

STOCK-TAKING REPORT:

THE ROLE OF THE FINANCIAL SECTOR AND THE FINANCING ENVIRONMENT IN PROMOTING GREEN INVESTMENT PROJECTS & THE MAP OF THE KEY STAKEHOLDERS



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ABBREVIATION

ADB	Asian Development Bank
BIDV	Bank for Investment and Development of Viet Nam
ESG	Environmental, Social, and Governance
ETP	Southeast Asia Energy Transition Partnership
GCF	Green Climate Fund
GGGI	Global Green Growth Institute
GHG	Greenhouse gas
GIZ	German Agency for International Cooperation
HNX	Hanoi Stock Exchange
HOSE	Ho Chi Minh City Stock Exchange
IFC	International Finance Corporation
MOF	Ministry of Finance
MONRE	Ministry of Natural Resources and Environment
MPI	Ministry of Planning and Investment
NIE	National Implementing Entity
SBV	State Bank of Viet Nam
SSC	State Securities Commission
UNEP	United Nations Environment Programme
UNFCCC	The United Nations Framework Convention on Climate Change
VDB	Vietnam Development Bank
VEPF	Viet Nam Environment Protection Fund
VNEEC	Energy and Environment Consultancy Joint Stock Company
WB	World Bank

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1 Introduction

1.1 Background

Green finance has emerged as a powerful driver of sustainable economic development and environmental preservation on a global scale. With escalating concerns surrounding climate change and environmental degradation, the concept of green finance has garnered significant attention as a solution to tackle these urgent challenges. It refers to a range of financial products, services, and investments that actively support the transition to a sustainable and low-carbon economy (UNEP, 2014).

Globally, green finance has become a pivotal aspect of economic strategies, driven by the urgent need to address environmental concerns and foster sustainable development, especially to combat global climate change. Characterized by a diverse array of financial instruments like green bonds, green loans, and sustainability-linked investments, green finance supports projects in renewable energy, sustainable infrastructure, and climate resilience. Regarding the global green bond market, it has reached hundreds of billions of dollars in issuances annually. The European Union, a leader in this space, had proposed a Green Bond Standard to facilitate up to 250 billion euros in green bond issuances as part of its European Green Deal (European Commission, 2021). In terms of investment, the Global Sustainable Investment Alliance reported that global sustainable investment had grown to over 30 trillion USD (Global Sustainable Investment Alliance, 2021), marking a significant increase over the previous few years. With comprehensive regulatory frameworks and increasing private sector involvement, green finance stands as a linchpin in transitioning towards a low-carbon economy and addressing urgent environmental challenges.

In line with the global shift towards green finance, Viet Nam has recognized the critical need to establish and operate green finance to meet its net-zero commitment and targets outlined in its updated Nationally Determined Contribution (NDC) 2022. To achieve net-zero emissions, Viet Nam requires an additional 368 billion USD between 2022-2040, approximately 6.8% of GDP annually (World Bank, 2022). Furthermore, to achieve a 43.5% reduction in greenhouse gas (GHG) emissions by 2030, Viet Nam needs approximately 86.8 billion USD, emphasizing the need for substantial financial resources from both national and international channels (World Bank, 2022).

Acknowledging the vital role of deploying green finance to secure international commitments, Viet Nam has initially laid down a legal framework to promote green finance. The national green growth strategy for 2021-2030 (approved in Decision No. 1658/2021/QĐ-TTg, issued by the Prime Minister on 01 October 2021) defines green finance as financial

flows from various economic sectors used to achieve sustainable economic growth objectives. Moreover, governmental agencies have introduced regulations to support green finance, positioning it as a crucial mechanism for directing capital toward environmentally sustainable development.

Vietnamese financial institutions have been successful in ramping up financing for green projects. Yet, the green loan market in the country stays relatively limited, primarily due to the absence of robust regulations and standards. Therefore, it's crucial to understand the existing legal, institutional, and contextual frameworks governing green finance to identify gaps and areas requiring improvement, contributing to promoting the establishment and operation of green finance effectively. This strategic approach is in line with Viet Nam's ambitious goals of achieving net-zero commitments and meeting the sustainable development goals in the country.

Given that context, the Additional Scope of Work for the National Green Cooling Program in Viet Nam, is part of the Southeast Asia Energy Transition Partnership's (ETP) interventions, to support the Department of Climate Change, Ministry of Natural Resources and Environment (MONRE) of Viet Nam. The objective of the Assignment is to review the current legal and institutional arrangement and conditions governing green finance in Viet Nam; conduct consultations with key stakeholders to identify and highlight main legal, and institutional gaps and practical implementation challenges to structure financing in ways that incentivize tangible green investments in order to achieve the net-zero target in Viet Nam; and propose conceptual recommendations to bridge the identified gaps to promote green investments in order to achieve net-zero target in Viet Nam. The Assignment is scheduled to take place over a period of 2 months, starting from November 2023 and ending in December 2023, implemented by the Energy and Environment Consultancy Joint Stock Company (VNEEC).

1.2 Objectives and Scope

Under the Assignment framework, the “Stock-taking report: The role of the financial sector and the financing environment in promoting green investment projects & The map of the key stakeholders” will stock take and gain a deeper understanding of the existing legal, institutional arrangements, green finance products in Viet Nam, capture the needs, challenged and gaps related to green finance to accelerate the net-zero target. The report includes two tasks:

- Task 1: Stock-take and literature review on the role of the financial sector and the financing environment in promoting green investment projects; and

- Task 2: Mapping of the key stakeholders related to green finance initiatives.

2 Green finance in promoting the transition to green cooling in Vietnam

The cooling sector plays a vital role in Viet Nam's economy and is projected to grow significantly in the coming years to meet the socio-economic development and demand. According to the estimation by the Consultant team under National Green Cooling Program in Viet Nam, in 2022, this sector consumed a substantial 65.95 TWh of electricity, which represents a significant 25.2% of Viet Nam Electricity's overall power generation and supply, projecting a threefold surge in energy use by 2050. However, this sector also contributes significantly to GHG emissions. In 2022, the cooling sector's emissions totaled 64.68 MtCO_{2e}, projected to soar to 91.7 MtCO_{2e} by 2030 (constituting 9.88% of total national emissions) as per the NDC Business-As-Usual scenario. Hence, given Viet Nam's commitment to achieving net-zero emissions by 2050, a transformative shift and proactive promotion of green cooling initiatives are imperative.

Absolutely, the demand for cooling solutions that are both effective and sustainable is growing significantly. With rising global temperatures and increased urbanization, the need for cooling systems in various sectors such as residential buildings, commercial spaces, data centers, and transportation is escalating. Accordingly, expanding electricity capacity to meet the growing global demand for cooling will cost around 4.6 trillion USD over the next decade (The Economist Intelligence Unit, 2020).

Investments in sustainable and green cooling technologies are crucial to address both climate change concerns and energy efficiency. This includes innovations in air conditioning, refrigeration, and cooling systems that minimize environmental impact by using ozone/climate-friendly refrigerants, improving energy efficiency, and employing renewable energy sources.

Scaling up these technologies will indeed require substantial investments across research, development, and implementation. Governments, businesses, and institutions must collaborate to foster innovation and make these sustainable cooling solutions more accessible and affordable. Such investments not only tackle climate change but also create economic opportunities and improve living standards globally.

In essence, green finance acts as a catalyst for scaling up sustainable cooling solutions. It aligns green financial resources with financial needs, enabling the transition to a more sustainable, efficient, and climate-resilient cooling infrastructure. This transition not only combats climate change but also brings economic and social benefits to communities worldwide.

The links between green finance and sustainable cooling are deeply intertwined, showcasing a mutually reinforcing relationship that benefits both environmental sustainability and financial viability.

