

# ShrimpTechVietnam

*Access to finance opportunities for farmers supporting investments in net-zero farming practices*

*Date : January 2026*



ShrimpTechVietnam



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# Executive Summary

*"Legal status, collateral requirements and administrative burdens limit farmer access to CapEx financing, but regulatory reforms are opening new pathways."*

Vietnam is the world's third-largest shrimp exporter, producing over 1.2 million metric tons annually, with smallholder farmers accounting for approximately 80 percent of total output. Over recent decades, the sector has rapidly transitioned from traditional low-yield farming to intensive and high-tech systems. While this shift is essential for competitiveness, sustainability, and compliance with global market standards, it requires substantial capital investment that remains largely inaccessible to most farmers.

The Vietnamese government and the State Bank of Vietnam play a central role in promoting agricultural modernization through preferential credit programs for the agro-forestry and fishery sectors and green finance initiatives. Commercial banks remain the dominant source of formal finance, offering working capital and longer-term investment loans. Among these institutions, Agribank is the primary lender to aquaculture farmers due to its extensive rural network and partnerships with local authorities and farmer organizations.

Despite these initiatives, access to finance for shrimp farmers remains constrained. Small and mid-sized farmers face barriers related to legal status, collateral requirements, and proof of repayment capacity. Most mid-sized farmers operate as sole proprietors, which results in higher borrowing costs and limited borrowing capacity from banks for capital expenditure loans. In contrast, banks are more willing to provide higher CapEx loans to businesses with enterprise status. Collateral-based lending practices disadvantage farmers operating on leased land or those whose land values are insufficient to support large investments. In addition, volatile shrimp prices, disease risks, and weak financial record-keeping make it difficult for farmers to demonstrate stable cash flows.

Microfinance institutions provide an accessible financing option for smallholder farmers. However, loan sizes are small and designed primarily for short term working capital rather than investment in modern farming systems. As such, microfinance does not address the sector's growing need for capital intensive upgrades.

Recent policy developments signal progress. Amendments to agricultural credit regulations in 2025 increased thresholds for unsecured lending and strengthened value-chain-based lending mechanisms. Upcoming tax and regulatory changes are expected to accelerate the transition of mid-sized farms from sole proprietorships to enterprise status, improving transparency and long-term bankability.

Looking forward, opportunities exist to expand financing through indirect channels such as development finance institutions, risk sharing mechanisms, cooperatives, and value-chain aggregators. Green finance, renewable energy investments, and resource efficient farming models represent particularly strong entry points for aligning farmer needs with national and international climate finance objectives. Strengthening farmer legal status, accounting practices, and documentation will be critical next steps to unlock scalable and sustainable access to finance across Vietnam's shrimp farming sector.

# Definitions

- **Household business:** A small-scale business registered to a household in Vietnam. It has limited employees, simpler tax treatment, and no separate legal entity from the household head.
- **Sole proprietorship:** A business owned by one individual who is fully liable for debts. In Vietnam this aligns with a private enterprise registered to one person.
- **LTD (limited):** A limited liability company where the owners' liability is restricted to their capital contribution. In Vietnam this corresponds to a limited liability company one member or two or more members.
- **CapEx:** Capital expenditure. Money spent on long term assets such as buildings, machinery, or equipment.
- **Working capital:** Short term funds used for daily operations such feed or stock.
- **Interest mark-up:** The additional percentage added to a base interest rate by a lender to cover risk, costs, and profit.
- **Collateral:** Assets pledged by a borrower to secure a loan, which the lender can seize if the loan is not repaid.
- **Biofloc:** An aquaculture system using beneficial microbes to convert waste into feed, improving water quality and feed efficiency.
- **Recirculating aquaculture system:** A closed loop aquaculture system that filters and reuses water, reducing water usage and improving environmental control.



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# Methodology

## 1. Desk research

## 2. Interviews:

In-depth and semi-structure interviews

### A. Farmers: 8

- Type: Intensive/semi-intensive Vannamei farming
- Area: 1-5 hectares

### B. Commercial banks and other financial institutions:

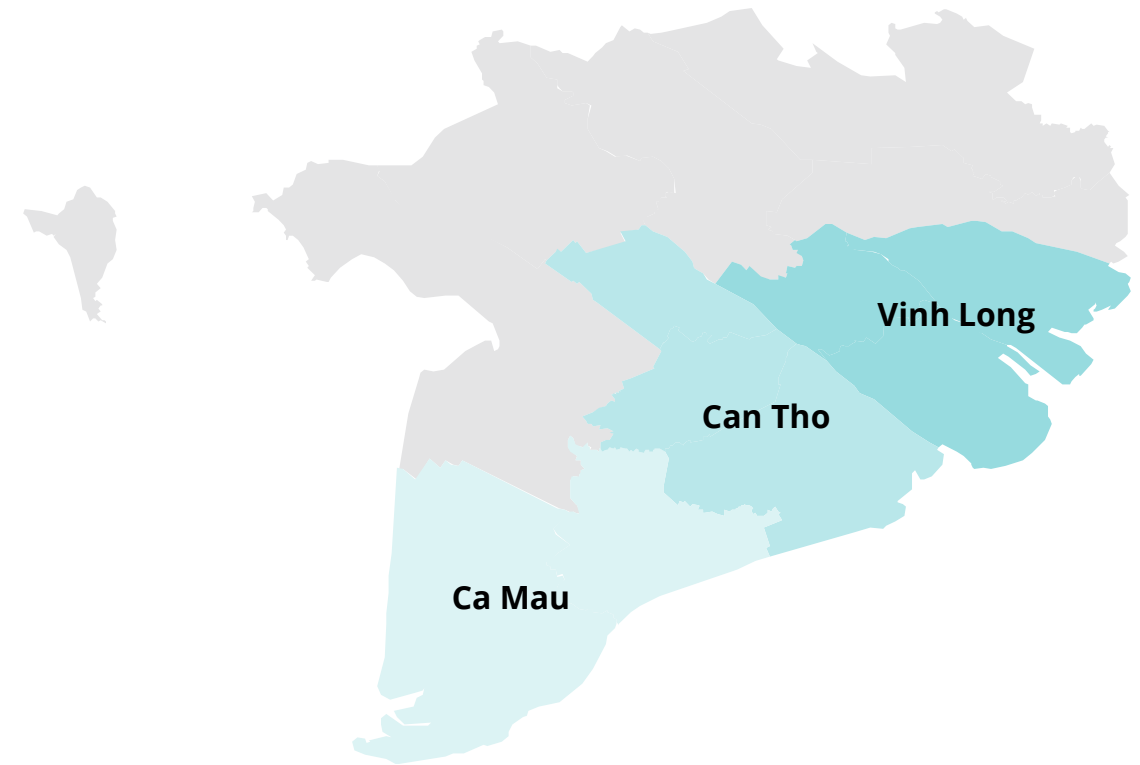
- Agribank,
- BIDV,
- Nam A Bank,
- Sacombank,
- FE Credit,
- HD Saigon

