



Al-Amal Microfinance Bank's Interventions in Supporting Sustainable Agriculture amid Green Banking Initiative

Introduction

The need for adopting a sustainable approach across various economic sectors, including agriculture, has significantly increased in recent years. Green banking plays a key role in achieving this goal by focusing on financing projects that prioritize environmental preservation and promote sustainable development.

In this context, Al-Amal Microfinance Bank (AMB) has played a prominent role in supporting the agricultural sector by providing innovative financial solutions aligned with green banking principles aimed at enhancing agricultural productivity while preserving natural resources. AMB provide loans for environmentally friendly agricultural projects, such as the use of modern irrigation systems and solar energy. Additionally, it supports farmers by offering flexible financing programs and advisory services to promote sustainable agricultural production and improve the livelihoods of those working in the sector.

The Concept of Green Banking

Green banking is a methodology that aims to direct financing towards environmentally friendly projects while minimizing the adverse effects of economic activities on the environment. Green finance is one of the best practices to foster a shift towards more sustainable agriculture through financial agribusinesses using renewable energy and modern irrigation technologies.

The Importance of Sustainable Agriculture

Sustainable agriculture is a fundamental approach for achieving food security and preserving natural resources for future generations. These practices involve efficient resource utilization, reduction of carbon emissions, and maintaining biodiversity. Promoting sustainable agriculture helps mitigate the negative effects of climate change and ensures economic stability for farmers.

AMB's Interventions in the Agricultural Sector

Al-Amal Microfinance Bank (AMB) has actively contributed to reducing the agricultural sector's impact on the climate. In response to the growing demand for agricultural supplies and solar-powered irrigation systems for farmland, AMB developed an agricultural loan product in 2018. This product targets small-scale farmers - both agricultural and livestock producers - by providing essential tools and supplies such as solar-powered irrigation pumps, greenhouses, seeds, fertilizers, ...etc.



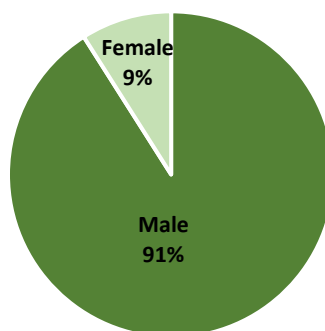
1,866 Agriculture Loans

25.2 m\$ Agriculture Portfolio

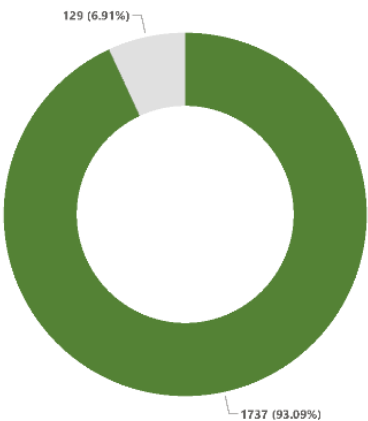
13 k Indirect BNFs.

This initiative was implemented in partnership with a network of specialized suppliers contracted by AMB to ensure the delivery of high-quality products and services. Moreover, AMB introduced tailored solutions to reduce the cost of financing these products and services by offering Islamic financing options, including Qard Hasan (interest-free loans), in addition to Murabaha financing at rates that are among the lowest across AMB's services. Furthermore, this intervention has a positive impact on contributing to job creation, generating 2.64k jobs, with 91% of these opportunities occupied by men.

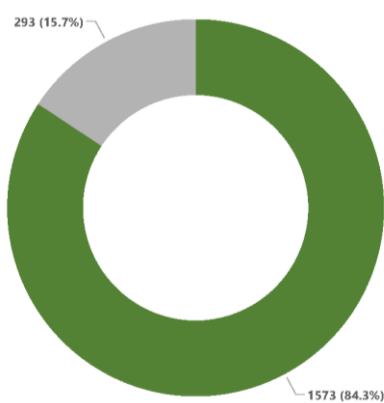
2.64 k Jobs Created



Key Figures on the AMB’s Agricultural Sustainability Interventions:

