



VBIAF vs CCPT: A Quick Cheat Sheet

Bankers often ask: ***"What's the difference between VBIAF and CCPT?"***

Here's a comprehensive side-by-side reference guide that clarifies these two crucial sustainability frameworks and how they work together in Malaysian banking.



The Essential Question

What's the difference between VBIAF and CCPT?

This is the most common question sustainability officers and SME finance professionals ask when navigating Malaysia's green finance landscape.

Understanding these frameworks is crucial for effective sustainable finance implementation. They serve different but complementary purposes in guiding financial institutions towards environmental responsibility.



VBIAF: The Spark

Full Name

Value-Based Intermediation
Financing and Investment
Impact Assessment
Framework

Primary Objective

Guide banks to align financing
decisions with values and long-
term sustainable impact
across society, environment,
and economy

Approach

Principle-based guidance encouraging broad sustainable practices
through the triple bottom line methodology

VBIAF in Practice

Key Characteristics

Economy-wide scope covering all sectors

Flexible, principle-based framework

Focus on values alignment

Encourages holistic sustainability thinking



Malaysian Example: Financing a palm oil SME transitioning toward RSPO certification, or supporting a green property development project that incorporates renewable energy and water conservation measures.



CCPT: The Flame 🔥

Full Name

Climate Change and Principle-based Taxonomy

Primary Objective

Classify economic activities based on their specific climate impact and transition pathways

Approach

Structured, measurable classification system requiring mandatory reporting by banks

CCPT Classification System



Green Activities

Climate-friendly activities that contribute to environmental objectives. Example: Furniture SME using certified sustainable timber, automotive supplier manufacturing EV components.



Amber Activities

Transitional activities that are moving towards sustainability but haven't fully achieved green standards. Requires clear transition plans and timelines.



Red Activities

Activities that significantly harm climate objectives. Example: Automotive supplier manufacturing traditional exhaust systems without transition plans.

Side-by-Side Comparison

Aspect	VBIAF 	CCPT 
Focus	Values alignment & broad impact	Climate-specific classification
Scope	Triple bottom line (economy, society, environment)	Climate risks & transition pathways
Application	Principle-based guidance	Structured reporting requirements
Measurement	Qualitative assessment	Quantitative classification (Green/Amber/Red)

How They Work Together



VBIAF = WHY

Provides the foundational values and intent behind sustainable financing decisions. Sets the philosophical framework for responsible banking.



CCPT = HOW

Delivers the practical classification system and reporting mechanisms. Translates values into measurable, regulatory-compliant actions.



Practical Implementation Guide

01

Establish Values Framework

Use VBIAF principles to define your institution's sustainability values and long-term impact objectives across all business lines.

03

Monitor and Report

Use both frameworks to track progress, ensure regulatory compliance, and communicate sustainability performance to stakeholders.

02

Apply Classification System

Implement CCPT to categorise lending portfolio and investment activities into Green, Amber, or Red classifications.





Key Take-Aways



Complementary Tools

VBIAF and CCPT work together—one provides direction (WHY), the other provides method (HOW). Both are essential for comprehensive sustainable finance.



Clear Classifications

CCPT's Green/Amber/Red system offers precise guidance for portfolio management, whilst VBIAF ensures alignment with broader sustainability values.



Principles to Practice

Together, these frameworks bridge the gap between sustainability aspirations and practical implementation, helping bankers and SMEs navigate with clarity.