### C. Local authority:

- People's Committees,
- Agricultural Extension agency
- Provincial Department of Agriculture
- Natural Resources
- Environment and Women's Unions

## Location

Mekong Delta region



# 1. Financing landscape

# 1. Financing landscape

## *Context introduction*

Today, Vietnam is the world's third-largest shrimp exporter, solidifying its crucial role in the global shrimp value chain with total production over 1.2 MN MT a year. Over the past decades, Vietnamese shrimp farming has undergone a major development shifting from traditional methods with yields at 5-10 MT per hectare to super-intensive systems at 40-50 MT per hectare.

In line with the country's Green transition in Agriculture, particularly towards sustainable shrimp farming, shrimp farmers constantly require significant access to finance to maintain competitiveness. In this context, financing plays a crucial role in enabling the long-term transformation towards sustainable, high-tech, and internationally compliant shrimp farming.

The transition is being actively encouraged by the government and provincial authorities through preferential credit programs through the State bank of Vietnam and its commercial banking network. Preferential credit packages dedicated for the Agro-Forestry-Fishery sector and Green finance aim to support modernization of the shrimp farming sector.

Innovations such as Biofloc and Recirculating Aquaculture Systems (RAS) accelerate high-tech farming and the modernization of the shrimp farming sector.

Yet, adopting such innovations on-site require high capital investments for farmers ranging approximately between USD 40K-120K per hectare for pond lining, filtration, and automation.

However, accessing formal bank loans for modernization remains highly challenging for the majority of smallholders. This is particularly important since they account for around 80% of total shrimp production, making them a group with great potential if the financing bottleneck can be overcome.

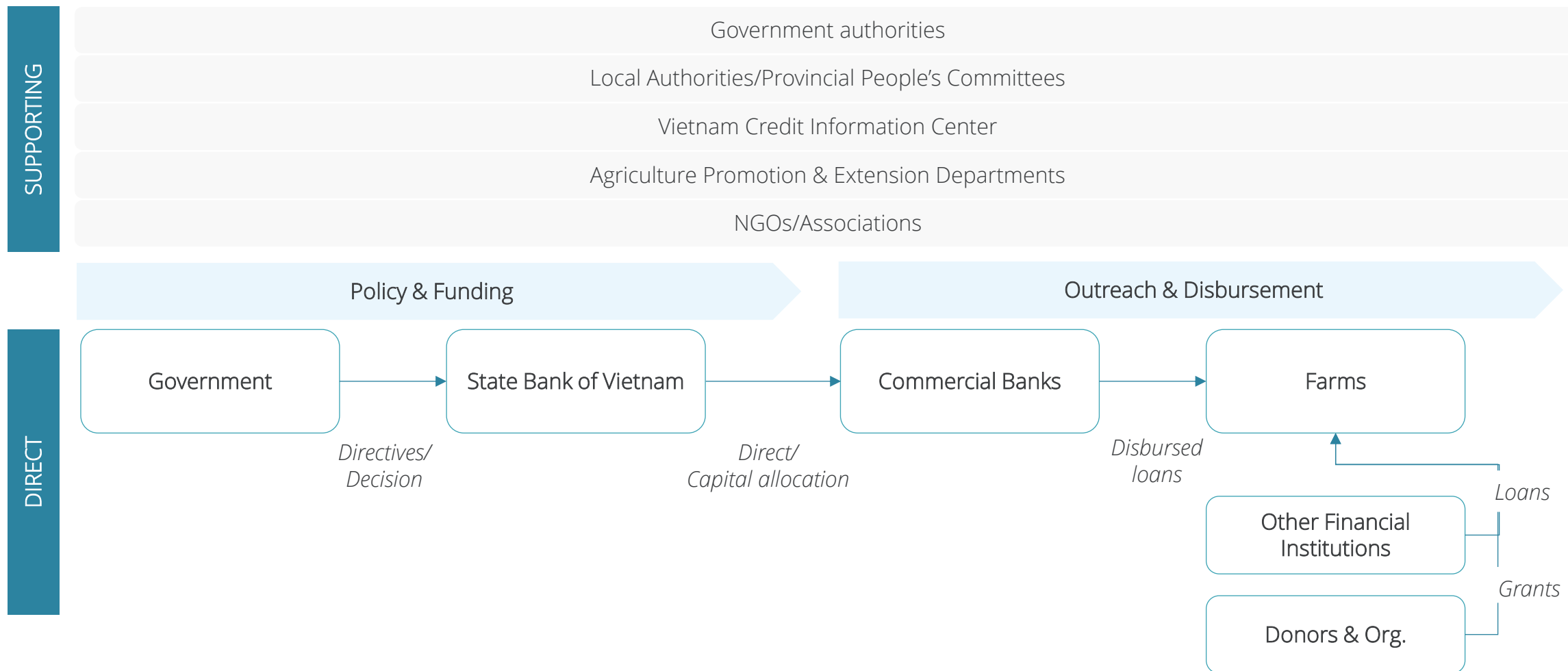
Smallholders' eligibility for formal large investment bank loans are constrained due to their lack of formal enterprise status and readiness as well as collateral-related challenges, creating a widening financing gap between technological ambition and real financial accessibility.

In addition to formal bank loans, the landscape includes non-traditional financing from financial companies, input suppliers, and informal lenders. However, these options are more suitable for working capital needs rather than investment, due to their small loan sizes. Several microfinance institutions also operate in the market, though they similarly focus on smaller loan amounts.



