



ធនាគារ ARDB
ដើម្បីកសិករនិងអភិវឌ្ឍន៍សេដ្ឋកិច្ចសង្គម

INCLUSIVE STRATEGIES AND WAYS FORWARD TOWARD SUSTAINABLE FINANCING:

EXPERIENCES OF ARDB

Green Finance Department, ARDB

May 3rd, 2024



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- ARDB Inclusive Strategies and Ways Forward toward Sustainable Financing
- Climate Finance Opportunities: Cambodian Climate Financing Facility (CCFF Project)





ARDB AT A GLANCE





ARDB AT A GLANCE

Agricultural and Rural Development Bank (ARDB) is a 100% state-owned bank which was established in 1998 as specialized bank and was transformed to commercial bank in 2019.





VISION & MISSION



VISION

To be a **leading financial institution focusing on the agricultural and rural sector development** in Cambodia.



MISSION

1. Developing **strong linkage across agricultural value chain and rural sector** through inclusive end-to-end financial services;
2. **Identifying, coordinating, and providing resolutions to market gaps** in agricultural and rural sectors through strategic partnership;
3. **Enhancing diversification of rural economy** by providing financial services to small and medium enterprises (SMEs) in rural area; and
4. **Promoting rural sector savings.**



**ARDB Inclusive Strategies and Ways Forward
toward Sustainable Financing**



ARDB 3-YEAR ROLLING STRATEGY (2024-2026): PRESENT



Promote deposits and loan portfolio increment



Promote digital operation and work productivity



Government's policies implementation and international cooperation enhancement



Promote capital and green financing diversification

ARDB 10-YEAR ROADMAP (2024-2033): UNDER REVISION



Vision, Mission and Mandate

To be a Leading **Green and Sustainable Financial Institution** focused on the development of the agriculture, rural **and Green Sectors** in Cambodia.

Goals



Become a fully digital Green and sustainable bank, **utilizing Artificial Intelligence (AI)**.

Product and Service



Fund mobilization (Green Bond, Climate Bond, Social Bond,...)



Sustainability Roadmap Development and Implementation

ARDB SUSTAINABILITY ROADMAP: UNDER DEVELOPING

Developing innovative **sustainable and low-carbon finance products/projects.**

Updating/restructuring internal policies and procedures to align with global best practices

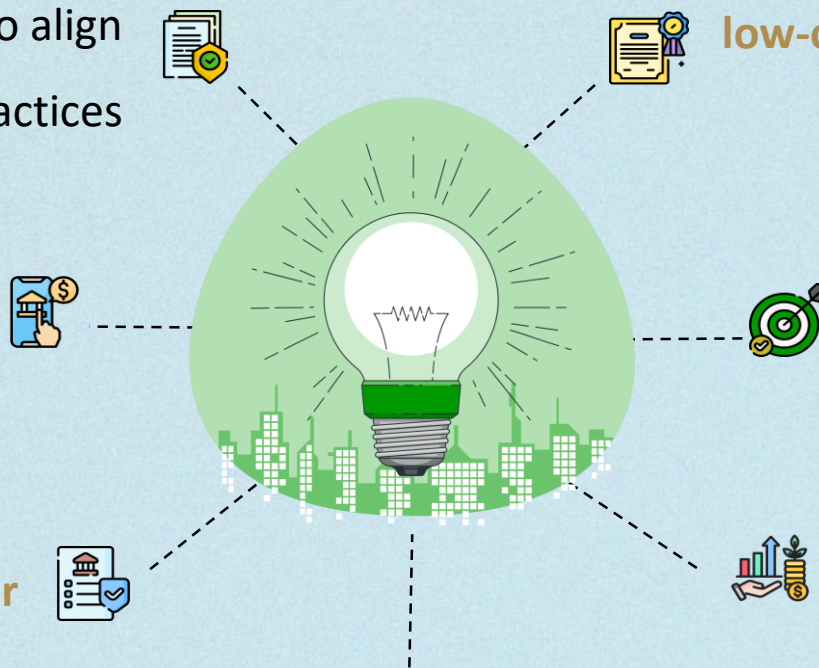
Facilitating ARDB's evolution into a Green Finance Institution and GCF Accredited Entity

Assisting ARDB's **transformation into a fully digital Green and sustainable bank**

Broadening source of fund and mission contributing to promote sustainable and climate actions beyond agriculture

Ensuring **preparedness for regulatory compliance** with policies, legislation, Prakas and Circulars

Establishment of sustainable technical body (specific working group, committee, board, and so on)





ARDB WAYS FORWARD



Scaling up Green Finance

Increase the volume of green financing within bank's portfolio.



