Internship Report

on

Navigating Sustainable Finance in Bangladesh: The Role of Banks and Financial Institutions

Submitted To:

Muhammad Enamul Haque

Assistant Professor

School of Business & Economics

United International University

Submitted By:

Khadija Khan Raisa

ID: 111 201 114

Major: Finance

School of Business & Economics

United International University

Date of Submission: October 24, 2024

Letter of Transmittal

October 24, 2024

Muhammad Enamul Haque

Assistant Professor

School of Business & Economics

United International University

Subject: In consideration for the acceptance of Internship Report

Sir,

It gives me immense pleasure to share my internship report, "Navigating Sustainable Finance in Bangladesh: The Role of Banks and Financial Institutions." I have written this report by attentively and thoroughly adhering to your guidelines and instructions. This report was mostly supported and informed by data from Bangladesh Bank, articles, research papers, my internship at IDLC Securities, and online research.

I want to personally thank you for your support, expert advice, and donation of your valuable time. I've done everything I can to complete the report correctly. I am always available to answer any queries regarding this report. With great anticipation, I hope with great anticipation that you will find my report acceptable.

Kind Regards,

Khadija Khan Raisa

ID: 111 201 114

Acknowledgment

I would like to thank our esteemed faculty, who I hold in the highest regard, for their assistance and guidance in completing this report. He was essential to our ability to finish this report. It brings me delight to finish this paper. I therefore want to express my gratitude to Muhammad Enamul Haque - Assistant Professor of SOBE, for providing me with the necessary direction as I prepared my report. In addition, I want to thank him for taking a break from his hectic schedule.

Table of Contents

Executive Summary

This paper analyzes the current scenario and performance of banks and financial institutions (FIs) in Bangladesh's sustainable finance landscape, focusing on trends in Green Finance and Sustainable Finance. Green Finance, which supports projects like renewable energy, has steadily grown through banks, with significant portfolio expansions by the end of 2023 due to rising environmental awareness. In contrast, Sustainable Finance, encompassing broader ESG goals, has faced variability due to market and policy changes. Leading banks like BRAC Bank and Eastern Bank excel in promoting sustainability, while some FIs, such as IDCOL, meet targets, whereas others, like Agrani SME Financing, do not, indicating a need for capacity-building. Banks typically focus CSR efforts on disaster management, while FIs contribute less to long-term sustainability. The 2023 International Green Bond Market highlights the importance of sustainable finance in decarbonization, with banks adopting ESG standards to boost investor confidence. This is also noteworthy that, while banks have made significant strides, FIs need to enhance capacity and target achievement, necessitating stronger policy support and increased FI participation for a balanced approach to sustainable finance in Bangladesh.

Chapter 1: Background

1.1 Introduction

Within the financial industry, sustainable fund may be a worldview move that tries to coordinate venture procedures with natural, social, and administration (ESG) benchmarks. More individuals are realizing how critical this procedure is to understanding worldwide issues counting asset exhaustion, social imbalance, and climate alter. Economical fund joins long-term maintainability into financial decision-making forms, in differentiate to conventional fund, which as often as possible places the next need on prompt picks up. It points to distribute reserves to activities that advantage society and the environment in expansion to creating monetary picks up.

As a result of pressing worldwide concerns, maintainable fund has gotten to be progressively critical. The require for maintainable advancement objectives (SDGs)-aligned venture techniques is developing as the impacts of climate change ended up more discernible. Green bonds, affect speculation, and ESG centered resource administration are fair some of the exercises that make up feasible fund, which points to advance a biologically and socially fair economy. Maintainable back increments the strength of monetary frameworks by coordination ESG variables into speculation choices. These decreases dangers related to social distress and natural debasement.

1.2 Origin of the Report

Beneath the supervision of Muhammad Enamul Haque, Partner teacher at Joined together Universal College, School of Trade & Financial matters, I completed my internship. My report is titled Exploring Feasible Fund in Bangladesh:

The Part of Banks and Money related Educate and cover the subject of Economical Fund in Bangladesh and its affect on Financial Advancement. This fulfills the prerequisites of my internship program. Between May 01, 2024, and June 30, 2024, I completed my internship at IDLC Securities, Research & Investigation Office. Along side the help of reports from Bangladesh Bank, I have composed this report with information of the assignments apportioned to me.

1.3 Purpose Statement

"To analyze feasible fund hones among banks and monetary teach in Bangladesh and survey their affect on financial development".

This report aims at analyzing the continuous maintainable money related scene in Bangladesh Through the modern hones and activities of banks and FIs. This comparison is expecting to evaluate the viability of economical back as an motor for financial improvement, as an instrument for natural assurance, and as a device for social value. This report serves to illuminate national approach creators, monetary educate and segment partners by uncovering best hones as well as crevices on how maintainable fund can better act as a catalyst for inclusive and resilient financial development in Bangladesh.

1.4 Objective of the Study

The objective goal is to understand the efficacy and current practices of sustainable finance in banks and other financial institutions, highlighting important developments, obstacles, and chances to strengthen the sector's contribution to Bangladesh's environmental sustainability and economic growth.

Objectives:

- To learn about the History and current footsteps in Bangladesh.
- To learn about the sustainable finance taxonomy and funding.
- To learn about the participation of Banks and FIs in sustainable finance sector.
- To learn about impact of the sustainaable fiinance in the economy of Bangladesh.
- To learn sustainaable fiinance investment strategies.

1.5 Methodology

Primary as well as secondary data collecting are part of the Methodology process. Primary data is used to gain knowledge about the topic and its implications, whereas secondary data is used to obtain numerical data.

Primary Data:

- An interview with an associate in the sustainable finance division of IDLC Finance PLC.

Secondary Data:

- Sites
- Publications
- Analysis
- Studies

1.6 Limitation of the Study

- While an interview at a scheduled NBFI was not possible to obtain the needed information, the numerical data was obtained from Bangladesh Bank's website.
- For concerns of safety, not all of a company's sustainable finance information was made public.

- A portion of the content is drawn from research papers published in industrialized countries, which may not apply to Bangladesh.

Chapter 2: Sustainable Finance Overview

2.1 Sustainable Finance and the Economy

Scholars note that the term sustainable finance has recently drawn escalated attention in current literature. Sustainable finance has emerged as a key concept for today's economy, which implies the use of ESG factors in financial analysis. This literature review integrates and discusses findings from several studies on the effect of sustainable finance on the economy, and the upcoming opportunities and challenges.

2.1.1 Sustainable finance conceptual map

Sustainable finance can be understood through a framework proposed by Schoenmaker and Schramade (2019), which outlines three stages of evolution:

Sustainable Finance 1.0: Relies on the idea of risk-exclusion where the financial institutions reject funding companies that are not sustainable.

Sustainable Finance 2.0: Places much importance on financial, social and environmental returns with the preference for investing in companies that shareholders believe are good for society and the environment.