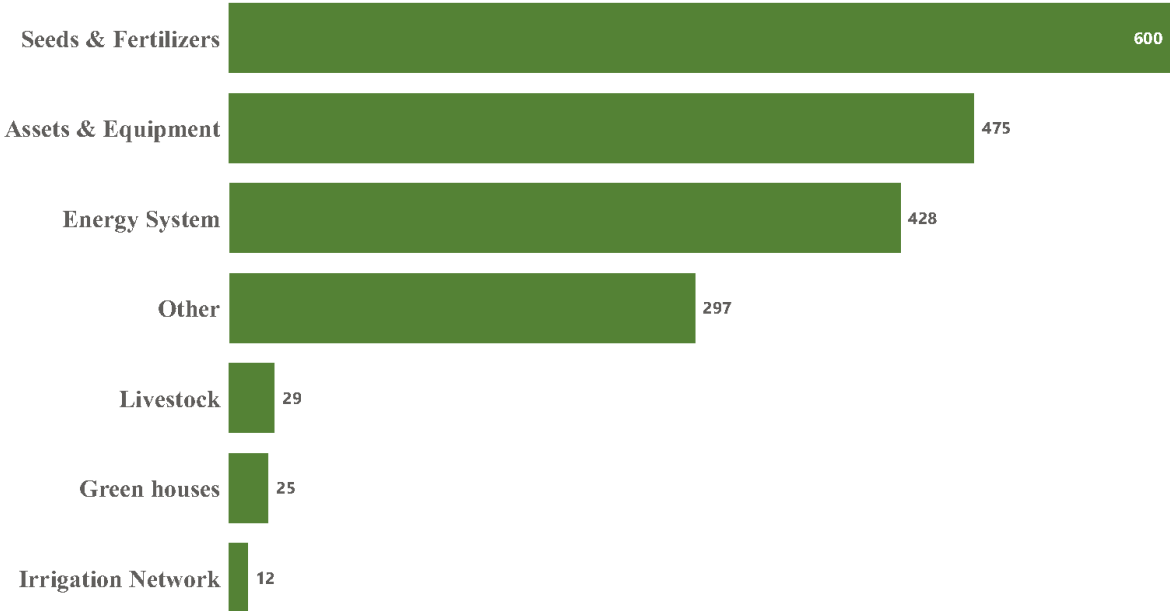


of Loans by Gender

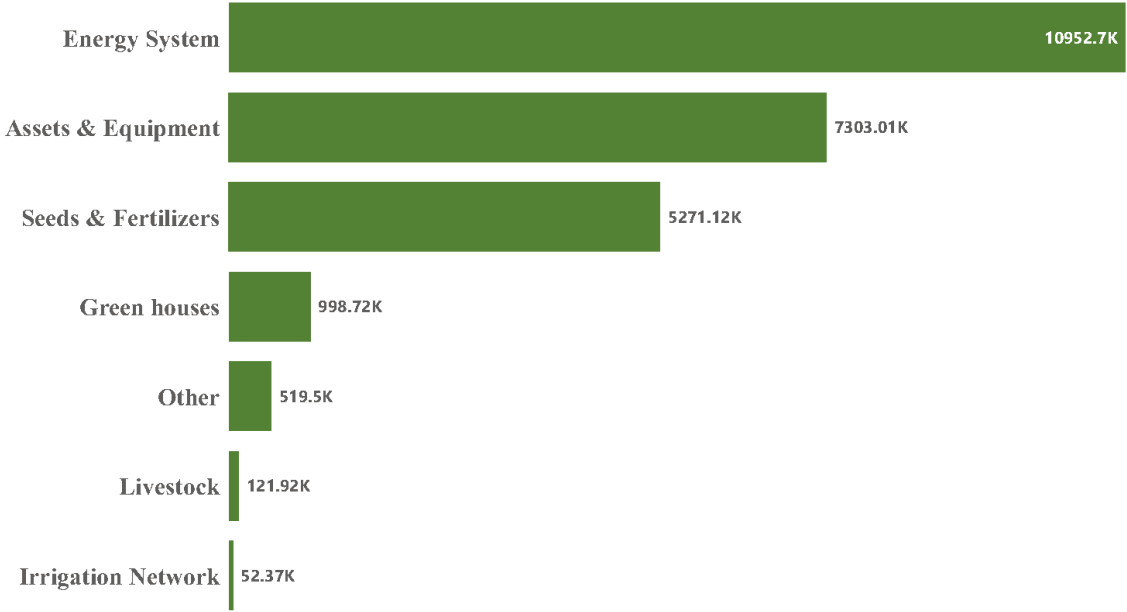


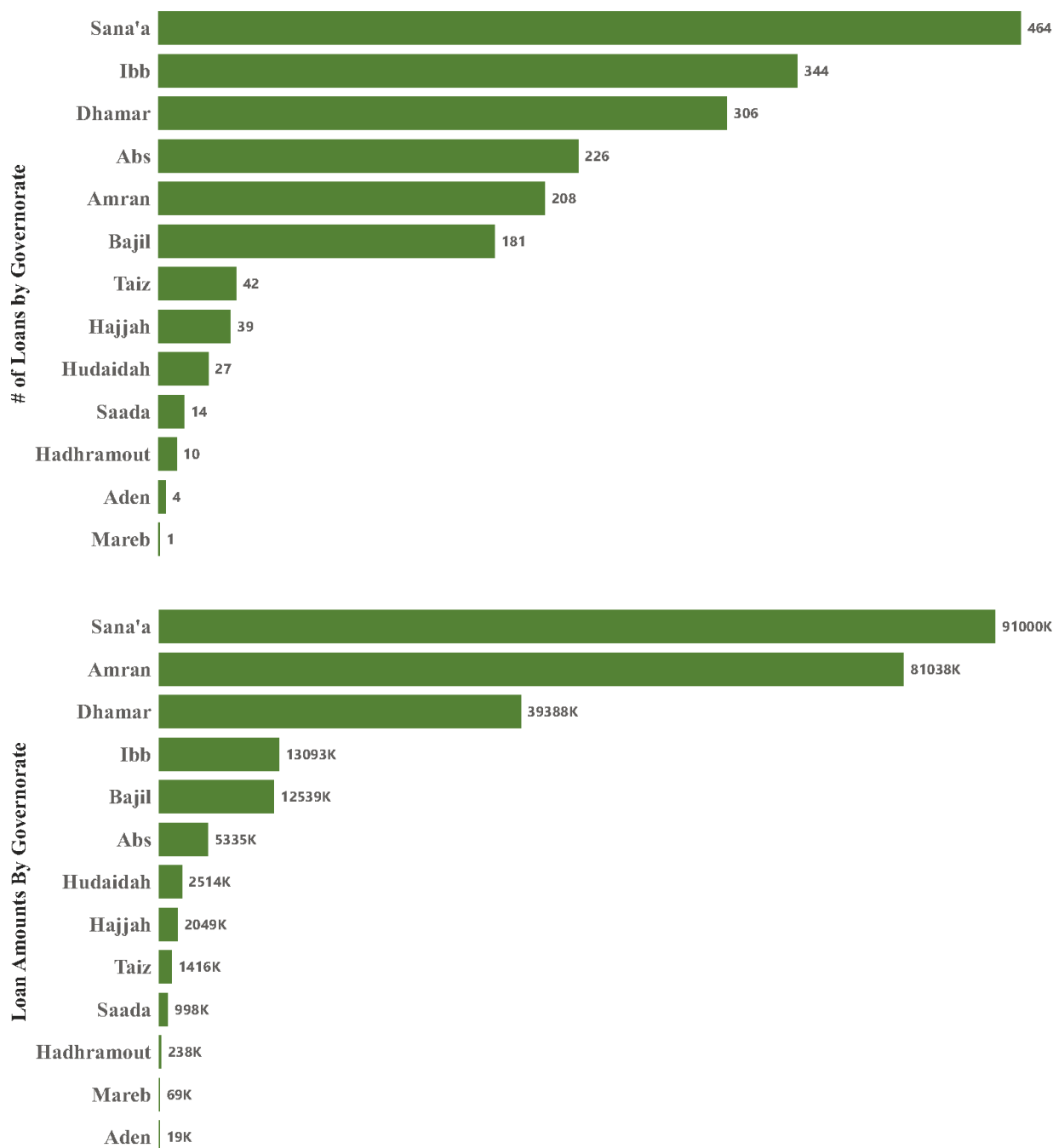
of Loans by region

of Loans by Category



Loan Amounts by category





AMB has provided tailored financing solutions for agribusinesses, addressing their specific needs and serving 13 governorates across Yemen. In addition, as part of its efforts to promote environmental sustainability and mitigate the negative impacts of the energy sector—particularly reliance on fossil fuels, which directly affect the environment—AMB has partnered with a network of suppliers to deliver agricultural inputs, equipment, and renewable energy products. These initiatives respond to the growing demand for renewable energy systems, providing SMEs, households, and establishments with a safe, clean, and sustainable source of power while fostering environmental preservation and sustainable development.

Conclusion

Finally, Green Banking represents a commitment towards achieving sustainable development and a better future for upcoming generations as well as it is approach that can boost addressing the current environmental challenges, particularly in vital sectors such as agriculture. AMB has emerged as one of the leading institutions that have taken on the responsibility of supporting sustainable agriculture through innovative financial solutions aimed at enhancing productivity and protecting natural resources.

The efforts made by AMB in this field highlight the importance of collaboration between financial institutions and productive sectors to achieve sustainable development goals. Thus, investing in Green Banking is not merely an option but an urgent necessity to secure a better future that meets the aspirations of future generations and preserves the environment we live in.



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