Advancing Sustainable Practice

Integrate sustainability principles throughout banking operations.



Leverage Sustainable Fund

- Become an Accredited Entity (AE) to access to GCF fund and other international Fund
- Fund Mobilization (Green Bond, Climate Bond, and Social Bond...)



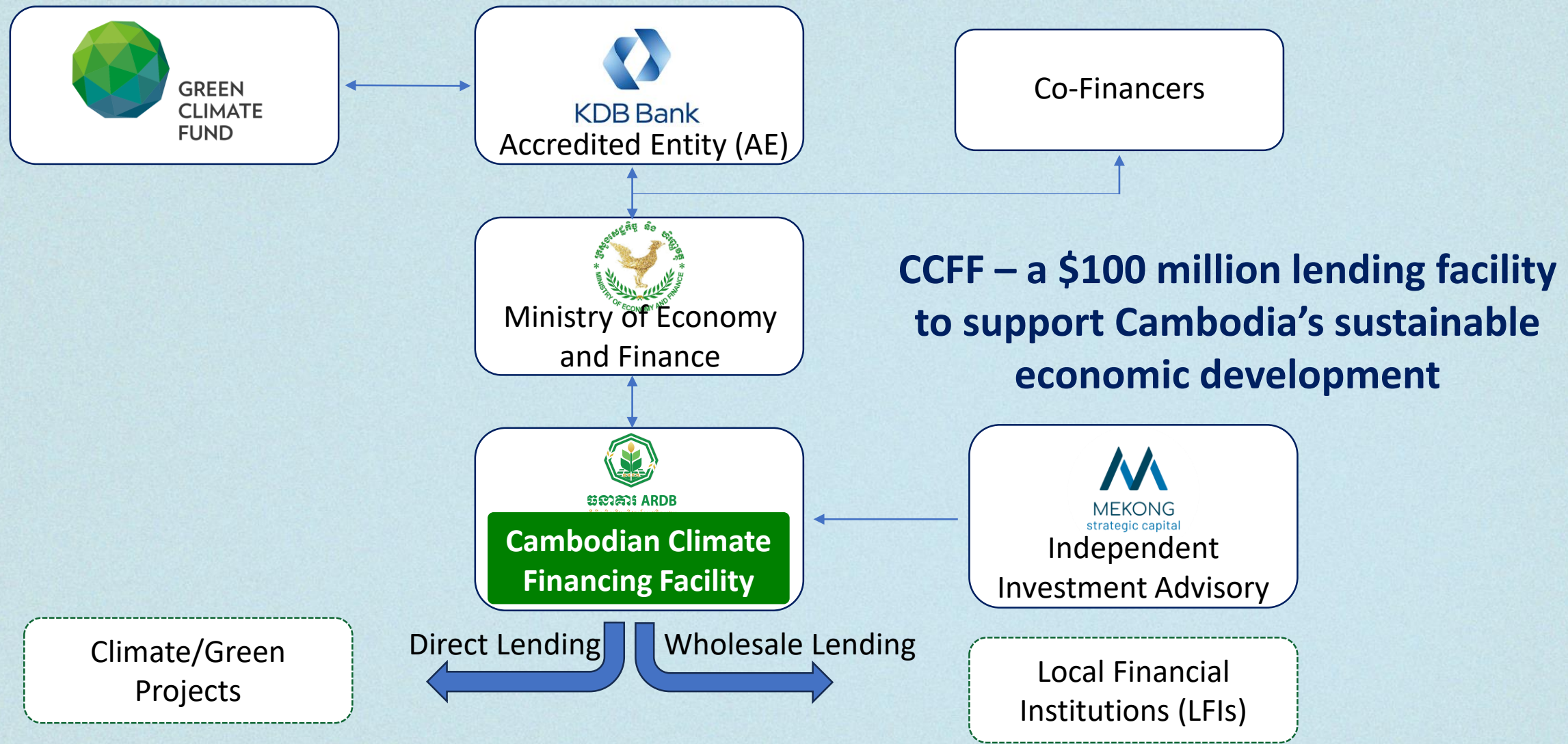
Key Driver/ Enabler

Play a pivotal role as National Climate Bank for Cambodia in the future.