Sustainable Finance 3.0: Refers to a very radical level where mission-oriented organisations engage themselves in purchasing sustainable businesses that can in the long-run provide value to the community.

This framework signifies the transformation of financial industry from a risk mitigation perspective to one of viewing sustainability as an opportunity, the ESG elements therefore should be integrated into financial decisions. Zairis, Liargovas, and Apostolopoulos (2024)

2.1.2 Sustainability Development - Financial Industry

Enhanced Financial Performance

A few considers uncover that feasible fund implies way better money related execution. Friede, Busch, and Bassen (2015) made a meta-analysis of over 2,000 experimental investigate and it was built up that about 90% of them recognized a non-negative affiliation between ESG criteria and company budgetary execution. This implies that companies taking after economical exercises conclusion up performing well fiscally, hence eco-nomic welfare of all.

Chance Moderation

It has been distinguished that maintainable fund is central to overseeing dangers emerging from climate alter and other unfavorable natural impacts. Agreeing to the World Financial Gathering (2020), there's expanding recurrence of climate-change-related occasions that's difficult on the worldwide economy. Due to this the chance of such events is maintained a strategic distance from and budgetary teach can be able to contribute in maintainable ventures with the economy being made more grounded. Eriksen et al. (2021)

Business Opportunity and Economic Improvement

Reusing at the side the utilize of modern green innovations may lead to a development in business rates in divisions that develop quickly. Agreeing to IRENA worldwide gauge (IRENA, 2021) Simonyan and Solntsev (2010) renewable vitality division proceeded with solid prospects to produce up to 24 million occupations by 2030. This makes the plausibility of work manifestations which may offer assistance to reestablish adjust and decrease the misfortune of conventional occupations and economy.

Social and Natural Benefits

It is additionally imperative to note that feasible back moreover involves major social and natural picks up. The Worldwide Feasible Speculation Collusion highlighted that at the universal level maintainable speculations in 2021 summed to $ 35 trillion. 32 trillion by 2020, outlining a realization that fund isn't as it were an financial implies toward the accomplishment of utility, but also as an instrument for social and environmental ends. Supportability in horticulture, vitality, and homes can improve the lives of individuals and give for the decrease of inequities and have the impact of a higher economy. (Kashi & Shah, 2023)

2.1.3 Challenges and Future Directions

Despite its potential, a few challenges prevent the total realization of economical finance's benefits:

Need of Standardization

The need of standardization of the markers relating to the estimation of supportability is the essential issue within the interaction of the parties, as well as advertise and venture forms. Agreeing to the Monetary Soundness Board's Errand Constrain on Climate-related Monetary Divulgences (TCFD, 2017),

Market Readiness

This paper finds that readiness to adopt sustainable finance in the financial market is not uniform across regions or sectors. Most incumbent financial institutions continue to operate under the premised of historic profit-making motives, which prevent the effective development of sustainable finance. OECD's report published in 2020 stated that while more organisations are paying attention to sustainable finance, they do not possess the skill required to evaluate sustainability risk efficiently.

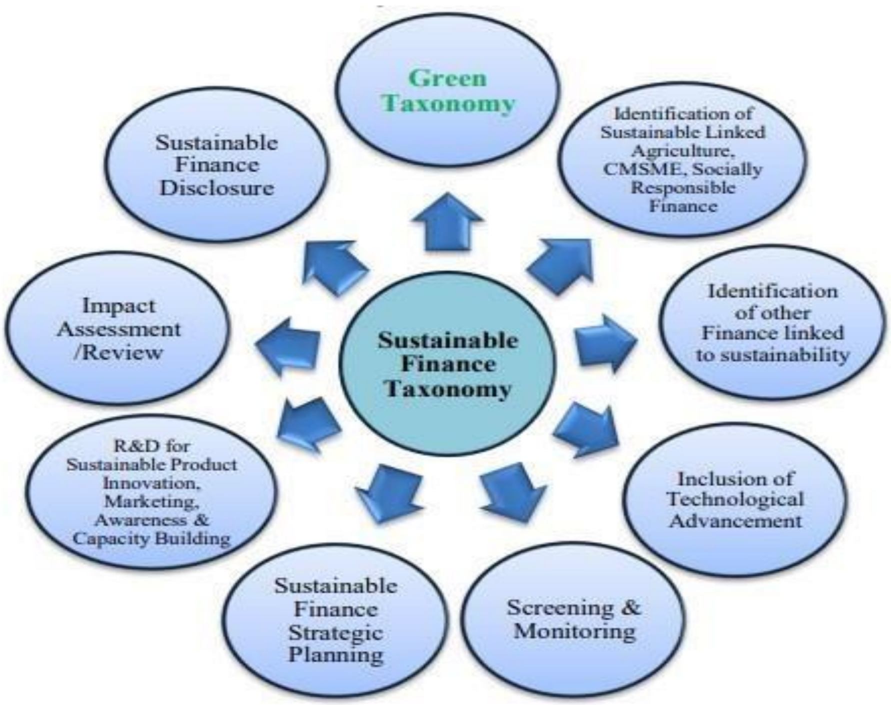
Regulatory and Policy Frameworks

An important aspect in encouraging the sustainability of financing is through the code and standards of the regulatory environment. National and international authorities and regulatory institutions know that sustainability and sustainable finance are the key factors to the success of their goals and strategies. The EU's second action plan for sustainable finance from 2018 seeks to prompt more investments towards sustainable activities, provide better information on sustainability, and adjust it to firms' risk management as well. Measures of this type can foster sustainable finance to grow in a particular financial industry.

Chapter 3: Evolution of Sustainable Finance in Bangladesh

Bangladesh has experienced a major advancement of economical fund over the final decade in reaction to worldwide shifts towards tending to natural issues and accomplishing economical financial improvement. In this setting, maintainability alludes to the trait of not hurting the environment or exhausting common assets, which underpins biological, social adjust, and longterm administration (ESG). Bangladesh Bank (BB) propelled this Feasible Back Arrangement venture in arrange to realize the around the world objectives laid out within the Paris Understanding and the more common Maintainable Advancement Objectives (SDGs). The introduce of this extend is that banks and financial educate (banks and FIs), as noteworthy on-screen characters within the economy, have a obligation to contribute appropriately to supportability. Natural, social, and administration (ESG) concerns ought to be taken under consideration by banks and budgetary educate when overseeing their loaning and investments. Leading monetary controller Bangladesh Bank has been handling supportability challenges in its rules and hones. In arrange to help and empower naturally capable financing, Bangladesh Bank propelled a comprehensive green keeping money campaign in 2011. The campaign incorporates suggestions for greening inner methods and hones interior banks and monetary educate as well as for evaluating natural hazard whereas assessing borrowing applications. A few of BB's green activities over a long time incorporate the presentation of the Green Change Support (GTF) in 2016 and the direction note on GTF in 2020; ESRM rules in 2017; and most recent rules on BB renegotiate plot for 55 green products/projects/initiatives have a place to 9 green categories in 2020. Maintainable Back was characterized and a Feasible Fund Approach was presented as a result of these eco-friendly hones and activities.