Some key roles of green finance in financing green cooling can be highlighted as follows:

- **Technology adoption:** Green finance facilitates the adoption of green cooling technologies by providing funding for research, development, and deployment. This includes investment in innovations like ozone/climate-friendly refrigerants, energy-efficient systems, and renewable energy-powered cooling solutions.
- **Infrastructure development:** Funds allocated through green finance mechanisms can support the development of infrastructure necessary for green cooling. This includes energy-efficient buildings, smart cooling systems, and distribution networks for renewable energy sources like solar or geothermal power.
- **Market transformation:** Green finance drives market transformation by incentivizing investments in green cooling solutions. It encourages financial institutions, businesses, and governments to allocate resources towards eco-friendly technologies, thereby creating a robust market for these products and services.

In terms of benefits, green finance can offer the key benefits for green cooling as follows:

- **Risk mitigation:** Green finance mitigates financial risks associated with traditional cooling systems by promoting investments in sustainable alternatives. It reduces exposure to regulatory changes, carbon pricing, and volatile energy markets, enhancing the long-term financial viability of cooling projects.
- **Cost-efficiency:** While initial investments in sustainable cooling might seem higher, green finance mechanisms such as subsidies, grants, and preferential loans make these technologies more financially feasible. This lowers the overall cost of adopting eco-friendly cooling solutions.
- **Environmental impact:** The shift to sustainable cooling funded by green finance reduces GHG emissions, promotes energy efficiency, and minimizes environmental degradation. This aligns with global efforts to combat climate change and achieve sustainability goals.

The relationship between green finance and green cooling is fundamental in addressing climate change while fostering economic growth. The transition to efficient and climate-friendly cooling requires significant investment, particularly in developing countries like Viet Nam. The need for financing is not just for the adoption of new technologies but also for the development of supportive policies, capacity building, and the establishment of appropriate market conditions. The financial requirements are diverse, covering areas such as: (i) Researching and developing of new cooling technologies that are both energy-efficient and

use refrigerants with low global warming potential (GWP); (ii) Scaling up of existing efficient cooling technologies; (iii) Establishing and enforcing policies and regulations that promote the adoption of green cooling solutions; (iv) Conducting capacity building activities and training programs for technicians and other stakeholders in the cooling sector; and (v) Funding awareness campaigns to educate consumers and businesses about the benefits of energy-efficient cooling.

Promoting green finance for green cooling initiatives requires a deep understanding of Viet Nam's context, ranging from regulations, institutions governing green finance, to the overall landscape of green finance within the country. This understanding is key to fostering green projects, especially those focused on green cooling initiatives. The upcoming sections of this report will delve into these crucial aspects, preparing the ground for Consultants to engage stakeholders, gather essential insights and provide key findings to promote green finance tailored to green cooling initiatives and green projects in subsequent tasks of the Assignment.

In-depth financing analysis for the green cooling sector is further conducted within the scope of “Task 7: Conduct a review and analysis of financing, implementation approaches & business models” of the National Green Cooling Program that will be included in Deliverable 3 of the Original Contract.

3 Regulatory and institutional framework governing green finance in Viet Nam

3.1 Existing regulations related to green finance

Viet Nam's legal framework governing green finance is evolving, reflecting the country's growing recognition of the critical role of green finance in achieving net-zero commitments. The table below demonstrates some key and vital legal documents that have been issued related to green finance in Viet Nam.

Table 1: Key legal documents governing green finance in Viet Nam

Categories	Legal regulations	Key aspects related to green finance
I. POLICIES	Decision No. 986/2018/QĐ-TTg issued by the Prime Minister dated 8 August 2018 on approving the development strategy of the Viet Nam	Set the goal to promote the development of green credit and green banking to contribute to transforming the economy towards green growth, low carbon emissions,

	<p>banking sector by 2025 and vision to 2030</p> <p>(Decision No. 986/2018/QD-TTg)</p>	<p>and adaptation to climate change for the period 2021 – 2025.</p>
	<p>Decision No. 1658/2021/QD-TTg issued by the Prime Minister dated 01 October 2021 on approving the national green growth strategy for 2021-2030</p> <p>(Decision No. 1658/2021/QD-TTg)</p>	<ul style="list-style-type: none"> • Outline the roles of State Bank of Viet Nam (SBV), Ministry of Finance (MOF), Ministry of Planning and Investment (MPI) related to green banking and credit and use of the state budget to promote green growth; • Regulate the mechanism to mobilize financial resources for green growth, including: enhancing policies and tools for mobilizing resources for green growth, focusing on incentive policies, financial incentives, the development of capital markets, credit markets, and green insurance; prioritize investment resources from the state budget, emphasizing capital within the public investment plan and regular funding for programs, initiatives, projects, and tasks related to green growth; strengthen the mobilization of financial resources from financial institutions, funds, and international private investors, prioritizing the use of preferential loans, official

		<p>development assistance (ODA), technical support from countries, international organizations, and non-governmental organizations for green growth.</p>
	<p>Decision No. 882/2022/QD-TTg issued by the Prime Minister dated 22 July 2022 on approving the national action plan for green growth in 2021-2030 (Decision No. 882/2022/QD-TTg)</p>	<p>Outline the roles of MOF, MPI, SBV, MONRE and other relevant ministries and provincial People's Committees related to following tasks: Complete the legal framework for green credit and green banking, green bonds, green insurance, state budget allocation; refine regulations on the management and use of ODA and concessional loans from foreign sponsors; issue financial incentive policies for green investment, green credit, climate finance; develop and implement solutions to access and mobilize financial resources from financial institutions, funds, and international private investors to promote green growth.</p>
	<p>Decision No. 1604/2018/QD-NHNN issued by SBV dated 07 August 2018 on approving the scheme for green banking growth in Viet Nam (Decision No. 1604/2018/QD-NHNN)</p>	<ul style="list-style-type: none"> • Set the goal to promote the development of green banking to contribute to transforming the economy towards green growth until 2025; • Identify solution groups for green banking development in Viet Nam, including solution groups for SBV and credit institutions.

	<p>Decision No. 1408/2023/QD-NHNN dated 26 July 2023 on promulgating action program of banking sector for implementing national strategy for green growth of 2021 – 2030 period and scheme for tasks and solutions for implementing results of the United Nations Climate Change Conference of the Parties – COP26</p> <p>(Decision No. 1408/2023/QD-NHNN)</p>	<p>Regulate tasks, including: Complete the legal framework on green credit in alignment with the goal of green growth; provide direction for operating monetary policy and bank credit to contribute to achieving national green growth goals; provide direction and assign tasks for units under SBV in international cooperation to promote resource mobilization for green growth.</p>
II. REGULATORY ENVIRONMENT	<p>The Law No. 72/2020/QH14 on Environmental Protection issued by the National Assembly, dated 17 November 2020 (LEP 2020)</p>	<ul style="list-style-type: none"> • Provide definitions of green bonds; • Regulate types of projects that are allowed to grant green credits and bonds.
	<p>Decree No. 95/2018/ND-CP issued by the Government, dated 30 June 2018 on providing for the issuance, registration, depositing, listing, and trading of government debt instruments on the securities market</p> <p>(Decree No. 95/2018/ND-CP)</p>	<ul style="list-style-type: none"> • Provide the definition of green bonds; • Define that MOF collaborates with MPI and MONRE to develop the proposal for the issuance of green government bonds and submit it to the Prime Minister for approval.
	<p>Decree No. 153/2020/ND-CP issued by the Government, dated 31 December 2020 on prescribing private placement and trading of privately placed corporate bonds in domestic</p>	<ul style="list-style-type: none"> • Provide the definition for green corporate bonds; • Outline principles for issuing and using funds from green corporate bonds;