A photograph of a rice field at sunset. The foreground shows green rice stalks with golden-brown panicles. The background is a soft, hazy landscape with a bright sun low on the horizon, creating a warm, golden glow. The sky is a pale blue and yellow.

Climate Finance Opportunities: Cambodian Climate Financing Facility (CCFF Project)

CCFF LENDING FACILITY FLOW OF FUNDS



CCFF – a \$100 million lending facility to support Cambodia’s sustainable economic development



KEY OUTCOMES



Green impact

11.1 million tons in greenhouse gas (GHG) reduction



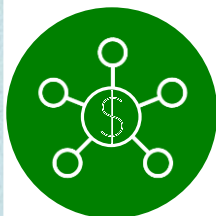
Beneficiaries

1.3 million direct and indirect beneficiaries with improve adaptive capacity to climate change, and more resilient physical infrastructure to the effects of climate change



Addressing market challenges

Taking a transformative approach to drive change and shift financing behaviors



Diversified green portfolio

Climate-smart investments diversified across capital stack and sectors to enable a green economy



TARGET SECTOR



Mitigation

Investing in solutions that reduce the emissions which contribute to climate change

Adaptation

Investing in solutions that reduce the negative impacts of climate change



CCFF WHOLESAL LENDING ELIGIBILITY CRITERIA

Financial Institutions (FIs) registered in Cambodia and holding a license from the NBC that demonstrate:

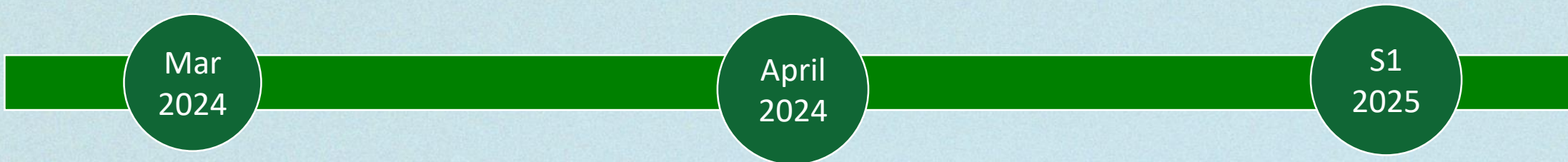
- ❖ Compliance to the NBC regulatory and prudential requirements (including AML/CFT and corporate governance regulations)
- ❖ Alignment with CCFF Eligibility Criteria Framework for the requested project funding
- ❖ Meet the CCFF's environmental and social management system (**ESMS**) requirements, as well as **Gender Policy** requirements.

CCFF DIRECT LENDING ELIGIBILITY CRITERIA

Private sector entities registered and operating in Cambodia that demonstrate:

- ❖ Alignment of the proposed project for funding with the CCFF Investment and Eligibility Criteria Framework
- ❖ Compliance to the CCFF prudential requirement (AML/CFT, ESMS, and Gender Policy)
- ❖ Business plan

NEXT STEPS



**CCFF Funding Proposal
Approved by GCF**

**Pre-Implementation
Phase**

**Launch \$100 Million
CCFF for Cambodia**

- Funded Activity Agreement (FAA) between GCF and KDB
- Project Pipeline
- Workshop on CCFF to be conducted in Q3/Q4 2024
- Conduct pilot with ADB CFAVC project to scale up proven viable climate change. e.g. solar irrigation with rain harvesting technology

- Launch the CCFF to provide concessional loans to green projects and local financial institutions to support Cambodia's sustainable economic development