3.1 Sustainable Finance Taxonomy



Source: Sustainable Finance Policy, Bangladesh Bank

Sustainable linked finance Identification:

- Sustainable Agriculture
- Sustainable CMSME
- Socially Responsible Finance

3.2 Historical Context

Early Initiatives (2009-2011)

in 2009-2010, The process towards sustainable finance in Bangladesh started with the creation of the Bangladesh Climate Change Trust Fund, BCCTF for funding adaptation and mitigation of the climate change project. The evolution of this scheme highlighted the government's recognition of the climate change threat, particularly considering the nation's geographical vulnerability to its impacts.

Stating the efforts on sustainable finance, Bangladesh Bank (BB), the central bank of Bangladesh started its journey in 2011 with Green Banking Guidelines. Originally, these guidelines were issued with the purpose to compel the banks and the financial institutions to integrate the environmental issues in the lending policies so as to create the foundation for a better environment for the overall banking and financial systems.

Development of Policies (2013-2017)

Green Banking Policies, as the first of their kind, got the seal of approval of the bank in 2013, that was bound to banking sectors to scrutinize environmental dangers their loans might pose when it comes to sustainability. This was followed by the introduction of the Environmental and Social Risk Management (ESRM) Guidelines in 2017, which further reinforced the need for banks to manage ESG risks effectively.

The Green Transformation Fund (GTF) was founded in 2016, to give financial assistance to environmentally friendly projects. This fund was introduced of making the facility of renewable energy projects, and the environmental and waste disposal projects easier as it is financed through the green bond market.

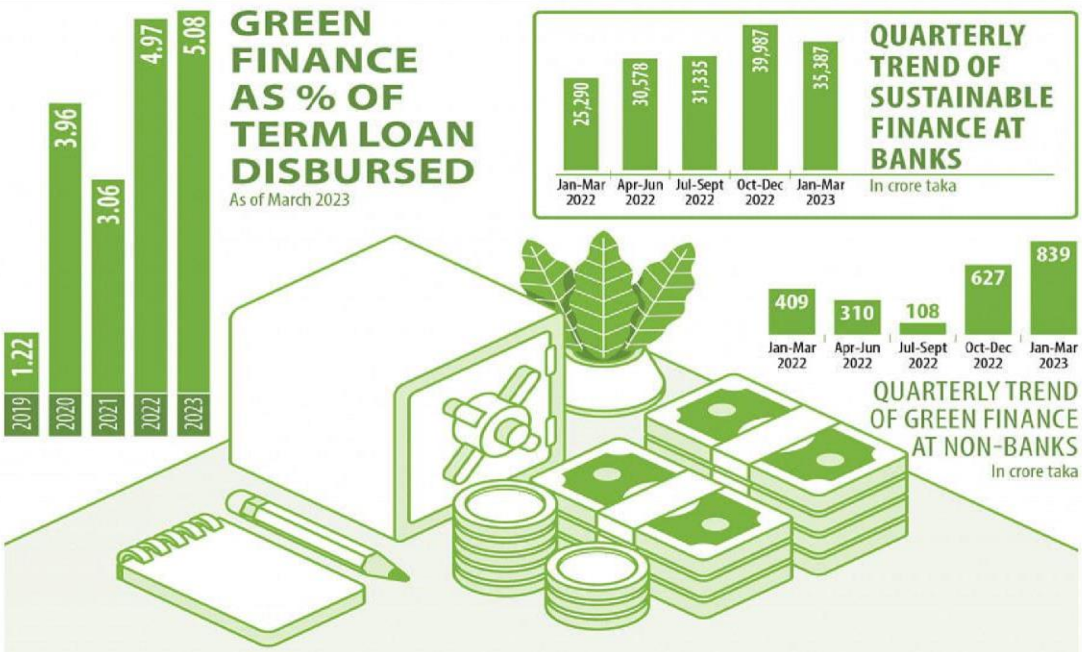
Recent Developments (2018-Present)

Sustainable Finance Policy (2020)

Previously, in December 2020, Bangladesh Bank has developed and implemented the 'Sustainability Finance Policy for Banks and Financial Institutions'. This all-embracing policy sought to set the taxonomy for sustainable finance and green finance, besides offering incentives and goals to the banks and non-banking financial institutions (NBFIs) to provide credit for 68 green products and projects. It also provided directions for Australia's alignment with international standards such as the Multilateral Development Bank (MDB) Taxonomy.

Growth in Sustainable Financing

Today at the beginning of year 2023, sustainable finance in Bangladesh has witnessed a great progress. According to the Bangladesh Bank data, the lenders disbursed Tk 36,694 crore under sustainable finance which was 13%. New vehicle loans accounted for 77 percent of the total loans in the banking sector During the first quarter of 2023. This is 39% increase in year-on-year despite the weak base effect expected due to the new establishment of the company. Sustainable financing was significantly directed to the agriculture sector which shows that green finance knowledge is of paramount importance in supporting sustainable agriculture.



Source: Thedailystar

Challenges and Opportunities

Despite the progress, several challenges remain in the adoption of sustainable finance in Bangladesh:

Limited Awareness: An unsurmountable problem with green finance agenda is that green finance practices are not well understood by either the borrowers or the lenders.

Higher Costs and Stringent Criteria: Introductory bank condition and price concerning green finance are higher for borrowers and have stricter eligibility criteria as compared to normal financing, this hampers green finance investment.

Policy Alignment: Differences in national policies and international best practices may become barriers to participating in international capital markets.

3.3 Future Roadmap

For sustainable finance to be most effective in Bangladesh, recommended actions are as follows:

Capacity Building: Training programs that improve the capacity of banks and financial institutions to understand and manage ESG risks are essential. This includes training programs and awareness programs to promote sustainable finance practices.

Policy Harmonization: The first priority of Bangladesh should be to align its sustainability taxonomy with global standards to improve the capability to utilize international financing and investment opportunities.

Innovative Financial Products: The designing of new financial products, such as green bonds and climate-related financial instruments through which more investments can be attracted into environmental projects, will be removed as a separate duplicate point.

Monitoring and Reporting: Introduction of open reporting mechanisms for sustainable finance activities will support transparency and accountability and even participation from financial institutions.

Public-Private Partnerships: Joint efforts among the governments, businesses, and communities can result in new ideas and collect resources for sustainable finance projects

Chapter 4: Analysis & Findings

Background

The analysis part covers comprehensive findings of sustainable finance in Bangladesh, examining key trends and data from banks and financial institutions. It includes a quarterly overview of sustainable finance investments, sector-wise allocations—such as sustainability-linked projects, MSMEs, agriculture, green finance, and socially responsible financing—and the number of borrowers categorized by gender and urban-rural status. The report also explores the utilization of the Climate Risk Fund, environmental and social risk management practices, and cumulative environmental conservation efforts in business centers. Additionally, it assesses the performance of banks and finance companies in sustainable finance, compliance with the Environmental and Social Risk Management (ESRM) framework, and CSR expenditures for July to December 2023. Through this analysis, the report aims to highlight the current landscape of sustainable finance and the progress made in aligning financial practices with environmental and social goals.