	<p>market and offering of corporate bonds in the international market</p> <p>(Decree No. 153/2020/ND-CP)</p>	<ul style="list-style-type: none"> • Establish principles for disclosing information about green corporate bonds.
	<p>Decree No. 08/2022/ND-CP issued by the Government, dated 10 January 2022 on elaborating several articles of the LEP 2020</p> <p>(Decree No. 08/2022/ND-CP)</p>	<ul style="list-style-type: none"> • Regulate the role of MONRE in establishing and submitting to the Prime Minister the green taxonomy; • Define incentive mechanisms for granting green credit and issuing green bonds; Regulate the implementation roadmap for green credit; • Identify disclosure content and provision of information in green bonds.
	<p>Circular No. 17/2022/TT-NHNN issued by SBV, dated 23 December 2022 on providing guidelines on environmental risk management in credit extension by credit institutions and foreign bank branches</p> <p>(Circular No. 17/2022/TT-NHNN)</p>	<p>Provide guidelines on environmental risk management in credit extension by credit institutions and foreign bank branches in Viet Nam.</p>

Source: Compiled by the Consultant

In general, the legal policy framework governing green finance in Viet Nam is initially being refined, however, there are some key observations as below:

First, lack of specific regulation on green taxonomy. Green taxonomy linked with specific screening criteria, thresholds, and environmental standards is essential for credit institutions, foreign bank branches in Viet Nam, issuers (organizations and individuals issuing bonds), and relevant parties in management, operation, and implementation of green credit issuance and bond issuance. According to Decree No. 08/2022/ND-CP, MONRE is in charge of establishing and submitting to the Prime Minister the green taxonomy before

31 December 2022, however, until now, the national green taxonomy has not been officially issued.

Second, lack of common definitions. Currently, there is no definition for green credit, green stock and green insurance. Accordingly, LEP 2020 just regulates investment projects that are granted green credit. Regarding the definition of green bonds, Decree No. 95/2018/ND-CP defines green bonds as government bonds issued to raise funds for environmental projects that are regulated in LEP 2020 and are part of the list of projects allocated public investment funds as per the Law on Public Investment and the Law on State Budget. However, the definition of green bonds in LEP 2020 suggests a broader scope, indicating that aside from government-issued bonds, green bonds can also be issued by local authorities and businesses. This discrepancy highlights the lack of consistency in legal documents that can lead to difficulties for government authorities in managing green finance while financial institutions and other stakeholders to develop and provide green finance products.

Third, lack of incentive policies for credit institutions to promote green credits and green banking. While numerous incentive policies have been issued to encourage credit institutions to promote green credits, they have thus far remained at the level of general encouragement. As stipulated in Decision No. 1604/2018/QĐ-NHNN, SBV will identify the criteria for evaluating green banks and establish and promulgate incentive policies and support mechanisms for credit institutions to encourage the development of green banking by considering prioritizing capital for green credit development through capital replenishment/discount policies, ensuring the principle of not affecting the operation of monetary policies and inflation targets during each period. The SBV will also review priorities for accessing preferential loans from international organizations, and development partners through the SBV for credit institutions with a high proportion of green credit lending. However, as of now, these mechanisms have yet to be fully regulated.

3.2 Stakeholder mapping in green finance in Viet Nam

Due to the broad definition of "green finance" and the diverse motivations and criteria used by involved institutions to define it, the range of stakeholders participating in green finance is extensive.

Hence, charting the landscape of institutions involved in green finance involves navigating a diverse terrain shaped by varying definitions and criteria. This intricate mapping process is essential to comprehend the expansive network of stakeholders actively participating in green finance initiatives.

In Viet Nam, green finance is a relatively new concept and practice, the key stakeholders and their roles are identified and mapped in the following Table.

Table 2: The key stakeholders and their roles in the green finance in Viet Nam

Actors		Functions in the green finance sector
Private sector – Financial institutions	Credit institutions (BIDV, Vietcombank, VP bank, HSBC bank, etc.)	<ul style="list-style-type: none"> • Execute finance debts (credits, bonds, etc.); • Develop a green banking strategy; • Establish and conduct an environmental and social risk; management system for green credits; • Develop specific lending policies for sensitive environmental sectors (agriculture, leather, renewable energy, textiles, etc.).
	Insurers ¹	Execute tech and normal risk measures.
Private sector – Industry	Project owners (borrowers)	Execute green projects through green credits/green loans.
	Project customer/ other players	Invest in green bonds, green stocks, and other types of green finance products.
	Standard setters ²	<ul style="list-style-type: none"> • Execute certification standards; • Execute independent verification of technology; • Execute safety assessment.
Public sector	MPI	<ul style="list-style-type: none"> • Act as a state management on ODA source, preferential loans, and foreign non-governmental aid;

¹ In Viet Nam, although certain types of green insurance products have surfaced and green insurance was mentioned in Decision No. 1658/2021/QĐ-TTg, detailed regulations regarding green insurance have not yet been regulated.

² Standard setters play a vital role in green finance, which lies in establishing and maintaining benchmarks and guidelines ensuring the credibility, reliability, and sustainability of labeled "green" financial products and investments. In Viet Nam, despite their roles not being clearly defined, acknowledging their importance in the initial stage of assessing green finance is crucial. The Consultant plans to conduct stakeholder consultations to gain clarity on their roles and positions in green finance sector in Viet Nam.

	<ul style="list-style-type: none"> • Take responsibility as national focal point for mobilizing funding sources for green growth and responding to climate change; • Mobilize resources and coordinate domestic and foreign sponsorships, and sources of climate finance; develop national green classification standards/criteria; • Develop policies for green public procurement.
MOF	<ul style="list-style-type: none"> • Revise and amend policies on management and use of funding for state budget expenditures to promote green growth; • Formulate and revise incentive policies, programs, and solutions for promoting green capital and insurance markets.
SBV	<ul style="list-style-type: none"> • Develop the green banking model; • Issue incentive credit policies for green investment projects; • Take responsibility for "greening" the investment capital flows for sustainable development.
MONRE	<ul style="list-style-type: none"> • Establish and submit to the Prime Minister the green taxonomy; • Collaborate with MOF, MPI, and SBV to complete the legal framework for green bonds and green insurance in 2022 – 2025; • Collaborate with MOF and other line ministries to develop preferential financial policies for green investments, green credit, and climate finance activities in 2022 – 2025.
Other line ministries	Collaborate with MPI, MOF, and relevant ministries to enhance the management policies and prioritize the use of resources from the state budget for programs, projects, initiatives, and tasks related to green growth and green transition.
Government financiers (Vietnam)	Provide preferential interest rate loans, sponsorship, co-financing, interest support for programs, projects, activities, tasks related to

	Environmental Protection Fund - VEPF and Vietnam Development Bank - VDB)	environmental protection and climate change response, not within the national budget plan
Multilateral/ Bilateral financial institutions	World Bank, ADB, etc.	<ul style="list-style-type: none"> • Provide financial investment/technical expertise for green projects; • Offer capacity-building programs for related stakeholders in green finance in Viet Nam and create partnerships to mobilize additional resources.

Source: Compiled by the Consultant

Based on the identification of key stakeholders, the Consultant will determine the specific consultation topics for each group of stakeholders to execute Task 3 of the Assignment.

4 Landscape of green finance products in Viet Nam

As of now, the green finance market in Viet Nam has shaped its foundation and development with four main products: green credit, green stock, green bond, and green insurance. These products are offered by two primary sources: the public sector and the private sector. The following section will further examine the characteristics and current situation of these four types of green finance products.

4.1 Green credit

At present, there is no unified concept of green credit in the legal documents of Viet Nam. In a broad sense, green credit is synonymous with green loan, used to finance or refinance partially or entirely green projects. In a narrow sense, green credit is a type of financial service, falling within the category of green loans, primarily implemented by the banking system. Green credit is understood as credit provided by banks for consumer needs, investment projects, and business activities that do not pose environmental risks, contributing to environmental protection and safeguarding the overall ecosystem (Luu Anh Nguyet, 2020).