THANK YOU



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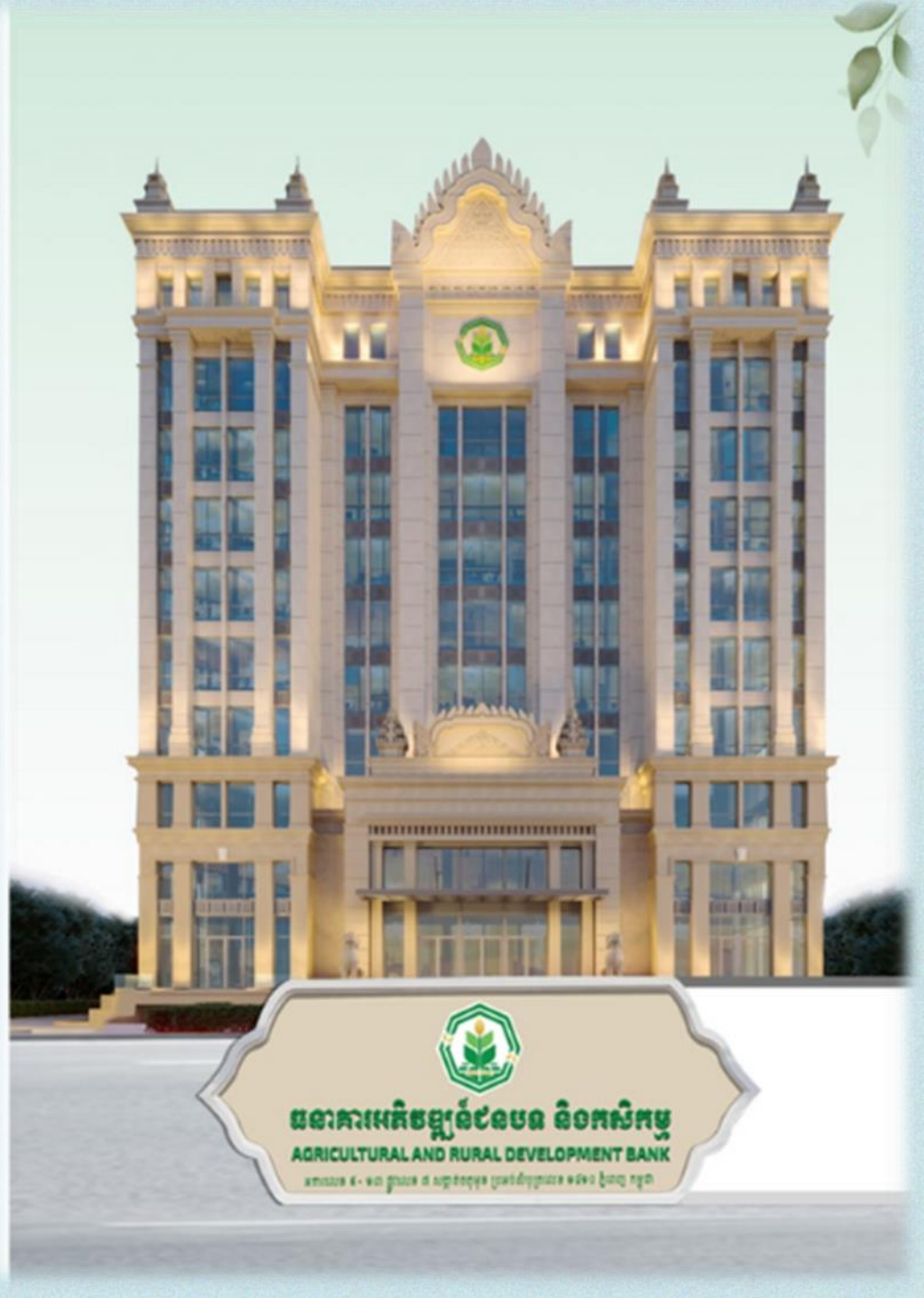
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ARDB Bank



ធនាគារ ARDB
ដើម្បីកសិកម្ម និងអភិវឌ្ឍន៍សេដ្ឋកិច្ចសង្គម



ធនាគារកសិកម្ម និងវិវឌ្ឍន៍ជនបទ
AGRICULTURAL AND RURAL DEVELOPMENT BANK

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