Sustainable Finance

Quarterly Trend of Sustainable Finance

Overall Investment in Sustainable Finance by Banks & Financial Companies (in million BDT)

Sector-Wise Sustainable Finance by Banks & Finance Companies (Amount in Million Taka)

- Sustainability-linked projects
- MSMEs
- Agriculture
- Green Finance
- Socially responsible financing

Number of Borrowers in Sustainable Finance by Banks & Finance Companies (Amount in Million Taka)

- Gender wise
- Rural-Urban wise

Utilization of Climate Risk Fund (Amount in Million Taka)

Environmental & Social Risk Management

Environmental Conservation in Business Centers (Data Shown as Cumulative)

Bank's performance in sustainable finance in terms of achievements

Finance Companies performance in sustainable finance

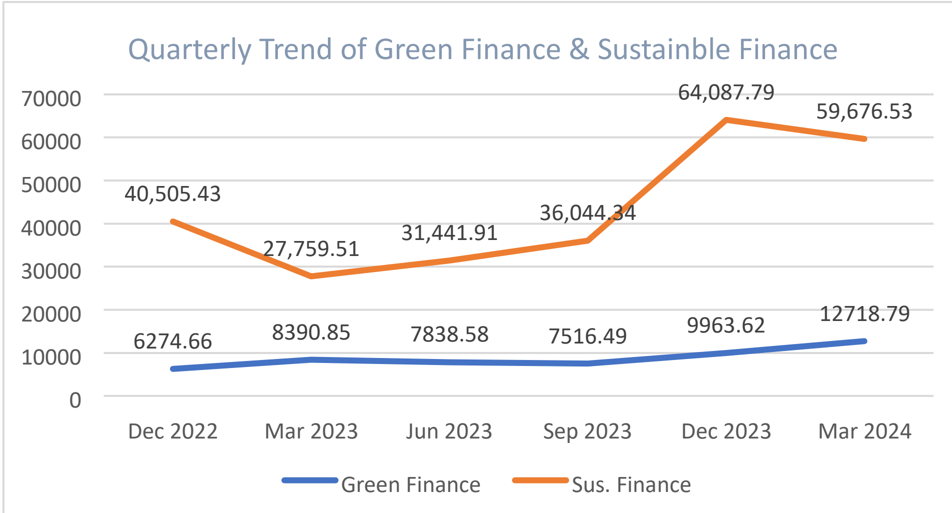
Compliance Overview of ESRM Framework

- Environmental & Social Risk Rating
- Training, Awareness and Capacity Building
- Refinance Scheme for Environment Friendly Products/Initiatives

CSR expenditure of Banks & FIs (July-December 2023)

4.1 Quarterly Trend of Sustainable Finance

To understand the scenario of sustainable finance in Bangladesh more clearly, we have collected data which presents a comparative evaluation of Green Finance and Sustainable Finance from December 2022 to March 2024. Green finance is a sub category of sustainable finance. Green Finance that deals with projects with low carbon products, electricity from renewable sources, waste management/new projects steadily over time starting at 6,274.66 in December 2022 and can go up to 12,718. This increase shows an upward trend in the investments towards the green cause, with a spike between December 2023 and March 2024 which shows that there is a growing concern in tackling ecological impacts. On the other hand, Sustainable Finance, which includes other ESG (Environmental, Social, Governance) goals, varies, which stands at 40,505.43 in December of 2022, to 27,759.51 by March 2023 and increase further to 64,087.79 in December 2023 before reaching 59,676. This fluctuation can be attributed to different extents that the broader sustainability initiatives which may be influenced by factors such as market constraints or changes in policies. For both categories, the highest values are observed by December 2023, which may be caused by increased global or local activity in terms of sustainability. Concerning the green initiatives, one may notice a general increase in activity, while sustainable finance trends experience fluctuations, implying that the latter concept encompasses more extensive and diverse projects.



Source: Bangladesh Bank

4.2 Overall Investment in Sustainable Finance by Banks & Financial Companies (in million BDT)

The growing emphasis on sustainable finance, including Green Finance and Sustainable Linked Finance, reflects an increasing global commitment to environmentally and socially responsible investment. These types of financing are essential in addressing climate change, promoting sustainable business practices, and ensuring long-term economic resilience. Monitoring the progress of these financial efforts over time provides insight into how well financial institutions are aligning with sustainability goals and contributing to a greener, more inclusive economy.

The data showcases a steady increase in Green Finance and Sustainable Linked Finance between 2020 and the first quarter of 2024. In 2020, Green Finance was at 72,395.32 million BDT, growing to 119,299.26 million BDT in 2021 and 193,043.08 million BDT by 2023, though it dips slightly to 72,395.32 million BDT in the first quarter of 2024. Green Finance as a percentage of total term loan disbursement increased from 3.96% in 2020 to 13.16% by the first quarter of 2024, indicating that financial institutions are increasingly prioritizing environmentally sustainable projects.