# 1. Financing landscape

Stakeholder mapping & roles



# 1. Financing landscape

## Stakeholder mapping & roles - Supporting

Stakeholder	Roles
Ministry of Agriculture & Environment (MAE)	<ul style="list-style-type: none"><li>• Coordinate with provinces' department authorities to identify priority aquaculture zones.</li><li>• Provide policy inputs for preferential credit packages and green finance initiatives.</li></ul>
Local Authorities Provincial People's Committees	<ul style="list-style-type: none"><li>• Report on local aquaculture performance.</li><li>• Identify financing needs and coordinate with banks and extension departments to deploy provincial support funds.</li><li>• Facilitate loan process by certifying land use rights, confirming local eligibility, and supporting the formation of loan groups.</li></ul>
Agriculture Promotion & Extension Departments	<ul style="list-style-type: none"><li>• Serve as intermediaries between banks and farmers under direction of provincial authorities.</li><li>• Deliver technical assistance and policy dissemination to farmers.</li><li>• Appraise farm investment projects.</li><li>• Provide training and support on financing access and literacy.</li></ul>
Vietnam Credit Information Center (CIC)	<ul style="list-style-type: none"><li>• Centralize credit histories under State Bank of Vietnam (SBV).</li><li>• Provide banks with information to assess creditworthiness and control lending risks for loan applicants.</li></ul>
NGOs Associations	<ul style="list-style-type: none"><li>• Provide essential financing and investment support Cooperative training on bankable cooperatives by Agriterra</li><li>• Help businesses with capital access for growth and innovation. Demonstration farm focused and granting funding for demonstration farms.</li></ul>

# 1. Financing landscape

## Stakeholder mapping & roles - Direct

Stakeholder	Roles	Notable players
Government	<ul style="list-style-type: none"> <li>Set National Strategy for agriculture, rural development and particular sectors.</li> <li>Issue Directives and approve agricultural programs.</li> <li>Issue Directives to the SBV.</li> </ul>	
State Bank of Vietnam (SBV)	<ul style="list-style-type: none"> <li>Oversee the activities of commercial banks and other financial institutions.</li> <li>Direct credit flow to sectors, particularly Agro-Forestry-Fishery through commercial banks system.</li> <li>Facilitate and monitor preferential loan schemes.</li> </ul>	
Commercial Banks	<ul style="list-style-type: none"> <li>Provide loans and financial services.</li> <li>Support lending, tailored loan packages, aligned with SBV's directed policies or incentives.</li> </ul>	<ul style="list-style-type: none"> <li>State-owned: Agribank, BIDV</li> <li>Private: ACB, Nam A Bank</li> </ul>
Other Financial Institutions:		
<ul style="list-style-type: none"> <li>➤ Vietnam Bank for Social Policies (VBSP)</li> </ul>	<ul style="list-style-type: none"> <li>Under state-budget allocation from other ministries (MOF, MOLISA) and through SBV.</li> <li>Support financial inclusion to farmers unqualified for formal commercial bank lending.</li> <li>Provide micro-credit and loans often without collateral.</li> </ul>	
<ul style="list-style-type: none"> <li>➤ People's Credit Funds (PCFs)</li> </ul>	<ul style="list-style-type: none"> <li>Operate as cooperative-based institutions owned by local individuals.</li> <li>Provide private loans for cooperative members, especially small-scale farmers.</li> </ul>	
<ul style="list-style-type: none"> <li>➤ Financial Co. &amp; Fintech</li> </ul>	<ul style="list-style-type: none"> <li>Provide consumer or digital-based microloans.</li> </ul>	<ul style="list-style-type: none"> <li>FE Credit, M-Credit, MoMo</li> </ul>
<ul style="list-style-type: none"> <li>➤ International Institutions</li> </ul>	<ul style="list-style-type: none"> <li>Offer financial aid or co-investment with local enterprises on defined development projects.</li> </ul>	<ul style="list-style-type: none"> <li>ADB, FMO</li> </ul>
Donors & Organizations	<ul style="list-style-type: none"> <li>Fund projects aligned with development goals.</li> <li>Focus on infrastructure investment, sustainable production practices, technological advancements.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Trade Initiative (IDH), ICAFIS, WWF</li> </ul>

## 2. Financial instruments

## 2. Financial instruments

### *Transaction Actors - Lenders*

The formal channel for Agro–Forestry–Fishery finance, including standard loans and different preferential loan packages, is under regulation of the State Bank of Vietnam through its nationwide commercial bank system. Today, banks remain the most recognized source of finance, providing stability and continue to be an efficient channel for aquaculture credit facilitation.

The Vietnamese banking system comprises of 4 state-owned banks, 31 joint-stock commercial banks and 9 fully foreign-owned banks. SBV consolidates, adjusts, and coordinates the flow of funds across the commercial banking system to ensure alignment with real market conditions, reduce credit risks, and adapt lending regulations to the realities of Vietnamese farmers.

Commercial banks act as direct lenders, supplying a full range of secured (collateral-backed) and unsecured (credit-based) loan instruments. These include short-term credit lines to fund working capital, such as seed, feed, and labor and longer-term loans for investment purpose to finance pond construction, aeration systems, or farm expansion.

Among the state-owned “Big Four” banks, Agribank in particular, serves as the principal conduit for aquaculture financing, leveraging its rural coverage and partnerships with provincial authorities, farmers’ associations, and women’s unions. Agribank has played a central role in providing financial access to rural communities and aquaculture farmers, ensuring capital circulation across production-intensive regions. By 2024, Agribank had established more than 62,000 loan groups nationwide, supporting 1.2 MN members with outstanding balances of USD 8.2 BN, equiv. to 12.7% of total national credit.

Other notable commercial banks for aquaculture credit include BIDV, Nam A Bank, HD Bank, Bac A Bank etc.

In addition to the traditional channel, non-traditional financial providers such as financial (FE Credit, M-Credit, MoMo) or fintech companies also provide finance access to aquaculture farms under unsecured consumer loans. However, relatively small loan size under USD 4,000 carrying higher interest rates designed for urgent working capital needs make them irrelevant for aquaculture farm’s investment.