LEP 2020 identified investment projects that are entitled to grant green credits, including: (i) Efficient use of natural resources; (ii) Adaptation to climate change; (iii) Waste management; (iv) Pollution remediation and environmental quality improvement; (v) Natural ecosystem restoration; (vi) Nature and biodiversity conservation; (vii) Creation of other environmental

benefits. Additionally, Decree No. 08/2022/ND-CP establishes mechanisms to incentivize the provision of green credit. Under this Decree, credit institutions and foreign branch banks operating in Viet Nam are encouraged to prioritize the allocation of capital for sponsorship or concessional loans to projects listed as green. Furthermore, these institutions are granted priority status when seeking concessional loans from the Government, international organizations, and development partners. They are also entitled to assistance from competent authorities in training for the provision of green credit.

By the end of 2021, the outstanding green credit reached nearly 500,000 billion VND, accounting for about 4.2% of the total outstanding credit in the economy. During the period from 2017 to 2021, the outstanding green credit experienced an average annual growth rate of over 25%, surpassing the average credit growth rate of the overall economy. The green credit is predominantly concentrated in renewable energy, clean energy, accounting for the highest proportion at 47%, followed by green agriculture, accounting for 30% (Nguyen Chi Tin, 2023). The Figure below demonstrates the development of the outstanding green credit in the period of 2015 – 2022.

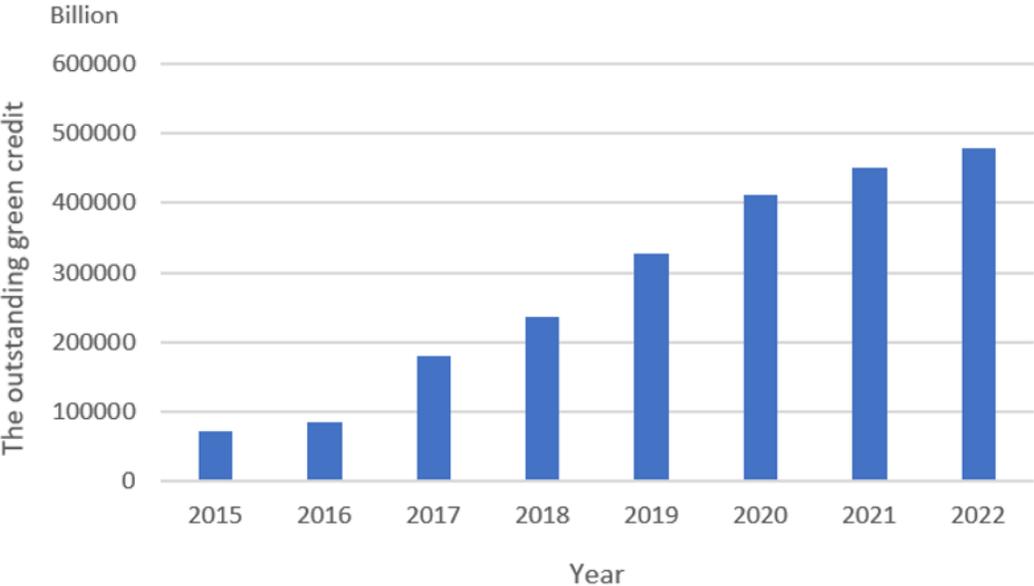


Figure 1: The development of the outstanding green credit in the period of 2015 – 2022

Source: Nguyen Chi Tin, 2023

There are two main sources that offer green credit: public financial institutions and commercial banks. The following section will detail these two sources of green credit.

4.1.1 Public financial institutions

Vietnam Environmental Protection Fund (VEPF)

VEPF established in 2002 is a state financial institution attached to the MONRE. VEPF holds total chartered capital of 1.8 trillion VND that will be increased up to 3 trillion VND according to the Government's Decree 08/2022/ND-CP regulating the details of some articles of LEP 2020. Currently, VEPF's total operating capital is about 1,800 billion VND. Although providing green finance is not introduced explicitly in the functions and tasks of VEPF, the function defined is very much in line with the purpose of green finance "VEPF has the function of lending preferential interest rates, grants, co-financing, interest rate support for programs, projects, activities, environmental protection tasks and coping with climate change are not included in the national budget plan".

General selection conditions/criteria for financial support are based on:

- environmental protection effectiveness and urgency;
- size and characteristics;
- economy and ability to repay;
- sustainability and replicability;
- applicability of suitably advanced technology, especially domestic manufacturing;
- direct contribution to government environmental policies.

Besides the general conditions, each form of support requires further specific conditions including scale, duration, preferential interest rates, and guarantees/grants.

VEPF prescribes more requirements for clients who are eligible as clients for (i) loans at preferential interest rates, (ii) subsidized interest rate/loan guarantees and (iii) project grants.

Until 2022, with a preferential interest rate, VEPF has loaned about 400 projects with a total capital of 3 trillion VND, contributing positively to the cause of environmental protection and reduction of GHGs. In parallel, VEPF also provides financial support to those operating in waste treatment.

Vietnam Development Bank (VDB)

Vietnam Development Bank (VDB), a government-owned credit institution, was established according to Decision No. 108/2006/QĐ-TTg by the Prime Minister of Viet Nam on 19 May 2006. At present, the VDB only provides loans for state investment credits and re-loan foreign investment (authorized by MOF for subprime loans with risks) pursuant to Decree

32/2017/ND-CP on investment credit and Decree 97/2018/ND-CP on on-lending of ODA loans.

Similar to VEPPF, green finance is not explicitly mentioned in their operation, but the targeted clients defined are in line with the purpose of green finance.

Recently, the list of projects eligible for State investment credit at VDB has evolved, expanding to include more projects in the green sector, including hydropower, solar power, wind power, energy conservation, afforestation, and irrigation, etc. VDB clients for grants are projects that have been invested and implemented in Viet Nam to mitigate climate change impacts, with a demonstrated ability to repay the loan. While to be eligible for preferential loan, clients must build an investment project to meet requirements such as construction permits, environmental protection certificates, use of water, electricity generation (for power development investment project), etc. Presently, VDB is financing 367 projects within the "green" sector, with a total outstanding balance of 53,201 billion VND (accounting for 24% of the total outstanding balance) (Hong Ha, 2023).

In 2021, the Green Climate Fund (GCF) officially recognized VDB as its National Implementing Entity (NIE). The GCF is one of the world's largest climate finance funds, established in 2010 under UNFCCC with the goal of establishing a 100 billion USD fund to support global climate change mitigation and adaptation activities. As the NIE of the GCF, VDB will seek, develop, and submit funding proposals for climate adaptation and mitigation programs and projects that meet GCF criteria. Additionally, VDB will oversee and manage the funding from this fund.

Currently, VDB is further refining its green credit policy framework, focusing on customer policies, credit terms, collateral management, and environmental/social practices to entice impactful green initiatives. The target is to boost the green credit portfolio by 20-30% compared to 2021 by the end of 2023. By 2025, VDB aims to substantially raise this portfolio to encompass 50-80% of its total credit outstanding (Hong Ha, 2023).

4.1.2 Commercial banks

Green credit from commercial banks is considered a common tool among debt instruments to provide financial resources for businesses and implement green projects (Luu Anh Nguyet, 2020), particularly in sectors such as agriculture, clean water, and renewable energy. Notably, over 70% of the total green outstanding loans have been directed towards financing projects in renewable and clean energy, along with green agriculture. The following Figure illustrates the distribution of green credits across various sectors in Viet Nam in the period of 2017 – 2021.