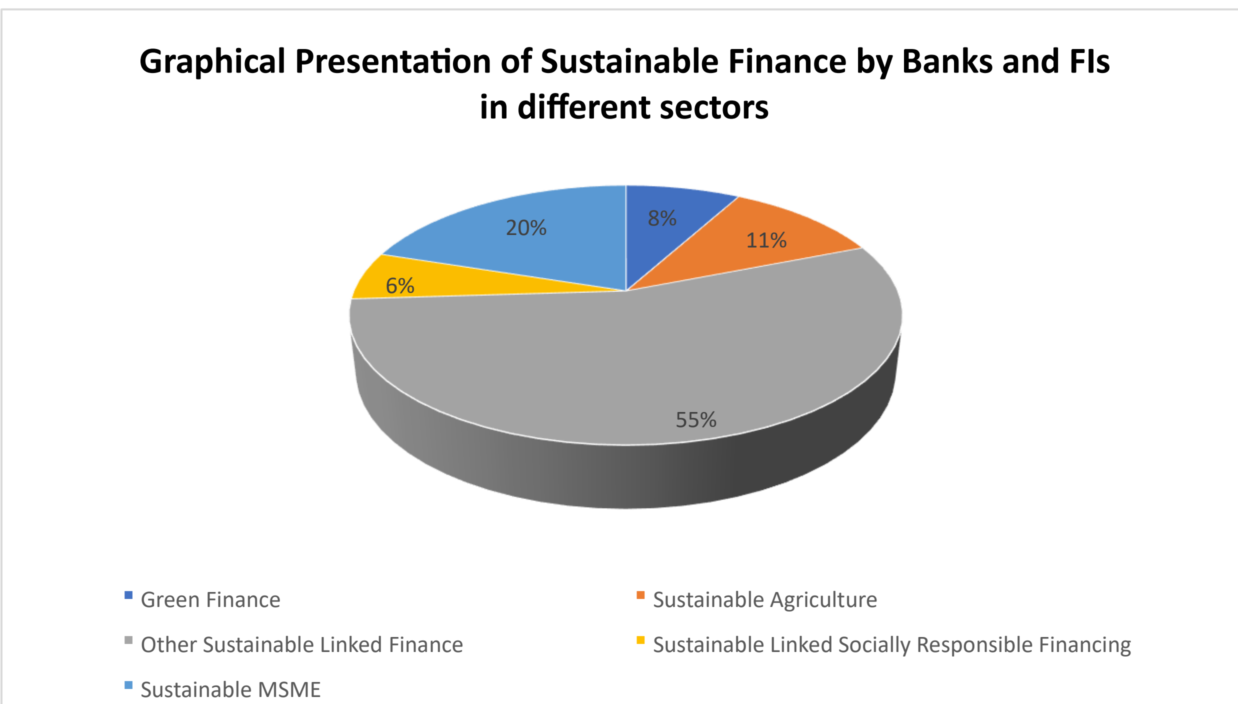
Sustainable Linked Finance saw no recorded figures in 2020, but by 2021, it surged to 753,188.24 million BDT, further growing to 1,185,357.70 million BDT in 2022 and 1,780,648.32 million BDT in 2023, before falling to 814,570.35 million BDT in the first quarter of 2024. Similarly, overall

Sustainable Finance followed a robust upward trend, rising from 825,516.74 million BDT in 2021

Issue	2020	2021	2022	2023	2024 (Jan-Mar)
Green Finance (in million BDT)	1,19,299.26	72,328.50	1,22,264.65	1,93,043.08	72,395.32
Green Finance as % of Total Term Loan Disbursement	3.96%	3.06%	4.97%	7.25%	13.16%
Sustainable Linked Finance(in million BDT)	0	7,53,188.24	11,85,357.70	17,80,648.32	814,570.35
Sustainable Finance (in million BDT)	0	8,25,516.74	13,07,622.35	19,73,691.40	886,965.67
Sustainable Finance as % of Total Loan Disbursement	0	8.04%	11.59%	17.23%	31.85%

Source: Bangladesh Bank

So, 1,973,691.40 million BDT in 2023. As a percentage of total loan disbursement, Sustainable Finance increased from 8.04% in 2021 to 31.85% in the first quarter of 2024. This steady growth highlights a continued shift in financial priorities towards sustainable development goals by United Nation

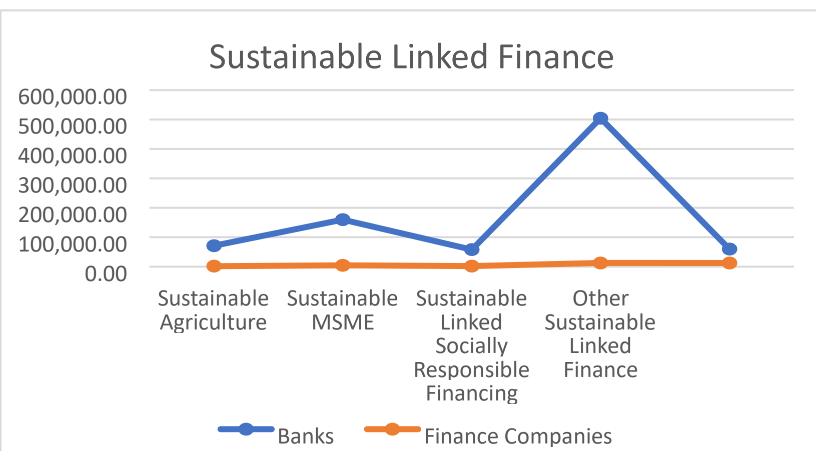


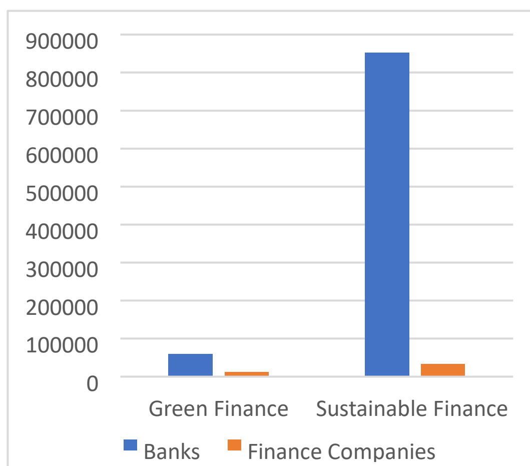
Source: Bangladesh Bank

Here we can see in the chart, the majority of financial resources are directed toward broader sustainability-linked projects (55%), indicating a primary focus on diverse sustainable initiatives. Investments in MSMEs (20%) and agriculture (11%) reflect key areas for economic and environmental sustainability. The lower percentages for Green Finance (8%) and socially responsible financing (6%) may indicate that while these areas are important, they are currently receiving less attention compared to other sustainability-linked efforts.

4.3 Banks and Finance Companies' Sector-Wise Sustainable Financing (in Million Taka)

Sustainable finance is becoming increasingly vital as financial institutions play a key role in driving sustainability initiatives across sectors. The detailed breakdown of financial contributions from Banks and Finance Companies in Sustainable Linked Finance (SLF), Green Finance, and overall Sustainable Finance reveals a significant focus on sustainability by banks.. Here, banks are shown to be the leading contributors to sustainability-linked financing, significantly outpacing finance companies. In particular, banks have invested heavily in Sustainable MSMEs (159,697.65 million BDT) and other broad categories of Sustainable Linked Finance (504,646.49 million BDT), reflecting their focus on fostering both small and large-scale sustainable ventures. In Green Finance, banks have again contributed the majority, with 59,676.53 million BDT, while finance companies followed with 12,718.79 million BDT. Overall, banks have invested 853,373.76 million BDT in total Sustainable Finance efforts, underscoring their dominant role in promoting sustainability, while finance companies contribute significantly but at a smaller scale (33,591.91 million BDT). This data underscores the critical influence of banks in advancing sustainable financial practices.