## 2. Financial instruments

### Transaction Actors - Borrowers

In Vietnamese aquaculture context, shrimp farms are categorized by scale into Small, Mid-sized and Large farmers with distinctive characteristics on farm size, farming techniques and legal incorporation status. These are key criteria impacting on aquaculture farms' access to bank loan.

Category	Farming areas	Legal status	Characteristics
Small Farmers	< 1 ha Semi-intensive, traditional	Sole Proprietorship	<ul style="list-style-type: none"> <li>Operate family-based farms with low investment and limited technology</li> <li>Rely mainly on personal savings and supplier credit</li> <li>Limited collateral and lack of financial records restrict access to formal loans</li> <li>Production and income are highly unstable due to diseases, weather, and market volatility</li> </ul>
Mid-sized Farmers	1–5 ha Semi-intensive, intensive	Sole Proprietorship Or Enterprise	<ul style="list-style-type: none"> <li>Partly sole proprietorship with larger scale legally registered for personal income tax without annual financial report from an accountant.</li> <li>Often upgrade status to Enterprise to engage into borrowings</li> <li>Reinvest profits and bank loans to improve lined ponds, aeration systems, and water treatment</li> <li>Challenge related to loan repayment ability proof for bank loans due to unpredictable shrimp prices at harvest</li> </ul>
Large Farmers	> 5 ha Intensive, Super-intensive	Enterprise	<ul style="list-style-type: none"> <li>Operate integrated aquaculture farm as professional enterprises</li> <li>Demand for finance from large-scale farmers often involves sizable CapEx investments, covering pond infrastructure, renewable energy integration, automation, and digital monitoring for productivity and risk management.</li> <li>Often engage in direct supply contracts with processors or exporters</li> <li>Maintain audited financial records and sound corporate governance</li> <li>Qualified and eligible for long-term investment loans or preferential credit packages from commercial banks</li> </ul>

## 2. Financial instruments

### Loan types

On the formal finance channel through commercial banks, aquaculture farms have access to 3 main loan types comprising of (1) Standard loans, (2) Agro-Forestry-Fishery Preferential loans and (3) Green Finance Preferential loans.

A loan's interest rate is determined on 12-month deposit plus rate corresponding to shrimp farms' Loan purpose and Legal status. The loan's purpose is categorized into either Working capital (Working Cap) for farming operations under 12-month term or Capital expenditure (CAPEX) for investment from 2 to 5-year term.

Farms registered as Enterprise benefit from lower interest rates at 0.5-1% lower than those of Sole proprietorship for Standard loans. While the Agro-forestry-fishery preferential rate is consistent across both legal status and loan purposes, Green finance is only applicable to CAPEX loans.

Once the preferential interest rate period ends, the standard rate applies for the remaining term. The 12-month deposit base rate are varied by commercial banks and adjusted quarterly.

Upon loan disbursement, local bank branch shall report SBV for alignment with the remaining preferential loan quota

Loan type		1. Standard loan		2. Agro-Forestry-Fishery Preferential loans	3. Green Finance Preferential loan
Legal status		Sole proprietorship	Enterprise	Sole proprietorship & Enterprise	
Interest rate					
<i>12-month Deposit rate at 4.7%*, plus the mark-up</i>	Working Cap	8.7% (+4%**)	8.2% (+3.5%)	6.7% (+2%)	N/A
	CAPEX	9.7% (+5%)	9.2% (+4.5%)	6.7% (+2%)	5.7 - 6.7% (+1-2%)
Applicable preferential interest rate period	Working Cap	N/A		Full term of total loan period	N/A
	CAPEX			Up to half of total loan period	Up to half of total loan period

## 2. Financial instruments

### Standard Loans

Shrimp farms typically use Working Capital loans to cover operational expenses (seed, feed, labor) for a single production cycle. CapEx loans are more common among mid-sized farms for major upgrades, expansion, or modernization, often linked to equipment or farming technology purchases. Farms operating as sole proprietorships face higher borrowing costs, typically 0.5-1% above enterprise-structured farms, due to limited cash flow, weaker financial capacity, and the absence of formal financial statements

In terms of document requirements, Capex loans require an additional investment plan for project feasibility which is commonly complex for shrimp farms. Loan size is generally limited by collateral value. In addition to collateral requirements, shrimp farms often encounter difficulty in repayment ability proof due to absence of stable cash flow resulting from the nature of shrimp farming business.

Purpose	Working Capital	CAPEX
Document Required	<ul style="list-style-type: none"> <li>• Proof of loan purpose: VAT invoices and purchase contracts</li> <li>• Financial statements</li> <li>• Collateral</li> </ul>	Mostly similar to Working Cap loan, in addition: <ul style="list-style-type: none"> <li>• Business plans - revenue &amp; cost projections, investment efficiency analysis</li> </ul>
Term	<ul style="list-style-type: none"> <li>• Short-term, &lt;12 months</li> </ul>	<ul style="list-style-type: none"> <li>• Medium to long-term, 1 to more than 5 years</li> </ul>
Size	<ul style="list-style-type: none"> <li>• No fixed loan cap but limited by collateral value</li> <li>• Evaluation criteria: approved credit line, operational needs</li> <li>• Disburse multiple times based on capital limit allocation</li> </ul>	<ul style="list-style-type: none"> <li>• No fixed loan cap but limited by collateral value</li> <li>• Evaluation criteria: investment plan, project feasibility</li> </ul>
Typical Collateral	<ul style="list-style-type: none"> <li>• Fixed collateral: Land-use rights certificate &amp; farms, buildings, residential houses and production facilities attached to land</li> <li>• Dynamic collateral: Vehicles, warehouses, new or used machinery/equipment</li> </ul>	

## 2. Financial instruments

### *Preferential loans on Agro–Forestry–Fishery sector*

Upon sectoral assessments from the Ministry of Agriculture & Environment and SBV on credit needs, the National Assembly mandates SBV to deploy preferential credit packages tailored to the Agriculture, Forestry, and Fisheries sectors, ensuring affordable capital, reducing financing costs, and supporting sustainable sector development. Large credit packages are frequently rolled out to respond to market needs, global challenges, or specific strategic goals e.g., High-tech and Green growth.