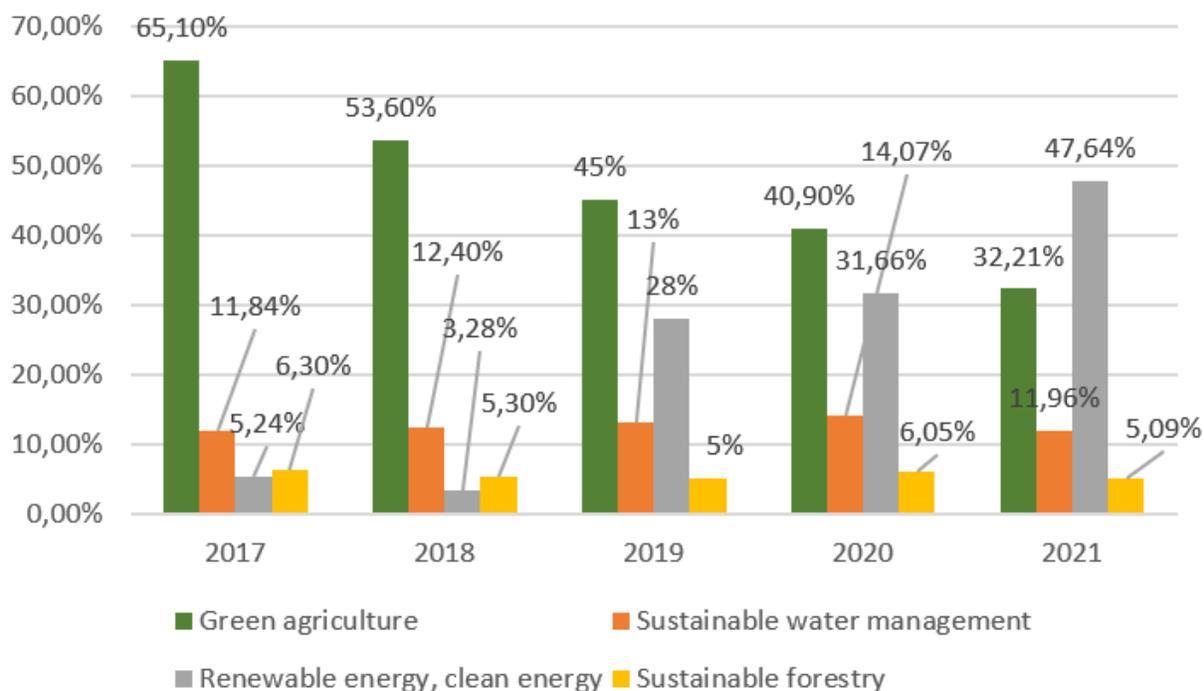


Figure 2: The distribution of green credits across various sectors in Viet Nam from 2017 to 2021

Source: SBV, 2022

Financial institutions apply varied interest rates for green projects, typically lower than conventional lending rates. Short-term green sector rates range from 5-8% per year, while medium and long-term project rates range from 9-12% per year (Nam A Bank, 2022). Several commercial banks in Viet Nam are notable for their high proportion of green credit, which have offered attractive green credit packages. The Table below demonstrates several green credit products of credit institutions in Viet Nam.

Table 3: Green credit products of credit institutions in Viet Nam

Financial Institution	Green credit products	Description
Bank for Investment and Development of Viet Nam (BIDV)	Green credits for textile and garment enterprises	In order to support textile and garment enterprises in the process of green transition towards sustainable development, BIDV deploys a green credit package of 4,200 billion VND with attractive incentives of interest rates, collateral policies, and exchange rates.

		<p>Accordingly, short-term green loans are designed for textile enterprises with business plans producing textiles that meet certified sustainability standards or carry sustainable labels (Global Recycling Standard – GRS, Better Cotton Initiative – BCI, Certification for Sustainable Products C2, Zero Discharge of Hazardous Chemicals – ZDHC, etc.); medium to long-term green loans aim to finance construction or renovation projects with a focus on green infrastructure, machinery and equipment upgrades geared towards energy-efficient usage, such as thermal power systems, recovery and utilization systems for by-products, waste treatment systems, etc.</p>
	<p>Preferential loans for green business</p>	<p>For business customers in the green sector, BIDV offers a preferential loan package with an interest rate as low as 6.5% per annum to implement business production plans in agriculture and rural areas, meeting one of the following conditions: (i) Possess certificates of good agricultural, livestock, or aquaculture practices, either domestically or internationally recognized (VIETGAHP, VIETGAP, GLOBALGAP, BAP); (ii) Hold certificates for safe food supply chains, either domestically or internationally recognized (VIETGAP, GLOBALGAP, ISO 22000, HACCP, GMP, SQF); (iii) Possess certificates for good practices in processing aquaculture products, either domestically or internationally</p>

		<p>recognized (VIETGAP, GLOBALGAP, SQF, ASC, HACCP, GMP, ISO 22000); (iv) Comply with the national standards for organic farming and livestock (TCVN 11041:2017); (v) Adhere to the national standards for environmental management system 14001; (vi) Display the Viet Nam Ecolabel or an Environmental Label according to TCVN ISO/TS 14027. Equivalent certificates/labels recognized by international or national organizations through mutual agreements with Viet Nam are also accepted.</p> <p>By participating in this loan package, customers will enjoy preferential interest rates starting from 6.5% per annum for loans with a term of less than 6 months; or from 7.5% per annum for loans from 6 months to 12 months, and from 8.2% per annum for terms exceeding 12 months.</p>
<p>The Hongkong and Shanghai Banking Corporation Limited (HSBC)</p>	<p>Green credits program for clean energy</p>	<p>Existing HSBC Viet Nam's customers, who intend to install a rooftop solar energy system for their landed house can enjoy green financing with preferential interest rates as long as at least 50% of the loan purpose aligns with HSBC's criteria for energy efficiency financing, instead of 100% as previous.</p> <p>Applicable borrowers: Existing HSBC customers installing Rooftop Solar Energy Systems of GIC Joint Stock Company in Da Nang and Ho Chi Minh City.</p>

<p>Viet Nam Prosperity Joint Stock Commercial Bank (VP Bank)</p>	<p>Green Credit Framework</p>	<p>The Green Credit Framework defines the list of eligible categories that are qualified to receive green credit. Green assets will be financed, as well as the project evaluation and selection process and the management of loan use.</p>
	<p>Energy Efficiency Project Financing Program (GCPF International Credit Program)</p>	<p>This is a coordinated program between the Global Climate Partnership Fund (GCPF) and VietinBank to finance energy efficiency and conservation projects.</p> <p>Loan conditions under this program are: (i) Meet credit conditions and loan guarantees according to VietinBank's current regulations; (ii) the loan project must save at least 20% of energy or reduce at least 20% of CO₂ emissions; (iii) commit to using loan capital according to the purpose of the program and credit contract; (iv) The maximum of the total investment is 7 million USD.</p>
<p>Joint Stock Commercial Bank for Foreign Trade of Viet Nam (Vietcombank)</p>	<p>Loan products to deploy renewable energy projects</p>	<p>The loan product for green projects from the Japan Bank for International Cooperation (JBIC), designed to finance projects with the purpose of environmental conservation, addressing global warming, and supporting green energy projects.</p>
	<p>Energy efficiency project loan products for the Vietnamese industry</p>	<p>The project is implemented by the Ministry of Industry and Trade (MOIT) in coordination with the World Bank with a total value of 158 million USD, aiming to improve and enhance the economical and efficient use of energy for industrial enterprises.</p>