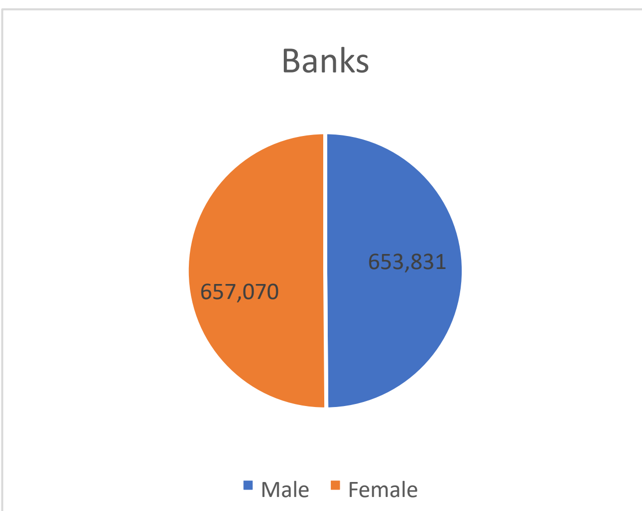


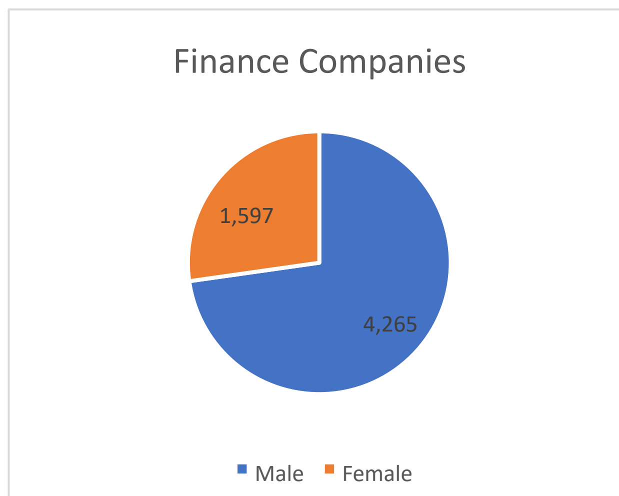
Source: Bangladesh Bank

4.4 Banks and finance companies' number of borrowers in sustainable finance (in million taka)

4.4.1 Gender wise

Understanding the distribution of borrowers in sustainable finance by gender and institution type is crucial for assessing inclusivity and the reach of sustainability initiatives. The data shows that banks dominate the borrower landscape, with 1,310,901 million borrowers, almost evenly split between male (653,831 million) and female (657,070 million) borrowers. In comparison, finance companies serve a smaller borrower base of 5,862 million, where male borrowers (4,265 million) far outnumber females (1,597 million). Overall, across both banks and finance companies, the borrower pool is nearly gender-balanced, totaling 1,316,763 million, with 658,096 million males and 658,667 million females. This indicates a relatively equal participation of men and women in sustainable finance, though finance companies still show a gender disparity.





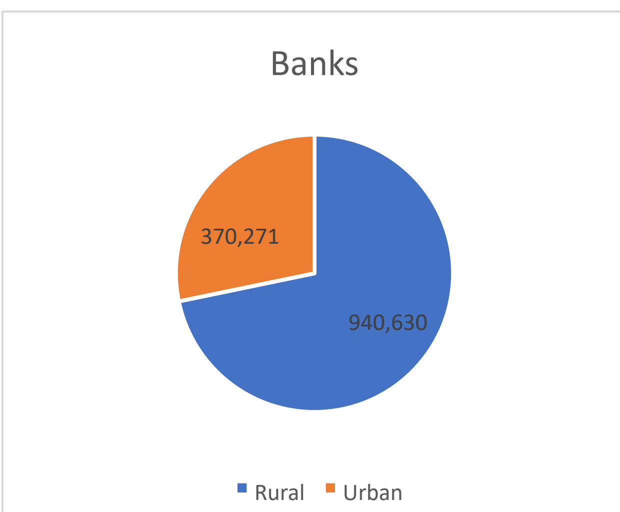
Source: QRRSF, Bangladesh Bank

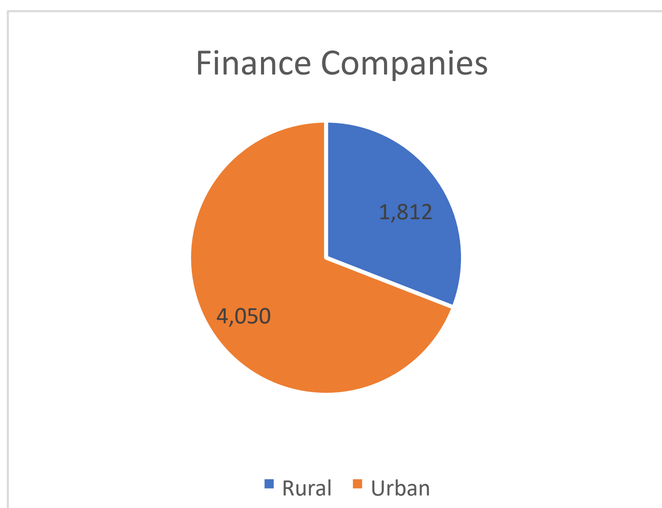
4.4.2 Rural-Urban wise

Analyzing the distribution of borrowers in sustainable finance based on their location—rural versus urban—provides valuable insights into how inclusive and far-reaching sustainable finance initiatives are. This information helps highlight the focus of financial institutions on supporting diverse communities and promoting economic growth across regions. In the Charts, We can see that banks have a predominant focus on rural borrowers, with 940,630 million borrowers from rural areas compared to 370,271 million from urban areas, making up a total of 1,310,901 million borrowers. On the other hand, finance companies have a smaller overall borrower base, with a noticeable urban concentration—4,050 million urban borrowers versus 1,812 million rural borrowers, summing to 5,862 million. When aggregating both banks and finance companies, the total number of borrowers stands at 1,316,763 million, with 942,442 million from rural areas and 374,321 million from urban areas. Hence, we can understand that banks play a major role in serving rural populations, while finance companies have a proportionally larger share of urban borrower

