

Green Finance for Sustainable Development

Organized by Bangladesh Solar and Renewable Energy Association

Speech of Dr. Atiur Rahman, Governor, Bangladesh Bank

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Eminent Chair, Her Excellency Ambassador of France in Bangladesh, special guests, Dr, Mizan R. Khan, distinguished discussants and resource persons, CEOs of banks and financial institutions, friends from print and electronic media, colleagues from Bangladesh Bank, ladies and gentlemen, a very good morning to you all. I would like to congratulate *Bangladesh Solar and Renewable Energy Association* for organizing this important conference on ‘Green Finance for Sustainable Development’, a quite pressing issue in the context of looming global climate change threats.

In the evolution of sustainable development, three mutually reinforced pillars have been the key- people, planet and profit. In the light of 2030 SDGs, 3P’s have been upgraded to 5P’s- People, Planet, Prosperity, Peace, and Partnership. All countries and stakeholders are to implement the Sustainable Development Goals by 2030, with firm determination of taking necessary steps towards ensuring a steady, resilient, and sustainable development path. As we embark on this journey, we pledge to leave no one behind. Hence inclusive development, for which we need sustainable inclusive finance.



Bangladesh falls into the group of most climate change vulnerable countries despite her insignificant share of global greenhouse gas (GHG) emission compared to other developing and developed countries. For developing economies like Bangladesh, roadmap for green investment will need charting of both the buildup phase by awareness creation, motivation and support measures, and its scaling up by putting in place policy reforms creating enabling conditions and incentives fostering larger investment partnerships for transition to energy efficient green infrastructure. The recent Paris pact on climate change also manifests our firm accord to stop global warming, where 195 countries commit to fight climate change by adopting a global climate treaty for the first time. It offers the hope that humanity can avert catastrophic climate change and ushers an energy revolution, which will reduce carbon emission and make this Earth better livable.

Environmental sustainability and climate change resilience are the two key elements of Bangladesh’s inclusive socioeconomic development strategy. Keeping this broad approach in mind, Bangladesh Bank’s resolute thrusts towards instilling a corporate governance and internal controls culture are firmly grounded on transparency and accountability; and towards ingraining inclusive and

environmentally sustainable financing ethos in the financial sector. Corporate Social Responsibility (CSR) initiatives of the banking sector, guided by Bangladesh Bank, are also growing significantly. These ethically oriented social initiatives are compensating to an extent for sub-optimal performance on other ethical criteria.

Environmentally sustainable approaches for rapid poverty eradication by narrowing down inequalities in the advancement of opportunities are our policy priorities in promoting socially responsible, inclusive and sustainable financing. We have therefore identified four broad areas: agriculture, SMEs, modernization of payment system, and adoption of environmentally benign 'green' output practices. Priority of rural agriculture and women entrepreneurs in access to finance also figures importantly in our initiatives. The consultatively set targets for these priority areas are incremental, aimed at raising and stabilizing sustainable financing to adequate levels.

After decades of globalization driven growth, global trade growth has now slowed, and is actually trailing global output growth. This indicates that the potential for export-led growth will be harder to realize unless it takes advantage of upcoming new opportunities in markets for goods and services produced using environmentally sustainable 'green' output processes and practices. Bangladesh Government and Bangladesh Bank have already gained global attention by being early movers in this direction; with enablement and facilitation steps for 'green' transition. To name a few, relocation of our leather sector manufacturers to an area well serviced with ETP facilities is nearing completion. In addition to supporting ready 50 green products with Green Refinancing in Taka. Bangladesh Bank has also lined up a USD 200 million longer term fund called 'Green Transformation Fund' in Fx to support green transition of manufacturing practices in the export oriented textiles and leather sectors. These are only small initial steps, with lots more to do in our intended countrywide transition to environmentally sustainable output practices and lifestyles. Social and Environmental Risk Management Guideline, we are also encouraging CSR support for innovative green products like natural cold storage, climate awards, desalinization of water in the coastal belt etc.

I believe our concerted effort towards building an environmentally sustainable green economy will position us well to achieve the SDGs well ahead of time as we did in case of the Millennium Development Goals (MDGs). I am quite confident that we can do this given the high level of motivation and commitment in our financial community. For some years now, BSREA has been playing a major role in scaling up solar and renewable energy in Bangladesh through encouraging and facilitating green loans for projects like solar home and irrigation system, and assisting policymakers in offering incentives for renewable energy projects. I hope they will continue their effort in transforming Bangladesh into a fully fledged 'green' nation.

Last but not the least; I would like to express my sincere appreciation to BSREA for organizing this timely and fruitful event. I wish this conference a grand success, and hope that it will create enough incentives to the stakeholders to facilitate green investment in the coming days.

Thank you all.