The Preferential Credit Program for the Agro–Forestry–Fishery sector rapidly expanded its committed volume throughout 2025. Initially expanded to US\$ 3.7 BN in March, the program was upscaled to US\$ 7 BN just six months later, with the SBV directing institutions to fully support sector growth.

A comprehensive framework of directives and programs are implemented to ensure aquaculture farms have access to preferential credit. The directives primarily focus on providing capital at preferential interest rates, typically 1.5 - 3% lower than the standard rate and applied up to half the total loan maturity period.

#### Key Initiatives and Programs

- |   |  |   |
|---|--|---|
| 1 | Up-scaling Preferential Credit Program for Agriculture, Forestry and Fisheries Sectors<br><br>From US\$ 3.7 to 7 BN (2025) | <ul style="list-style-type: none"><li>• Latest and prominent preferential credit initiative</li><li>• Preferential package will continue to be implemented until the loan turnover reaches US\$ 7 BN</li><li>• To provide financial support for projects and business plans in the fisheries and forestry sectors</li><li>• The loans featured interest rates 1.5–3% lower than standard rates</li><li>• Agribank led the disbursement efforts, allocating US \$282 MN to over 5,000 customers, with US\$ 218 MN directed towards fisheries</li></ul> |
| 2 | US\$ 590 MN Preferential Credit Program (2023)   | <ul style="list-style-type: none"><li>• To support businesses in the manufacturing and processing of forestry and aquaculture products</li><li>• The program offered interest rates 1–2% lower than the average lending rates for similar terms</li></ul>   |

## 2. Financial instruments

### *Green finance preferential loans on renewable energy*

In line with the national direction towards Green transition in Agriculture, covering energy efficiency, carbon reduction, and sustainable resource use, Green Finance Preferential Packages are implemented under the Ministry of Agriculture and Environment (MAE) through SBV. During 2022-2025 period, total Green outstanding loans reached over US\$ 1.1 BN out of a US\$ 1.2 BN package, reflecting steady uptake among Vietnamese agribusiness and aquaculture sectors.

The Green finance program facilitates finance access for shrimp farms investing in clean-energy and sustainable farming projects. Under this scheme, only capex-oriented loans are eligible, targeting renewable energy and clean-technology upgrades in farming and agribusiness investment.

Green finance preferential interest rates are typically 2.5 - 4% below standard rate, applied up to half the total loan maturity period.

For aquaculture farmers who have already received financing from the Agro-Forestry-Fishery Preferential Credit Program, additional energy-related investments (e.g., solar or wind energy systems) are separately eligible for Green preferential loans and reported independently to the SBV.

#### Key Initiatives and Programs

- |   |  |   |
|---|--|---|
| 1 | Green Credit & Circular Economy Support Package (2022–2025)              | <ul style="list-style-type: none"><li>• Support national green growth targets by promoting circular, resource-efficient farming models.</li><li>• Offers preferential interest rates 2.5– 4% lower than standard loans</li><li>• Agribank led disbursement of ~US \$1.2 BN to finance projects in renewable energy, waste recycling, sustainable aquaculture, and ESG-compliant enterprises</li></ul>   |
| 2 | Extended Scheme<br><br><i>Status: Under Review – expected on Q4/2025</i> | <ul style="list-style-type: none"><li>• Proposed under Government Notice No. 611/TB-VPCP in Nov 2025</li><li>• Extend 2% annual interest support for green, circular, and ESG-aligned capex projects</li><li>• Expected to finalize regulatory decrees and implementation guidelines by December 2025</li><li>• Aim to improve long-term capital accessibility for private-sector investments in sustainable agriculture and aquaculture innovation</li></ul> |

## 2. Financial instruments

### *Amendment of agricultural credit policy*

Effective from July 2025, a recent amendment of the agricultural credit policy per Decree 156/2025/NĐ-CP significantly raised the threshold for unsecured loan amounts, enabling borrowers to access larger investments without providing asset security.

This further strengthened the principle of providing loans based on production contracts and integration into the value chain and helps finance farms lacking traditional collateral but having guaranteed output.

The decree also provides special mechanisms for high-tech agriculture projects, recognizing their large capital needs and long-term gestation period.

Borrower	Previous Limit <i>Per Decree 55/2015 &amp; 116/2018</i>	New Limit <i>from July 2025 per Decree 156/2025</i>	Remark
Individuals / Households	US\$ 4,000–8,000	US\$ 12,000	Expanded support for rural and aquaculture households
Producer Groups / Business Households	US\$ 12,000	US\$ 20,000	Applies to small producer or trading households
Farm Owners	US\$ 40,000	US\$ 120,000	Key benefit for shrimp and aquaculture farms
Cooperatives / Cooperative Alliances	US\$ 80,000–120,000	US\$ 200,000	Supports larger collective aquaculture projects

## 2. Financial instruments

### *Non-traditional loans through microfinance*

Besides formal bank loans, microfinance offers the most accessible financing option for smallholder shrimp farmers. Currently, most microfinance activities serving shrimp farmers are delivered through state-owned and not-for-profit institutions. The Vietnam Bank for Social Policies (VBSP) is designated a specific mandate to provide subsidized credit to poor households and other policy beneficiaries, mostly through its extensive network of commune-level transaction points and collaboration with mass organizations such as the Vietnam Women's Union and the Farmer's Union.

This type of microfinance is accessible for shrimp farmers who are classified by local authorities as poor, near-poor and low-income households (Decree No. 351/2025/NĐ-CP). Loan sizes are typically capped at US\$ 2,000 per household and often without collateral requirement. These strict lending caps reflect the mandate of microfinanciers to provide small, short-term loans to the most vulnerable populations.

There are currently 5 Vietnamese microfinance institutions (MFIs) through which rural farmers can access microloans, with details provided below.

