



GREEN AGRICULTURE - EXPERIENCE FROM VBSP

NATIONWIDE OUTREACH & BUSINESS RESULTS

63 municipal/provincial branches

629 district branches

~11,000 commune mobile transaction points

175,000 community savings & credit groups

6.5 million active borrowers (the pro-poor & other vulnerable groups)

10 billion US\$ loan portfolio, **>90%** in rural & agriculture

< 1% default rate in total loan portfolio

20 preferential credit schemes serving national targeted program (poverty reduction, job creation, financial inclusion, green growth climate change) and other services (savings, payment, financial literacy...)

VBSP's contributions: **>31.8** million the poor & other marginal group access loans; **>4.5** million lift from poverty; **>4** million jobs; **>3.5** million disadvantaged students borrow education loans; **~ 13** million facilities of clean water & rural sanitation; **~ 600,000** storm resistant houses; **200,000** overseas workers etc.

(Figure update Dec 31, 2020)



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NGÂN HÀNG CHÍNH SÁCH XÃ HỘI

VIET NAM BANK FOR SOCIAL POLICIES



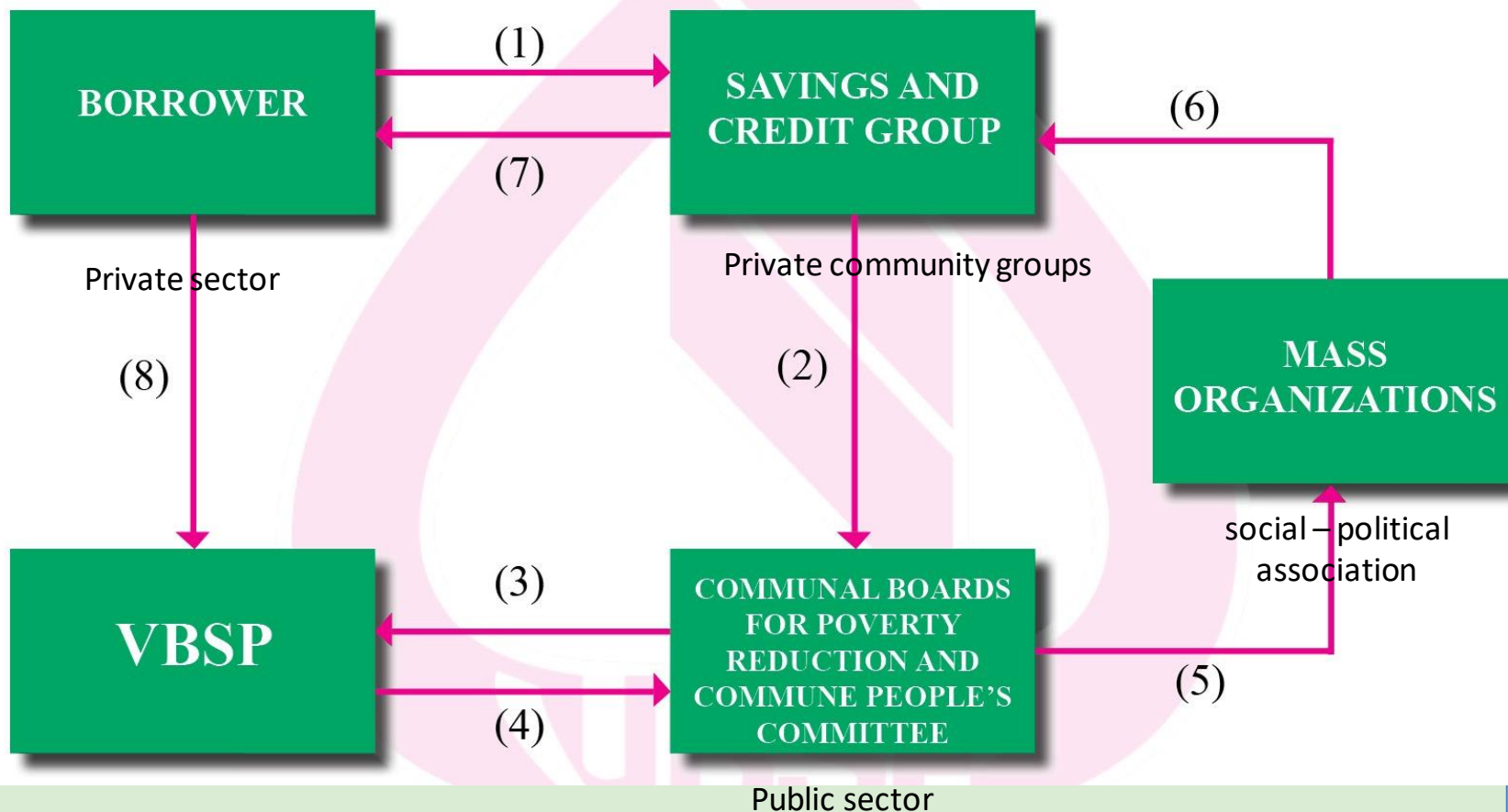
~ US\$ 4.5 billion green agriculture loan portfolio
~ 3 million clients, mainly private households, farms, cooperative, micro-business

Green agriculture: forestation, industrial trees, fruit trees, wood trees, poultry, aquaculture, biogas, biometric etc (*Initiatives start by 2003 up to now*)





PARTNERSHIP IN GREEN AGRICULTURE CREDIT



1. The main challenges in achieving partnerships for green agriculture – experience from the VBSP engagement

- *Financing opportunities*



- *Legal framework on green credit not yet completed*



- Information system, dialogue among partners, management team, coordination committee for each farm produce, client's reluctance & collateral difficulty
- VBSP unexperience in green credit, lack of green credit information



2. What was done or needs to be done to overcome these challenges

- To complete legal framework on green credit by Central bank
- VBSP formulate social and environment risk management; greening in operation and business
- Green financial literacy for the bank and customers



- Setting up information system
- Increasing dialogue among partners
- capacity building for management system and business mentor network
- develop preferential credit policy for green microfinance

2. What was done or needs to be done to overcome these challenges (cont.)

- Enhancing the application of IT, develop modern banking services, and promote non-cash payments. Especially, researching into modern but easy-to-use payment means suitable for the poor and last-mile populations in rural, remote and isolated areas



- Building a green working environment, limiting plastic waste in the workplace

3. What are the lessons to be learned for Vietnam and for other countries

- Integrating green agricultural development goals into socio-economic development goals.
- Coordinating among the units from central to local should be established closely.
- Enhancing promotion and propaganda about the benefits of green growth to the economy and the environment.