

STATE BANK OF VIETNAM

No. 1552/QD-NHNN

SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom – Happiness

Hanoi, 6th August 2015

DECISION

On issuance of Action Plan of the banking sector to implement the National Strategy on Green Growth toward 2020

GOVERNOR OF STATE BANK OF VIETNAM

Pursuant to the Law on State Bank of Vietnam No. 46/2010/QH12 dated 16th June 2010;

Pursuant to the Law on Credit Institutions No. 47/2010/QH12 dated 16th June 2010;

Pursuant to the Decree No.156/2013/ND-CP dated 11th November 2013 on functions, responsibilities and organizational structure of the State Bank of Vietnam;

Pursuant to the Decision No. 1393/QD-TTg dated 15th September 2012 by the Prime Minister on Approval of the National Strategy on Green Growth;

Pursuant to the Decision No. 403/QD-TTg dated 20th March 2013 by the Prime Minister on Approval of the National Action Plan on Green Growth for period 2014-2020;

In consideration recommendations by the Director General of the Department of Credit to Economic Sectors;

DECIDES:

Article 1: To issue in conjunction to this Decision the Action Plan of the banking sector to implement the National Strategy on Green Growth toward 2020 (hereafter referred to as the Plan).

Article 2: This Decision shall take effect from the signing date.

Article 3: Director General of the Office, Director General of the Department of Credit to Economic Sectors and Heads of departments/units of the State Bank of Vietnam, Directors of provincial branches of State Bank branches, Chairman of Board of Directors, Chairman of Board of Members and General Directors (Directors) of credit institutions, foreign bank branches shall be responsible for the implementation of this Decision./.

Recipients:

- As in Article 3;
- *The Prime Minister, Deputy Prime Ministers* (for reporting)
- Government Office;
- Governor and Vice Governors;
- Office of the Party of SBV;
- Vietnamese Baking Labour Union;
- Central Bank Youth Union;
- Ministry of Planning and Investment (for cooperation)
- Ministry of Natural Resources and Environment (for cooperation)
- Filed at Department of Credit to Economic Sectors (5 copies).

ON BEHALF OF GOVERNOR

VICE GOVERNOR

(signed and sealed)

NGUYEN DONG TIEN

ACTION PLAN OF THE BANKING SECTOR TO IMPLEMENT THE NATIONAL STRATEGY ON GREEN GROWTH TOWARD 2020

(Promulgated in accordance with the Decision No. 1552/QD-NHNN dated 6th August 2015 by the Governor of the State Bank of Vietnam)

In implementation of the Decision No. 1393/QD-TTg dated 15th September 2012 by the Prime Minister on Approval of the National Strategy on Green Growth; the Decision No. 403/QD-TTg dated 20th March 2013 by the Prime Minister on Approval of the National Action Plan on Green Growth for period 2014-2020, the State Bank of Vietnam has established a plan to provide details on effective deployment of these Decisions with the following main contents and tasks:

1. Objectives and requirements

- To effectively implement the National Strategy on Green Growth, thus contribute to promote green growth, aiming at a low carbon economy, reduced greenhouse gas emission, efficient use of energy and natural resources, development of green production, services and consumption.
- To improve awareness, roles and capacity of the banking sector in granting credit to green economic industries, in developing products and services that best support enterprises in their green growth.

2. Main tasks

2.1. To review, adjust and improve institutional mechanism regarding banking and credit in line with green growth targets

a) Formulation of green banking development orientation

- To review and add contents relating to green banking and credit to the current Banking Development Strategy toward 2020.
- To formulate master plan on development of green banking in Vietnam.

b) Improvement of mechanism and policies to ensure consistency and contribute to green growth targets

- To review and combine environmental protection requirements with policies, regulations on credit granting activities by credit institutions to their customers.
- To review, study and develop regulations/guidance for credit institutions to perform social & environmental risks assessment in credit activities.

2.2. To improve capacity for commercial banks and financial institutions in green banking and credit

- ##### **a) Organisation of training, capacity building activities for credit institutions and individuals involving in development and implementation of green banking – credit policies, mechanism, programs, products and services**