Institution	Sector Focus	Notes	Loan Cap (US\$)
CEP Microfinance Institution	Urban livelihoods, wage earners, self-employed women	CEP primarily serves low-income workers and street vendors in industrial zones and informal markets. Its services emphasize welfare-linked lending for housing improvement, debt replacement, and emergency medical assistance.	2,035
TYM Microfinance Institution	Women's empowerment, household enterprise, agriculture	TYM, founded by the Vietnam Women's Union, is Vietnam's first licensed MFI. It integrates microcredit, savings, and insurance with business and social training for women, supporting micro-trade, handicrafts, and small farming.	4,000
Thanh Hoa Microfinance Institution (THMFI)	Women-led agriculture, micro-retail, social enterprises	THMFI provides microloans, insurance, and entrepreneurship mentoring for women-led households in rural areas. It collaborates with the Asia Foundation's "Accelerate My Business" program to support women-led SMEs.	1,600
M7 Microfinance Institution	Rural poverty, ethnic minorities, livestock, social enterprises	Originating from local social funds, M7 finances ethnic minority women's small-scale trade, livestock rearing, and handicraft production, pairing with financial literacy training.	1,200
VietED Microfinance Institution	Women-owned SMEs, agriculture, digital inclusion, livelihood improvement	VietED integrates finance with enterprise training, market linkage, and technology adoption. It helps women entrepreneurs and smallholders in diversifying livelihoods through financial literacy, business planning, and agricultural value chain projects.	4,000

## 2. Finance challenges

# 3. Finance challenges

## Legal status

The majority of mid-sized shrimp farmers operate as sole proprietorships. This is because sole proprietorship status is simpler in structure, without the obligations of administrative procedures, accounting requirements, and tax payments required for Enterprise status

.To access CapEx investments and obtain loans, farmers can benefit from transitioning to Enterprise status. Interest rates are lower for Enterprise-status businesses, along with other associated benefits. According to the research, banks and financial institutions are more willing to provide formal CapEx loans to businesses with Enterprise legal status, as all administrative procedures, accounting systems, and annual financial reports are in place. Remaining a sole proprietorship therefore limits the overall borrowing capacity of mid-sized farmers, especially for larger investments.

Vietnamese authorities are also promoting this transition to Enterprise status, and a recent regulatory shift may significantly address this challenge. Decision 3389/QĐ-BTC of the Ministry of Finance, effective January 1, 2026, will encourage sole proprietors whose revenue exceeds 3 billion VND (approximately USD \$113,000) in two consecutive years to transition to Enterprise legal status. Once implemented, it is likely that most mid-sized shrimp farmers will convert to Enterprise status and/or must maintain a formal accounting system.

Key criteria	Sole proprietorship	Enterprise
Accounting & reporting duties	<ul style="list-style-type: none"> <li>• Simple</li> <li>• No complex accounting apparatus nor financial statements required</li> </ul>	<ul style="list-style-type: none"> <li>• More complex</li> <li>• Formal accounting system with professional accounting staff is required</li> <li>• Financial statements are required to be submitted quarterly &amp; annually</li> </ul>
Invoicing & transactions	<ul style="list-style-type: none"> <li>• Simple invoice</li> <li>• No VAT invoice required</li> </ul>	<ul style="list-style-type: none"> <li>• Must issue VAT invoices</li> </ul>
Tax regime	<ul style="list-style-type: none"> <li>• Only Personal Income Tax (PIT)</li> </ul>	<ul style="list-style-type: none"> <li>• More tax like VAT, PIT and Corporate Income Tax (CIT) to be paid</li> <li>• Tax declaration at a monthly basis</li> <li>• Tax reports need to be submitted quarterly &amp; annually</li> </ul>
Overall operating costs	<ul style="list-style-type: none"> <li>• Low operating costs</li> </ul>	<ul style="list-style-type: none"> <li>• Higher operating costs related to professional accounting, HR, audit fee...</li> </ul>
Loan obtention	<ul style="list-style-type: none"> <li>• 0.5-1% higher interest rate due to high risk</li> </ul>	<ul style="list-style-type: none"> <li>• Flexible repayment schedule</li> </ul>

# 3. Finance challenges

## Collateral related issues

1

### Leased land

Regardless of loan types that are available to shrimp farms, collateral is obligatory for capex investment through formal bank loans.

Local commercial banks typically accept two main categories of collateral, including fix and dynamic ones. Fix collaterals are related to real estate, land-use rights for non-agriculture land and residential property, aquaculture land, rice field and production forest.

Mid-sized shrimp farmers operating on leased land or under informal agreements are also exposed to significant constraint due to absence of formal or transferrable collateral to meet standard borrowing conditions.

2

### Asset-value

Another challenge associated with insufficient collaterals occurs among mid-sized farms to secure the large loans. In practice, loan granted amounts range in 50-70% of appraised value.

In the case of substantial farming projects including advanced biosecurity systems or renewable energy installations, the collateral value of agriculture land frequently falls far short of the investment required. The collateral-based lending constraints therefore further discourages shrimp farmers from large-scale capex investments if they don't have sufficient assets.

3

### Repayment ability proof

In the case of adequate collateral, many shrimp farms encounter difficulty in providing repayment ability proof. Unlike large shrimp farms that secure offtake contracts with processors or agents, mid-sized farms are exposed to weak financial health in absence of stable income streams and a robust business model.

With a sole income source from farming activities, proving repayment ability is hindered due to adherent fragmented operational records and unpredictable revenue. Shrimp prices fluctuate heavily from volatile export demand and international market conditions. Besides, disease outbreaks or poor harvests could quickly turn profitable seasons into severe losses. These factors prevent farmers from accessing large CAPEX loans.

## 4. Opportunities & Considerations

# 4. Opportunities & Considerations

## *International financing channels*

### Indirect through Vietnamese commercial banks

Development finance institutions (DFIs), such as IFC/World Bank Group, Asian Development Bank (ADB), DFC, Proparco/FMO, and OPEC Fund, provide dedicated credit lines to Vietnamese commercial banks, which subsequently on-lend to SMEs, including aquaculture producers:

- SeABank has mobilized substantial funding to expand lending to SMEs, women-owned SMEs, and green finance initiatives.
- BIDV has secured a US\$ 100 MN loan facility from ADB, with 80% allocated for green agriculture and 20% to broader SME finance access.
- JICA, co-finances with FinDev Canada and SMBC, provided a US\$ 215MN long-term loan to HDBank, which will then sub-loan to the Vietnamese agricultural sector, including green projects, sustainable agriculture, support for SMEs, women-led businesses or low-income customer groups.
- Risk-sharing instruments, such as GuarantCo's partial credit guarantees to banks, aiming to reduce lender risk and improving credit access for farmers with limited collateral.