<p>Nam A Commercial Joint Stock Bank (Nam A Bank)</p>	<p>Green credit program</p>	<p>The program provides funding for environmentally friendly production, business, and consumption projects, with a focus on environmental protection, societal well-being, human health, and the promotion of sustainable development.</p> <p>The lending currency is in VND, and the bank offers a premium preferential interest rate package starting from 7% per year. For short-term projects, the green credit preferential interest rate package includes an 8.8% per year rate; for medium to long-term projects, 8.8% per year for the first 24 months, followed by rates according to Nam A Bank's ongoing preferential interest rates after the initial 24 months.</p>
<p>Saigon - Hanoi Commercial Joint Stock Bank (SHB)</p>	<p>Project on Promoting Energy Saving in Vietnamese Industries – VSUEE Project</p>	<p>GCF allocates funding through the WB, with MOIT acting as the managing agency. SHB serves as the bank offering guarantees to banks involved in providing credit for energy-saving investment projects in Vietnamese industries. This initiative facilitates access to the Risk Sharing Fund (RSF) of 75 million USD, supported by GCF and WB, for energy-saving investment projects.</p>
	<p>Renewable Energy Development Project (REDP)</p>	<p>The project is sponsored by WB, with 318 million USD of total capital, which is for investors developing renewable energy projects with an installed capacity of less than or equal to 30 MW using energy such as wind, solar, hydropower, biomass, and biogas to provide electricity on a commercial basis to the national grid from</p>

		renewable energy sources in a socially and environmentally sustainable manner.
Saigon Thuong Tin Commercial Joint Stock Bank (Sacombank)	Incentives for energy efficiency, environment-friendly projects	The bank spends up to 8,500 billion VND in loans, with interest rates from 6% per year, for new and existing businesses that need capital for production and business but do not cause impact or are able to protect natural resources and the environment. For individuals and households, Sacombank opens a credit package of 500 billion VND for loans to buy solar energy equipment, with preferential interest rates and bonus insurance products to encourage customers to use natural energy instead of electrical power.
Viet Nam Technological and Commercial Joint Stock Bank (Techcombank)	Exclusive incentives for business groups participating in energy audits	Businesses have the opportunity to receive a special support package from the Green Environment Fund (GCTF) funded by the Swiss government with non-refundable financial support and credit guarantees for small and medium-sized enterprises (SMEs) to make new or replacement investments or replace new technology lines. Credit package with preferential interest rates, loan term up to 24 months, flexible principal and collateral payment methods, and quick procedures.
	Other green projects	Techcombank has cooperated with the World Bank in the Pilot Energy Saving Project (CEEP), Renewable Energy Project (REDP), Viet Nam Energy Efficiency Project for Enterprises in Industrial Sector (VEEIES); International Finance

		<p>Corporation (IFC) in a medium and long-term loan of 25 million USD supports SMEs to invest in energy saving projects and receive rewards worth more than 745,430 USD; SECO in energy saving and cleaner production projects to support SMEs investing in cleaner production projects; as well as designing a credit package with many incentives specifically for businesses participating in energy audits.</p>
VinaCapital	Convert 1/3 of investment to green	1/3 of conventional investments have been converted to green development investments in businesses that apply ESG standard.
	VinaCarbon Impact Investment Fund	VinaCarbon Fund will invest in companies and projects that can generate carbon credits.
	Renewable energy Investment Projects	<p>VinaCapital is cooperating to build the Long An liquefied natural gas (LNG) power plant with Korea's GS Energy Group, with the goal of providing electricity to the entire Southern region.</p> <p>VinaCapital has also significantly invested in solar energy, through cooperation with EDF Renewables - the renewable energy company - to establish SkyX company. Currently, SkyX is developing and operating more than 100 MW of clean energy in more than 40 factories and industrial parks across Viet Nam, helping to reduce carbon emissions by more than 90,000 tons per year.</p>

Source: Compiled by the Consultant

However, promoting green credit in Viet Nam is met with several barriers and challenges, which needs to be addressed to foster a more robust green finance ecosystem. *Firstly*, there is a lack of incentive mechanisms for banks to develop green credit. While various support policies have been implemented to encourage financial institutions to advance credit, some remain insufficient in providing the necessary capital for these institutions. Investing in green sectors, especially in renewable energy, requires significant upfront investment, a long payback period, and high market risks. Mobilizing funds for green credit is also limited, and accessing preferential funding for green credit from international financial institutions faces challenges. *Secondly*, the number of banks actively interested in and issuing internal procedures for green banking and green credit, as well as the assessment process for green projects, is still limited. Bank staff often lack in-depth, comprehensive training to conduct assessments, evaluations, and environmental risk management in credit activities. Green investment projects inherently carry risks that are difficult to evaluate both in financial and societal terms. *Thirdly*, banks are beginning to introduce green credit products; however, the number of these products is still limited and lacks diversity. *Fourth*, awareness among individuals and businesses about green activities is unclear. In the early stages of the green credit program, many enterprises, especially small and medium-sized enterprises, lack information about the offered products and face challenges meeting approval requirements. The lengthy application process, complex procedures, and collateral limitations further restrict access. Both small and large enterprises encounter difficulties in securing green credit, hindering broader adoption.

4.2 Green bond

LEP 2020 defines green bonds as financial instruments issued by the government, local authorities, and enterprises to secure funds for environmental protection activities and beneficial investment projects. These bonds must adhere to legal regulations on bond issuance, with the generated revenues dedicated to executing projects that contribute to environmental protection and offer environmental benefits. These projects encompass a broad range of initiatives, including the renovation of environmental protection infrastructure, adoption of advanced technologies, implementation of circular and green economy practices, pollution prevention, environmental remediation post-emergency, efficient use of natural resources, development of renewable energy, construction of multi-purpose and eco-friendly infrastructure, effective water management and wastewater treatment, climate change adaptation, and investments in the development of natural capital. In essence, green bond serve as a crucial financial tool to support projects aligning with environmental sustainability and climate resilience.

In Viet Nam, LEP 2020 and Decree No. 08/2022/ND-CP establish the legal basis for issuing green bonds, offering incentives to issuers and investors like discounted service fees. The first pilot issuances in Viet Nam were in Ho Chi Minh City and Ba Ria - Vung Tau in 2016, focusing on sustainable water management and climate-resilient infrastructure. In the corporate sector, companies such as BIM Land and VinGroup have entered the green bond market, with BIM Land raising 200 million USD in 2021 (Hai Yen, 2021) and VinGroup issuing sustainable bonds worth 425 million USD (Viet Nam News, 2021). BIDV also issued green bonds in October 2023, following the International Capital Market Association's Green Bond Principles.

Despite these strides, the overall scale of the green bond market in Viet Nam remains comparatively modest in contrast to the broader bond market. This discrepancy primarily stems from limited awareness and understanding within local commercial banks and enterprises. Their lack of familiarity and expertise in the green bond domain has constrained the range of green bond products.

4.3 Green stock

Green stock refers to shares of companies that are actively involved in businesses or activities promoting environmental sustainability and social responsibility. These companies typically operate in sectors related to clean energy, renewable resources, energy efficiency, waste management, and other environmentally conscious practices.

Investors interested in green stock are often motivated by both financial returns and a desire to support companies that prioritize environmental responsibility. Green stocks are a subset of socially responsible investments (SRI) and are aligned with the principles of environmental, social, and governance (ESG) criteria. These criteria assess a company's commitment to sustainability, ethical practices, and social impact.

Currently, the green stock market in Viet Nam is currently in its formative stages. Regulatory bodies have introduced programs and indices to encourage businesses to focus on sustainable development. The main activities implemented so far can be categorized into three groups: (i) Enhancing overall market awareness of green finance; (ii) Encouraging the participation of businesses in green finance; (iii) Developing and applying sustainable development indices across the entire market.

