Green Finance for innovative green products
Bangladesh Perspective
Bangladesh Bank’s Intervention for Sustainable Finance

Khondkar Moshed Millat
General Manager
Sustainable Finance Department
Bangladesh Bank (Central Bank of Bangladesh)
email: morshed.millat@bb.org.bd

March 7, 2019
- Green Banking Policy

- Incorporation of Environmental and Social Risk in Credit Risk Management. Both CRG and ESRR are structurally assessed in the overall credit rating for a Project/Product/Initiative

- BB’s Coordination and time to time Identification by Technical Advisory Committee (TAC) for 52 Green Products those belong to 8 green categories

- Creation of Climate Risk Fund by Banks and FIs

- Low cost funding under Refinance Scheme for environment friendly and energy efficient/innovative Green Products
Disaster Management and CSR Fund of Bangladesh Bank

Agricultural Credit Facilities in Climate Change Vulnerable Area

- Cultivating salinity-resistant crops in the salty areas
- Cultivating water-resistant crops in the water-logged and flood-prone areas
- Cultivating draught-resistant crops in the draught-prone areas
- Arrange for irrigation during dry season to avoid low production and loss of crops
- Using organic fertilizer and insecticide by natural means instead of using chemical fertilizer and pesticides
Green Attitude/Approach/CSR of Banks & FIs

- Behave Rationally
- Appreciation
- Motivation
- Carbon footprints concerns
- Most effective utilization of the resources/data available,
  - Electricity, water, gas, energy heat, other utilities such as paper, print, logistics, appliances, vehicles use in Green Mode.
- Solid Waste Management, Rain water Harvesting, Solar Power Panel
- Keeping noise and air pollution in a tolerable level
- Addressing gender inequality, minority, non privileged groups.
 Continued discussion, capacity building for all stakeholders

 Continued Green and Innovative Product Hunting Process through Research and Marketing

 Biological ETP replacing Traditional One

 Green Features for Green Building

 Green Industry (Green Garments, Textile) (For Example: Plummy Fashion, Narayanganj, Bangladesh, Globally First ever Leed Platinum Certified Green Textile Industry )

 Green Transportation

 Environment Friendly Tree Plantation in Proper Manner
Looking Ahead

- Proper Demand Mapping
- Establish National Level Standard for Identification Green Products/Initiatives
- Supportive Policy Framework for all types of Financial Instruments
- Credit Guarantee Fund/Green Instruments
- Sustainability Rating of Banks & FIs.
- Rational Green Finance Disbursement Target for the Banks and FIs in a time bound action plan and maintain asset quality through stricter monitoring.
- Effective Regulation for Environment Friendly Governance in Banks and FIs.
- Policy initiatives for Carbon Footprint Measures
- Carbon Trading Mechanism for the institution that it really demands.
- Policy Initiatives for Green Bond /Green Sukuk Approach focusing on development of Capital Market Development and Financial Institutions (Banks & FIs)
- Strengthening coordination with lead and associated ministries, institutions to address SDGs for Climate Change issue.
Last Minute Call before boarding to fly for Green Planet

Promoting Green Growth through Green Finance requires uninterrupted coordinated effort (Commitment/Pursue/Trend of Activities/Implementation Process) from all the concerned key public and private stakeholders:

- Ministry of Finance; Ministry of Planning; Ministry of Environment, Forest and Climate Change; Ministry of Power & Energy
- Bangladesh Bank (The central Bank of Bangladesh)
- Bangladesh Securities and Exchange Commission (BSEC)
- Insurance Development & Regulatory Authority (IDRA) Bangladesh
- Microcredit Regulatory Authority (MRA)
- Banks and Non Bank Financial Institutions
- Sustainable and Renewable Energy Development Authority (SREDA)
- MRA regulated Microfinance Institutions (MFIs)

Let’s “Go Green, Live Green, Live For Others”

-------- Thank You--------