### Through Cooperatives

Alternatively, cooperatives and other value-chain aggregators remain a critical intermediary in channeling finance down to the farm level:

- The IDH Farmfit Fund restricts direct access to cooperatives, business entities, and aggregators, requiring independent shrimp farmers to work through these intermediaries to access both financial and technical support.
- IFAD's Climate-Smart Agricultural Value Chain (CSAT) program supports more than 60,000 smallholder households in the Mekong Delta with climate-resilient infrastructure and sustainable value chain investments.
- The UNDP's Climate Resilience & Low-Emission Investment Initiative, funded by Germany, Spain, and the EU, provides co-finance for shifting to sustainable technologies such as solar-energy drying systems for shrimp processing.



# 4. Opportunities & Considerations

## International financing channels

### Direct through Microfinance

Microfinance Institutions (MFIs) represent the most accessible direct financing option for smallholder shrimp farmers. These institutions provide small-scale loans with more flexible eligibility criteria than commercial banks, specifically targeting independent farmers who lack formal land titles or business registration.

- International organizations such as Oikocredit and Lendahand support this sector by providing loans, equity investments, and guarantees to microfinance institutions, cooperatives, and businesses that serve smallholders, rather than lending directly to individual farmers.



	Lendahand	Oikocredit	Incofin IM
Type	Crowdfunding platform	Cooperative lender & impact investor	Professional impact fund manager
Instruments	Debt (retail crowdfunded loans)	Debt, equity, technical assistance	Debt, equity, blended finance
Typical Funding	€0.5–3 MN	€1–10 MN	US\$ 0.5–5 MN
Tenor	6 months – 4 years	3 – 12 years	1 – 5 years
Key Criteria	3-year track record, impact compliance	Financial inclusion, strong ESG	>60% social & financial score, ESG standards

Under the current legal framework, microfinance institutions operating in Vietnam are governed and regulated by Circular 33/2024/TT-NHNN, issued by the State Bank of Vietnam on 30 June 2024. MFIs may only provide loans in VND capped at US\$ 2,000 to microfinance individuals or US\$ 4,000 to microfinance enterprises for income-generating activities and improving living conditions, not for purchase or investment in securities, reflecting the mandate of microfinance to provide small, short-term loans to the most vulnerable populations.

# 4. Opportunities & Considerations

## Domestic financing channels

### Direct through Vietnamese commercial banks

Agro–Forestry–Fishery preferential and Green Finance loans are accessible through commercial banks, specifically those with extensive agricultural lending experience like Agribank and BIDV and other prominent banks in Mekong Delta, including Nam A Bank and Sacombank.

Repayment terms vary by bank, with some offering flexible quarterly or crop-cycle schedules to ease pressure during the grow-out phase.

Under Government directives, banks can restructure or extend loan maturities for farmers hit by natural disasters or disease outbreaks.

	Agro–Forestry–Fishery Preferential loans	Green loans
Legal status	Sole proprietorship & Enterprise	
Interest rate		
<i>Bank's 12-month Deposit rate, plus the mark-up</i>	Working Cap	2% mark-up
	CAPEX	5.7 - 6.7% (+1-2%)
Applicable preferential interest rate period	Working Cap	Full term of total loan period
	CAPEX	Up to half of total loan period

In addition, unsecured loans are also available with conditions and loan thresholds are according to Decree 156/2025/NĐ-CP, enabling borrowers to access larger investments without providing asset security.

This further strengthened the principle of providing loans based on production contracts and integration into the value chain and helps finance farms lacking traditional collateral but having guaranteed output.

Borrower	Limit <i>per Decree 156/2025</i>
Individuals / Households	US\$ 12,000
Producer Groups / Business Households	US\$ 20,000
Farm Owners	US\$ 120,000
Cooperatives / Cooperative Alliances	US\$ 200,000

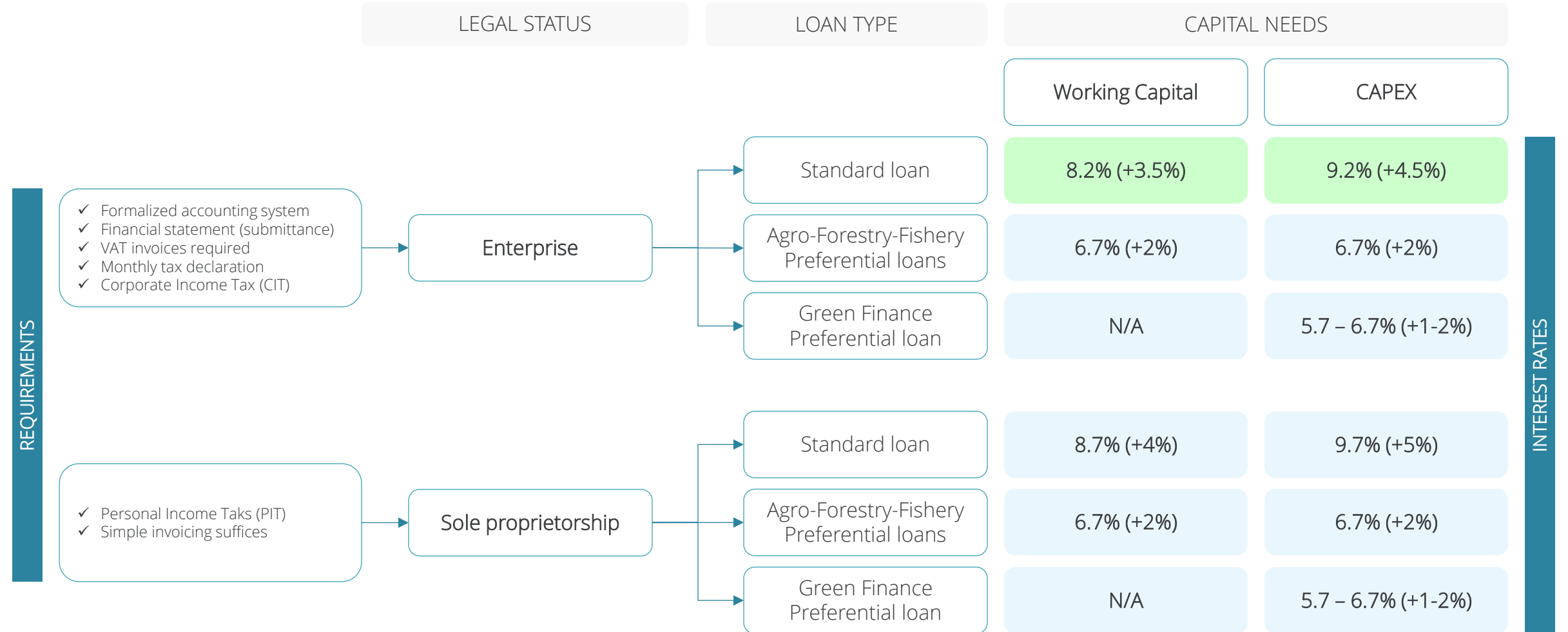
### Direct through Local People's Credit Funds