4.5 Utilization of Climate Risk Fund (Amount in Million Taka)

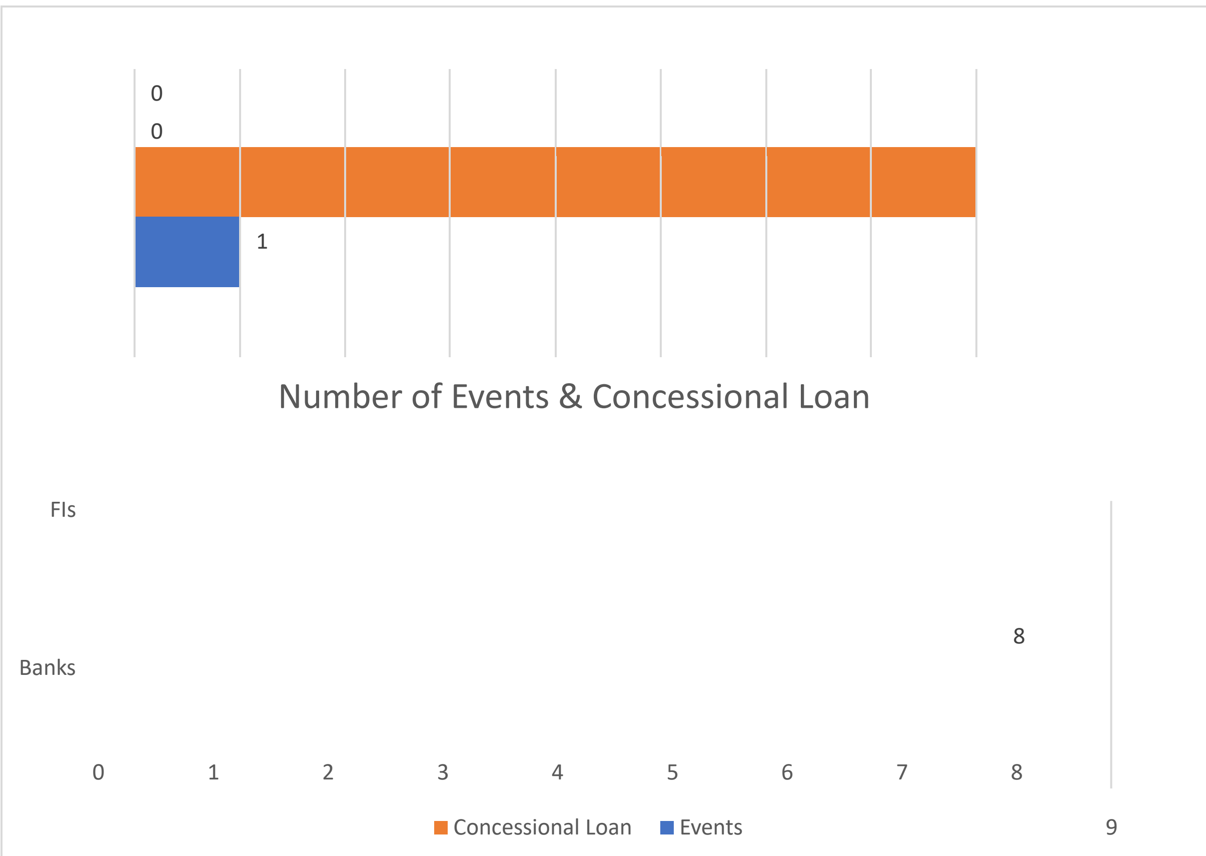
Climate Risk Funds are crucial financial tools designed to mitigate the adverse impacts of climate change, particularly in vulnerable economies. These funds help businesses and communities adapt to environmental risks, promote resilience, and encourage sustainable practices. By providing financial resources for climate-related projects, these funds empower financial institutions to lead in sustainable development, disaster preparedness, and environmental protection. Effective use of these funds is essential for building resilience against the escalating threats of climate change.



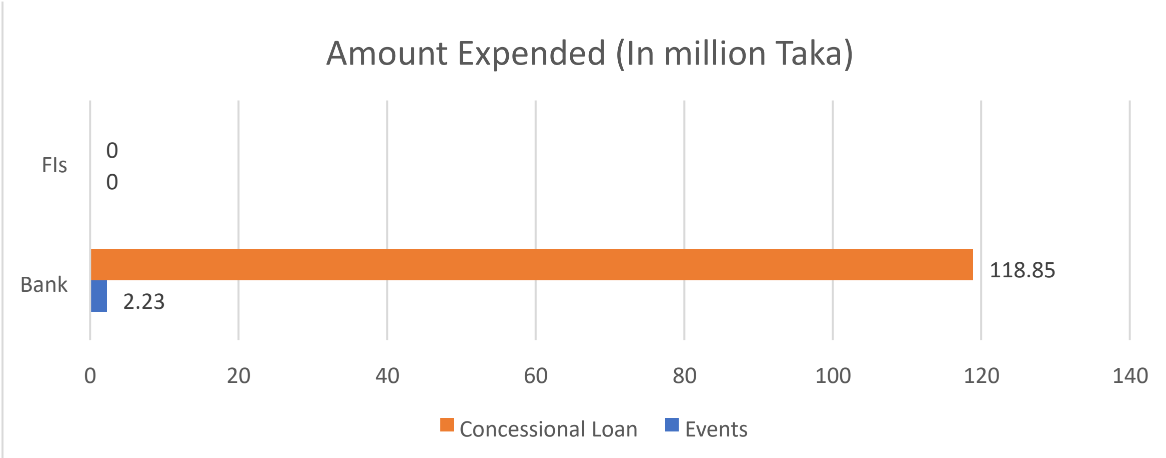


Source: QRRSF, Bangladesh Bank

In the review quarter, the Climate Risk Fund utilization amounted to 121.08 million takas, exclusively through banks. Of this, 2.23 million taka was used for a single event, while 118.85 million taka was distributed through 8 concessional loans. Notably, finance institutions did not contribute to the fund's utilization, either for events or loans. This trend suggests that banks are currently the primary drivers in leveraging climate-related financial resources, positioning themselves as key actors in mitigating climate risks. The absence of participation from finance institutions might indicate either a lack of engagement or limited capacity in this space. The disparity could also highlight the need for greater awareness, access, or capability-building within finance institutions to utilize climate risk funding. If finance institutions were to participate more actively, it could lead to broader and more impactful climate resilience efforts across the economy.



Source: QRRSF, Bangladesh Bank



Source: QRRSF, Bangladesh Bank

4.6 Environmental & Social Risk Management

Environmental & Social Risk Management (ESRM) plays a crucial role in ensuring financial institutions evaluate the environmental and social impacts of the projects they finance, promoting sustainable development and responsible investment.

The data highlights a stark contrast between banks and finance institutions in their ESRM efforts. Banks have rated 146,740 projects and financed 116,152 of them, amounting to 1,112,865.75 million BDT, while finance institutions rated only 3,286 projects, financing 4,800 for 34,366.48 million BDT. This suggests that banks are leading in managing environmental and social risks, likely due to more developed frameworks and resources. Finance institutions, with significantly fewer rated projects and financed amounts, may need to strengthen their ESRM practices to increase their impact on sustainable finance.

Issue	Banks	FIs
Number of Projects Rated	1,46,740	3,286
Number of Rated Projects Financed	1,16,152	4,800
Amount of Rated Projects Financed (in million BDT)	1,112,865.75	34,366.48

Source: QRRSF, Bangladesh Bank

4.7 Conserving the Environment in Business Centers (Data Displayed as Cumulative)

The adoption of sustainable practices in the financial sector is crucial for reducing environmental impact and promoting long-term eco-friendly growth. Banks and financial institutions (FIs) play a significant role in driving this transformation through renewable energy initiatives, resource management, and digital infrastructure. As we can see in the Table, banks have made considerable strides in sustainability compared to FIs. Banks have established 548 solar-powered branches, far surpassing the 6 branches by FIs. They also lead in solid waste management with 1,296 branches, while FIs have only 23. Banks have installed 158 solar-powered ATM booths and 30 solarpowered agent outlets, while FIs have none. Furthermore, 97.60% of bank branches are online compared to just 19.86% of FIs. This suggests that banks are more advanced in adopting green technologies and have a stronger digital infrastructure, reflecting their larger capacity and focus on sustainability-driven operations.

