely monitored to prevent another crisis. The National Bank of Cambodia, as the regulator of

the financial industry, is closely supervising and regulating the industry to maintain financial stability. But beyond preserving the economic well being of the country many other factors need to be considered urgently as well.

Cambodia, like many other countries in the world, is going through a rapid economic development in an environment of rapid climate change widening the gap between rich and poor, as well as a young and demanding population. Facing three D effects: disruption, demography and disillusion, it is obvious that there can't no longer be "business as usual". Thing needs to change.

Thanks to its influential role, the banking industry can be a critical catalyst for inclusive and sustainable economy. Banks and MFIs can choose to finance or favor projects that have positive impact to the environment, to gender equality, to economic equity to name a few, and kill the financing of other projects that could incite deforestation, air pollution, unfair treatment of different class of the population etc.

Cambodia has gone through a remarkable economic development for the past twenty years under the wise leadership of Samdech Prime Minister Hun Sen. But for such growth to be sustained, all parties have a role to play. This morning Public-Private Sector Forum chaired by Samdech Prime Minister is a testament to the government's stance on the importance of close partnership with the private sector to achieve greater and more sustainable and equitable result. Once again I would like to thanks the ABC and CMA for taking this initiative.

Excellencies, ladies and gentlemen!

Today's launching of the "**Cambodian Sustainable Finance Principles**" will further reiterate the strong commitment of the financial sector in contributing to the sustainable and inclusive economic development. I believe all banks and microfinance institutions committed to these principles will help translate them into real actions that will provide positive results and outcomes. As the regulator and policy maker, we will also help ensure that these principles will be conducted in a level playing field. And, we will support in every capacity to create a conducive environment for banks and financial institutions to realize these principles.

In addition, I would like to see more banks and financial institutions adopt such important principles in order to prove their commitment to the future of Cambodia's economic, social and environmental sustainability.

Once again, I would like to congratulate and strongly endorse the initiative of the industry on "**Cambodian Sustainable Finance Principles**". I would also like to thank our international partners including IFC, AFD, WCS and USAID for their continuous support of this important initiative.

I would like to wish distinguished guests, ladies and gentlemen good health and success in all of your endeavors.

Thank you!