Local People’s Credit Funds offer small-scale CAPEX financing for agricultural operations, utilizing interest rate frameworks aligned with established preferential loans

## 5. Route to finance

# 5. Route to finance

## Roadmap to financing



# 5. Route to finance

Filling the gap of making mid-sized farmers bankable

## Route to preferential & Green Finance options

Need/willingness for Capex Financing

**Mid-sized Farms**  
Sole Proprietorship

- Farmers are willing to make CapEx investments to transition towards more sustainable and profitable farming models.
- Farmers are aware of available financing options.
- Farmers are willing to comply with accounting and reporting in their current operations.

**Bankable**  
Towards Enterprise status

- A legal company registrations.
- Compliant with accounting & reporting
- Documentation of green impact.

**Information gap**

- Need for legal status transition
- Accounting & reporting
  - Documentation

- Green initiatives models
- Resource-efficient farming models
  - Renewable energy
  - Reporting knowledge on green initiatives

**Preferential & Green Finance**  
for Agro-Forestry-Fishery sector

- Application documents for preferential CAPEX loan:
- Commercial contracts and investment plan
  - Credit profile and collateral
  - Legal and business documentation
  - Technical and performance evidence
- Additional requirements for Green Finance loan:
- Resource-efficient farming models: documentation related to sustainable production, high-tech/green infrastructure or circular system
  - Renewable energy: Power Purchase Agreement with EVN for rooftop solar or other renewable energy installed on farm
  - Documentation of expected resource-efficiency and environmental benefits
  - Investment contract or EPC contract

# 5. Route to finance

## Actionable recommendations

### Workshop/Training - Support on securing bankable status for farms, addressing Legal, Financial and Operational compliance

#### Legal status transition

Key topics: step-by-step guidance conversion; policy/regulation updates on required compliance applied for high-revenue Sole Proprietorship; business plan refinement to meet bank's requirements.

- o Partners: Banks, Legal specialists

#### Financial management

Key topics: accounting regime for SMEs; documentation input/output VAT and e-invoice; financial management and statement preparations.

- o Partners: Certified Public Accountants (CPA); Accounting Software Providers (e.g., MISA, Fast)

#### Documentation

Key topics: global aquaculture standards qualified for green finance; environmental data tracking and sustainable production plan documentation/preparations.

- o Partners: Certification Body Specialists; Smart-farm Solution Providers

#### Loan transfer

Key topics: transferring Existing Sole Proprietorship Loans to the New Enterprise, such as debt transfer, collateral revaluation, preferential rate application.

- o Partners: Banks, Legal specialists

### Green consultancy at farm - On-site support for newly converted Enterprise to access to green finance

Resource-efficient farming model & Certification readiness, including:

- Preliminary audit (checklist) of farm's current practices against global aquaculture standards (ex. water management, residue control and FCR) which banks use to estimate environmental efficiency.
- Circularity training.
- Documentation assistance, establishing traceability logbook and managing group certification process.
- o Partners: Certification Body Specialists, Farm Solution Providers

Renewable energy:

- Feasibility study on farm's electricity load and recommendation on optimal renewable energy installed size, investment estimation.
- Preliminary loan structuring recommendation on RE portion of the loan application to align with bank's Green Finance requirements.
- o Partners: RE firms, Banks.



[www.linkedin.com/company/shrimptechvietnam](https://www.linkedin.com/company/shrimptechvietnam)



[www.youtube.com/@ShrimpTechVietnam](https://www.youtube.com/@ShrimpTechVietnam)

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# Appendix

## Roadmap: Sole Proprietorship to Enterprise status

Step	Key Deliverable/Remark	Corresponding Agency	Estimated Time
<b>Phase 1: Pre-Conversion Planning &amp; Compliance preparation</b>			
Tax & Debt Settlement	Settle all outstanding tax liabilities (VAT, PIT..) and formalize debts/contracts of; the new Enterprise inherits all existing rights and obligations	Local Tax Authority	
Choose Entity Type	Select the Enterprise type (e.g., Single-Member LLC for a sole owner, Two-Member LLC if bringing in partners)	Legal/Consultant	1 – 2 weeks
Prepare Core Documents	Company Charter, Business Registration Application, and Member List		
<b>Phase 2: Enterprise Registration</b>			
Submit Registration Dossier	Submit the complete dossier (including the original Certificate and the new Enterprise documents) either directly or online via the National Business Registration Portal	Business Registration Office - Department of Planning & Investment	
Processing & Review	The authority reviews the documents for validity and issues a request for amendment if necessary		1 – 1.5 weeks
Receive New License	Enterprise Registration Certificate issuance		
<b>Phase 3: Post-Registration Compliance &amp; Operation</b>			
Seal & Legal Representative	Engrave the company seal and publicly post the Enterprise Registration information on the National Portal	Police/Local Authorities	
Bank Account Opening	Open the Enterprise's business account	Commercial Bank	1 week
Tax Code & E-Invoicing	Register for the new Enterprise Tax Code and electronic invoicing	Local Tax Authority	
Debt/Loan Transfer	Transfer existing loans and collateral to the name of the new Enterprise	Partner Bank	1 – 2 weeks

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