The activities to enhance overall market awareness of green finance in Viet Nam are implemented through training programs focusing on integrating ESG factors. Since 2012, the State Securities Commission of Viet Nam (SSC) has collaborated with IFC, the Global Reporting Initiative (GRI), the Hanoi Stock Exchange (HNX), and the Ho Chi Minh Stock

Exchange (HOSE) to conduct various training programs aimed at enhancing the capacity of listed companies to disclose ESG information. The concept of sustainable development reporting has been introduced to listed companies since 2013 (Tran Dang Kham et al., 2022).

Efforts to encourage business participation in the green finance sector in several activities, including: (i) Guiding companies in ESG reporting. SSC, with support from IFC, published a Handbook providing guidance on ESG reporting for listed companies in 2016; (ii) HOSE and the Securities Investment newspaper have set criteria for full disclosure of ESG information as a condition for participating in the annual Best Annual Report awards since 2013. This award serves as an additional incentive for companies to disclose information on sustainable development activities.

Regarding the construction and application of sustainable development indices across the entire market, in late March 2017, HOSE announced the Sustainability Development Index (VNSI), which officially commenced operations at the end of July 2017. The development of the VNSI is one of the tasks related to innovative financial products for the green capital market outlined in the Action Plan of the financial sector to implement the national green growth strategy, issued under Decision No. 2183/2015/QD-BTC by MOF. This index aims at sustainable development goals for listed companies and supports institutional and individual investors aligning with "green" characteristics. Stocks of these companies should be associated with the sustainable development trend of the economy, ensuring environmental considerations, and contributing to promoting market growth and the overall economy. With the participation of companies in the VNSI index, the opportunity to access sustainable, green capital from international investment funds and financial institutions is expected to increase, contributing to sustainable growth for the Vietnamese stock market in the next phase.

In Viet Nam, promoting green stocks faces a multitude of challenges. *First*, the Vietnamese stock market infrastructure, still in its developmental stages, lacks robust regulatory frameworks and specialized platforms necessary for the effective trading of green stocks. Regulatory and policy support for green stock investment is inadequate, lacking incentives such as tax breaks or subsidies that could stimulate interest and investment in this sector. *Second*, the limited awareness and understanding of green investments among both investors and businesses, hinders the growth of a market centered on environmental sustainability. *Third*, there is a notable deficiency in stringent disclosure and reporting standards for ESG criteria, essential for transparent and responsible investment decisions. *Fourth*, the range of available green stocks remains limited, offering scant options for investors keen on environmentally sustainable businesses. These issues, coupled with

concerns over the economic viability of greener business practices and the difficulty in measuring their actual environmental and social impact, create a complex environment for the growth of green stocks in Viet Nam.

4.4 Green insurance

Green insurance in Viet Nam can be defined narrowly as environmental liability insurance and more broadly as insurance that includes programs related to environmental risk management and resilience, as well as innovative products protecting low-carbon solutions. Green insurance is a type of insurance that helps protect the environment and combat climate change. Also known as environmentally friendly insurance, green insurance fundamentally serves as an economic incentive to encourage behavioral change. As more people understand their impact on the environment, they are choosing environmentally friendly behaviors. As a result, insurance companies are creating innovative products and services to encourage sustainable behaviors and technologies. There are currently many green insurance products to promote sustainable activities and increase resilience to natural disasters for a wide variety of subjects such as vehicles, pollution, real estate, agriculture, renewable energy, etc.

As of 31 December 2022, Viet Nam's insurance market comprised 82 insurance entities, including 32 non-life insurance companies, 19 life insurance companies, 2 reinsurance companies, 29 insurance brokerage firms (Department of the Insurance Supervisory Authority, 2023). Despite this diverse landscape, the green insurance segment remains nascent, with only 4 companies offering green insurance products. Moreover, these offerings are confined primarily to environmental liability insurance, indicating a limited scope of green insurance options in the market. The Table below shows current green insurance products in Viet Nam.

Table 4: Green Insurance products in Viet Nam

No	Company name	Products	Details
1	Tokio Marine Insurance Viet Nam Company Limited	Pollution liability insurance	<ul style="list-style-type: none"> • Third-party claims for bodily injury and/or property; • Damage arising from the pollution Incident; • Environmental damage & clean-up costs; • Emergency response costs; • Legal defense costs.

2	AIG Viet Nam Insurance Company Limited (AIG)	Environmental Pollution Liability Insurance for Contractors	Environmental Pollution Liability Insurance for contractors provides comprehensive protection against pollution incidents arising from their activities for contractors, project owners, and investors, whether pollution is sudden accidental or gradual pollution, caused by new pollution or developing from an existing condition.
		Environmental Pollution Liability Insurance	Environmental Pollution Liability Insurance covers losses arising from pollution from locations the Insured owns or operates. In addition, an insurance policy is also a flexible, strategic tool to support companies in managing environmental risks.
3	Chubb Insurance Company Limited (Chubb)	Contractor's Pollution Liability Insurance	<ul style="list-style-type: none"> • Liability for third-party injury, property damage, trespass, impact, or obstruction; • Compensates the insured for cleaning costs incurred in connection with a third-party claim; • Costs and expenses are included for all claims within the policy limits.
		Facility Pollution Liability Insurance	<ul style="list-style-type: none"> • Cleaning costs required by regulatory agencies, including cleaning of own premises and external natural resources, land, or water source; • Third-party insurance for personal injury, property loss, cleaning costs, and damages; • Compensation to third parties for pollution arising from the transportation of products or waste; • First-party business interruption due to pollution; • Environmental liability insurance for damage to biodiversity, including additional remediation costs and compensation.

4	Fubon Viet Nam Life Insurance Company Limited	Pollution liability insurance	<ul style="list-style-type: none"> • Pollution treatment costs at the insurance site for existing pollution conditions; • Pollution treatment costs at the insurance site for new pollution conditions; • Third-party claims for bodily injury and property damage at the insured location; • Third-party claims for off-site pollution treatment costs arising from pre-existing pollution conditions; • Third-party claims for off-site pollution treatment costs arising from new pollution conditions; • Third-party claims for bodily injury and property damage outside the insured location; • Third-party claims for bodily injury and property damage or remediation costs at a site not owned by the insured; • Third-party claims for bodily injury and property damage or just non-remediation off-site not owned by the insured; • Pollution conditions arising from transported goods; • Business interruption insurance — actual loss or loss of rental value (only applicable when participating in insurance in coverage range 1,2 or both coverages).
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Source: Nguyen Doan Chau Trinh, 2022

In Viet Nam, advancing green insurance is challenged by a lack of clear legal definitions, making it an unfamiliar concept to many consumers. The absence of a comprehensive legal framework specifically for green insurance further impedes its development, with existing laws primarily focused on environmental liability insurance and lacking detailed provisions for broader green insurance products. While the Law on Environmental Protection and the National Strategy on Green Growth lay the foundational legal framework for green insurance activities in Viet Nam, there remains a clear need for more detailed legal documents. Such documents would provide a stronger legal basis to promote the development of green

insurance products in the country. This gap in regulation also hinders insurance companies from effectively designing and offering diverse green insurance options. Moreover, the implementation of green insurance in the market is slow and limited, with only a small fraction of insurance companies providing such products, which are largely restricted to environmental liability coverage. This limited market penetration, coupled with the lack of experience among insurance companies in handling green insurance products due to the absence of clear guidelines, presents significant barriers to the growth of the green insurance sector in Viet Nam.

5 Conclusions

In summary, Viet Nam has laid the groundwork for greening its financial sector, anchored by the commitment to reach a net-zero goal by 2050. Despite positive signs in the growth of green finance, its development in Viet Nam has not yet fully realized its potential. The initial legal framework has been established, and the concept of green finance and its products have been regulated to some extent, but they remain incomplete and unstandardized. There is a lack of specific criteria and taxonomy for defining and categorizing green projects, posing challenges for credit institutions in selecting, assessing, and monitoring green finance products. The legal framework for managing environmental-social risks in green finance products is still under construction and improvement, while mechanisms for collaboration among relevant parties to implement and promote green finance are yet to be established. Green financial products have emerged, offered by both the public and private sectors, but their growth has been limited due to constraints in capital mobilization, limited awareness and capacity among credit institutions regarding green finance, and enterprises and investors have yet to fully grasp green financial products.