- To organize training courses, workshops, seminars... on topics relating to green banking and credit in Vietnam for staff of the State Bank of Vietnam and credit institutions.
 - To organize study tours/internships to countries with advanced green banking – finance policies and practices in order to improve understanding and knowledge, to exchange experiences with international organizations on issues relating to development and implementation of green banking – credit policies.
 - To arrange technical assistance and consultation on formulation and deployment of green banking development strategy, green credit policies, green credit programs which are appropriate to practical conditions of Vietnam.
 - To support researches and implementation of studies to support formulation of green banking – credit strategies/policies.
- b) Organisation of activities for the purpose of communication, improvement of understanding for personnel in the banking sector on roles, objectives of the National Green Growth Strategy; on effective use of energy, natural resources and environment protection in daily business activities, in public procurement; on proactive involvement in movements of “green living”, “green consumption” and environment protection.
- c) Mobilisation of resources from international financial organisations and bilateral/multilateral donors to improve financial capacity for credit institutions implementing green credit
- To take a leading role in negotiations, signing, coordinating efforts to accelerate disbursement of projects financed by international donors via banking system for implementation of climate change programs, policies such as urban environment, low-carbon industry support, development of secondary cities, bio-diversification protection, improvement of quality and safety of agriculture products, biogas.
 - To focus on funds disbursement from the SMEs project to facilitate credit institutions granting loans to investments by SMEs which are in line with objectives/targets of the National Green Growth Strategy.
 - To actively cooperate with bilateral/multilateral donors; to cooperate with relating agencies to acquire new projects, programs from international financial organizations interested in environment and climate change financing in order to strengthen financial capacity for credit institutions in their green banking and finance operations, and to develop banking and finance services aiming at supporting green growth of enterprises.

2.3. To develop solutions to promote green banking and credit products to support enterprises to implement green growth

- a) Encouraging and concentrating credit sources of banks on projects, business plans, investment plans in the fields of climate change mitigation and adaptation
- To establish and implement credit programs to promote green economic sectors (such as green industries, green agriculture, green energy; use of environmental friendly equipment and technology; environmental pollution prevention and treatment).
 - To develop solutions, policies to promote green financing by credit institutions to green economic sectors.
- b) Development of advanced banking services using high technology, environmental friendly technology to contribute to green growth targets

- To develop new advanced forms and methods of payments using high technology, environmental friendly technology to create consistency and favourable conditions to encourage cashless payment and reduce cash circulation in the market.
- To have a plan to select certain rural areas for pilot application of some advanced payment methods, tools which are easy to use and appropriate to rural conditions, thus contributing to build new and environmental friendly countryside.

2.4. To organize communication and propaganda activities on green banking and credit

- To organize seminars/specialized workshops for the purpose of propaganda, discussion on green banking – credit policies.
- To perform active communication on policies, programs and action plan of the banking system to implement the National Green Growth Strategy via website of the State Bank of Vietnam, mass media and other communication channels.
- To establish a platform for green banking data storage, including online data on news, events, publications, materials on green banking and finance.

3. Funding sources

Funding sources to implement this Plan shall be in accordance with the Decision No. 403/QĐ-TTg dated 20th March 2013 by the Prime Minister on Approval of the National Action Plan on Green Growth for period 2014-2020.

4. Implementation

- 4.1. Department of Credit to Economic Sectors shall be the focal point to coordinate and cooperate with relevant departments/units to implement tasks specified in this Decision.
- 4.2. Departments/units in the banking system shall proactively implement this Decision within their organizations.
- 4.3. Departments/units which are assigned with specific tasks as in the Annex “List of Prioritized Activities” shall be responsible for submitting periodical report on progresses, achievements, difficulties, obstacles and recommendations relating to Plan implementation to the Department of Credit to Economic Sectors before 31st December each year for the purpose of consolidation and reporting to Governor./

ANNEX**LIST OF PRIORITIZED ACTIVITIES**

(Promulgated in accordance with the Decision No. 1552/QĐ-NHNN dated 6th August 2015 by the Governor of the State Bank of Vietnam)

No.	Tasks	Responsible unit	Timeframe
1	Formulation of green banking development orientation	Banking Strategy Institute	2015 - 2016
2	Improvement of mechanism and policies to ensure consistency and contribute to green growth targets	Monetary Policy Department Department of Credit to Economic Sectors	2015 - 2020
3	Organisation of training, capacity building activities for credit institutions and individuals involving in development and implementation of green banking – credit policies, mechanism, programs, products and services	Personnel Department	2015 - 2017
4	Mobilisation of resources from international financial organisations and bilateral/multilateral donors for the purpose of improving financial capacity for credit institutions implementing green credit	International Cooperation Department	2015 - 2020
5	Development and implementation credit programs to promote green economic sectors	Department of Credit to Economic Sectors	2015 - 2020
6	Formulation of solutions, policies to support and encourage financing green economies by credit institutions	Department of Credit to Economic Sectors Monetary Policy Department	2015 - 2020
7	Development of advanced banking services using high technology, environmental friendly technology to contribute to green growth targets	Payment Department	2015 - 2020
8	Organisation of communication, propaganda activities on green banking – credit	Office of the State Bank of Vietnam	2015 - 2020