

GREEN LENDING IN THE AGRICULTURE

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The internationally accepted framework of green lending is based on four pillars, which together ensure that the use of a given loan is consistent with the achievement of specific climate and environmental goals. The first step is to examine the use of the loan, i.e. to identify the purpose of the loan. A credit goal can be considered a green credit goal if it ensures the achievement of specific climate and environmental goals while meeting specific conditions. The evaluation and selection of projects practically means checking their compliance with given green loan target conditions, which can be considered a green rating. The classification is based on classification systems or taxonomies, which can often be linked to reporting obligations or supervisory and regulatory programs. After the qualification, in light of the nature of the financed loan goal and its readiness at the time of signing the contract, the bank regularly monitors the implementation and the fulfilment of the agreed conditions. This is supported by the reporting obligation related to the fulfilment of the client's green commitment, which also ensures the availability of the necessary information for the fulfilment of supervisory reports and disclosures.

In August 2021, the Hungarian National Bank is a green company and municipal capital requirement discount program expanded with measures supporting the greening of agriculture. The starting point of these measures was the definition of sustainable agriculture, as well as the creation of consistency with the renewed Common Agricultural Policy, domestic and EU Biodiversity Strategies. Sustainable agriculture: "The management and preservation of the natural resource base, as well as the direction of technological and institutional changes in such a way that the continuous satisfaction of humanity's needs is ensured for both present and future generations. It preserves and improves the condition of agricultural lands and water resources. It preserves and improves biological diversity, including genetic diversity, species richness and ecosystem diversity. It reduces material use, energy use and waste."

During the research, I used the database of the MNB. From 2021, new opportunities for greening have opened up for the agrarian sector as well.