The report's findings will serve as the starting point for the Consultant to conduct relevant stakeholder consultations, evaluating Viet Nam's current green finance market to contribute toward green growth, GHG emission reductions and net-zero targets of the country. This aims to pinpoint policy gaps, institutional barriers, and practical implementation challenges to foster the green finance sector. Ultimately, this process will aid in developing the fact-findings and recommendation report for the mobilization of green finance to promote net-zero in Viet Nam.

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7 ANNEX: Tentative list of stakeholders for consultations

To prepare for the stakeholder consultations under this Assignment, the tentative list of contact persons in related agencies that have been identified in above analysis has been constituted. The list is non-exhaustive and will be updated and revised during the stakeholder consultation that is conducted in the third week of November 2023.

Table 5: Tentative list of stakeholders for consultations

No	Organization	Address	Contact detail	Relevance to green finance
1	Viet Nam Environment Protection Fund (VEPF), MONRE	6th Floor, Map Publisher House, 85 Nguyen Chi Thanh, Dong Da, Ha Noi	<p>Nguyen Duc Thuan Director Email: ndthuan@monre.gov.vn</p> <p>Dam Thi Le Dung, Green Economic Department Email: ledung.vepf@gmail.com Phone: 0904292227</p>	<p>VEPF has the function of lending preferential interest rates, grants, co-financing, interest rate support for programs, projects, activities, environmental protection tasks and coping with climate change are not included in the national budget plan.</p> <p>VEPF's tasks include: Receiving, managing and using capital sources from the state budget, funding sources, entrusted contributions of domestic and foreign organizations and individuals to provide financial support for environment protection activities, response to climate change nationwide; providing</p>

				loans with preferential interest rates for projects on environment protection nationwide; providing interest rate support for projects on environment protection borrowed from credit institutions and support 10% of the total investment in equipment for deploying the application of environmental protection inventions in accordance with law; funding and co-financing environmental protection activities.
2	Legal Department, MOF	28 Tran Hung Dao, Hoan Kiem district, Ha Noi	To Nguyen Cam Anh Phone: 0987568792 Email: tonguyencamanh@mof.gov.vn	The Legal Department, MOF offers legal counsel and contributes to the drafting of legal frameworks and documents pertaining to financial policies in support of green growth and sustainable development.
3	State Securities Commission (SSC)	No. 164 Tran Quang Khai, Ly Thai To Ward,	Ta Thanh Cong Email: tathanhcong@ssc.gov.vn	SSC plays a significant role in promoting sustainable financial mechanisms such as

		Hoan Kiem District, Ha Noi	Address: 234 Luong The Vinh, Nam Tu Liem, Ha Noi	green bonds and encouraging businesses to participate in initiatives aimed at mitigating GHG. Specifically, SSC can participate in the development and proposal of policies and regulations related to sustainable finance, including green bonds and other financial mechanisms related to GHG reduction. This may involve supporting the establishment of standards and guidelines for issuing green bonds and other sustainable financial products. Additionally, SSC can facilitate educational and advisory activities for businesses and investors about the benefits and opportunities of green finance.
4	Department of Credit for Economic Sectors, SBV	25 Ly Thuong Kiet, Hoan Kiem district, Ha Noi	To be confirmed	In accordance with Decision No. 403/QD-TTg, SBV issued Directive No. 03/CT-NHNN on March 24,

				<p>2015, with a focus on promoting green credit growth and managing environmental and social risks in credit-granting activities. This directive remains effective today. Under its provisions, the Credit Department of Economic Sectors is mandated to collaborate with other SBV units to develop and implement measures that promote green credit growth, aligning with the objectives of the national strategy. This includes organizing capacity-building training and guiding credit institutions in establishing robust environmental and social risk management systems.</p>
5	<p>Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)</p>	<p>9th floor, Vietcombank Tower, 198 Tran Quang Khai, Hanoi</p>	<p>Nguyen Van Nga Financial Institutions Department Phone: 0979 828 885</p>	<p>Financial institutions and banks play a vital role in advancing green finance in by providing tailored financial products/services, risk assessment, and</p>

			Email: nganv1.ho@vietco mbank.com.vn	mitigation strategies, funding energy-efficient technologies, supporting innovation, and facilitating capacity building. They also issue green bonds, foster partnerships, promote transparency and often require compliance with environmental standards and certifications. They mobilize capital, reduce financial barriers, and accelerate the adoption of sustainable and energy-efficient cooling solutions, contributing to environmental sustainability and economic development.
6	Bank for Investment and Development of Vietnam (BIDV)	18 th Floor, BIDV Tower, 194 Tran Quang Khai, Hoan Kiem, Hanoi	Pham Thi Ngoc Anh Director – Financial Institution Department Phone: 0912 107 907 Email: anhptn@bidv.com.vn Dang Mai Khanh Leader – Office of Securities Service Development – Financial Institution Department Phone: 0903 454 600 Email: kxanhdm@bidv.com.vn	
7	Joint Stock Commercial Bank For Foreign Trade	198 Tran Quang Khai, Hoan Kiem, Ha Noi	Tran Xuan Bach Officer at Northern Large	

	of Vietnam (Vietcombank)		Corporate Banking Department Email: bachtx.ho@vietco mbank.com.vn Le Vu Loc Manager Customer Relationship Management Department Email: loclv.lth@vietcom bank.com.vn Phone: 0903633068	
8	Vietnam Bank for Agriculture and Rural Development (Agribank)	2 Lang Ha, Thanh Cong, Ba Dinh, Ha Noi	To be collected	
9	Standard Chartered Bank	3 rd floor, Capital Place, 29 Lieu Giai, Ba Dinh, Ha noi	To be collected	
10	Vina Capital	2 nd floor, International Centre, 17 Ngo Quyem, Hoan Kiem district, Ha Noi	Vu Chi Cong ESG Department Lead	

			<p>Email: cong.vu@vinacapital.com</p> <p>Phone: 0814146886</p>	
11	Dragon Capital	Floor 24, Tower 1, Capital Place Building, 29 Lieu Giai, Ngoc Khanh Ward, Ba Dinh District, Ha Noi	<p>Nguyen Huu Quang</p> <p>Member of Board of Directors</p> <p>Email: quangnguyen@dragoncapital.com</p>	
12	World Bank (WB)/IFC	63 Ly Thai To, Hoan Kiem district, Ha Noi	To be collected	International financial organizations play a vital role in advancing green finance and supporting green projects. They can provide substantial financial investment and technical expertise for green projects, channel climate finance to green projects, offer capacity-building programs, and create partnerships to mobilize additional resources.
13	Asian Development Bank (ADB)	3rd Floor, Cornerstone Building, 16 Phan Chu Trinh Street, Hoan Kiem District, Ha Noi	To be collected	
14	Project owners/ investors in green projects		Details will be collected from the banks interviewed	

15	Division of Economic and Climate Change Information, MONRE	10 Ton That Thuyet, Nam Tu Liem, Ha Noi	<p>Nguyen Van Minh Head of Division</p> <p>Email: nvminh.dmhcc@gmail.com</p> <p>Phone: 098 3080281</p>	<p>The Division of Economic and Climate Change Information is under MONRE, responsible for developing mechanisms, policies, and economic tools related to climate change; and assessing the effect of climate change and international policies and regulations related to climate change on socio-economic development.</p> <p>Report the findings and results and seek for the feedback to finalise the final report.</p>
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