Issue	Banks	FIs
Number of Solar Powered Branches	548	6
Number of Branches with Rainwater Harvesting	7	2
Number of Branches with Solid Waste Management System	1,296.00	23.00
Number of Solar powered ATM Booths	158	0
Number of Solar Powered Agent Outlets	30	0
Online branches (as % of total branches)	97.60%	19.86%

Source: Bangladesh Bank

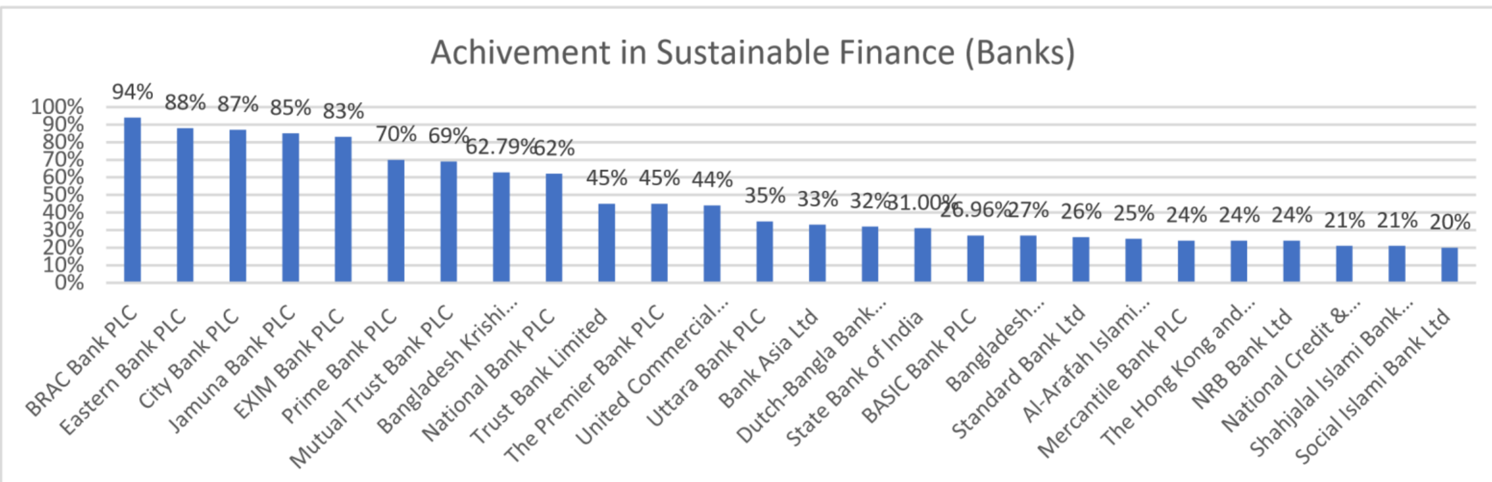
4.8 Bank's performance in sustainable finance in terms of achievements

The data reveals the extent to which various banks have met their sustainable finance targets. BRAC Bank PLC leads with a high attainment rate of 94%, indicating strong performance in meeting its sustainability goals. Following closely are Eastern Bank PLC at 88% and City Bank PLC at 87%. Other notable performers include Jamuna Bank PLC with 85% and EXIM Bank PLC with 83%.

In the mid-range, Prime Bank PLC achieved 70%, Mutual Trust Bank PLC reached 69%, and Bangladesh Krishi Bank met 62.79% of its target, with National Bank PLC at 62%.

Several banks are in the lower range of attainment. Trust Bank Limited and The Premier Bank PLC both achieved 45%, while United Commercial Bank PLC reached 44%. Uttara Bank PLC stands at 35%, and Bank Asia Ltd at 33%.

At the lower end, Dutch-Bangla Bank PLC attained 32%, State Bank of India 31%, and BASIC Bank PLC 26.96%. Bangladesh Development Bank PLC achieved 27%, Standard Bank Ltd 26%, and Al-Arafah Islami Bank Ltd 25%. Mercantile Bank PLC, The Hong Kong and Shanghai Banking Corporation Ltd, and NRB Bank Ltd each reached 24%. Finally, National Credit & Commerce Bank Ltd, Shahjalal Islami Bank PLC, and Social Islami Bank Ltd are at the lower end, with attainment rates of 21% and 20%, respectively. This distribution highlights significant variation in how banks are meeting their sustainable finance targets, with some achieving high levels of success and others lagging behind.

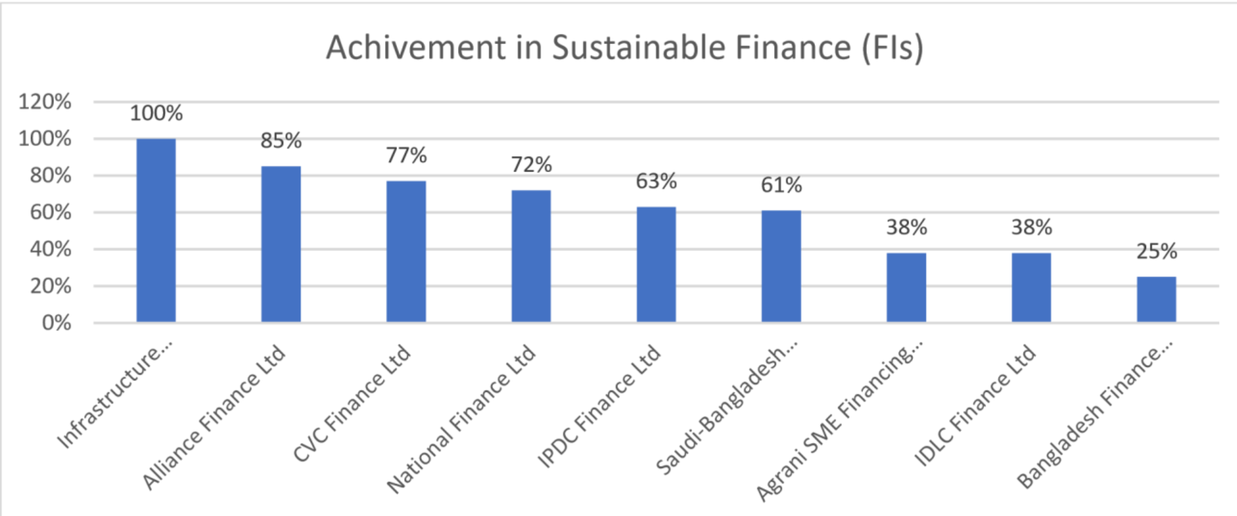


Source: Bangladesh Bank

4.9 Finance Companies performance in sustainable finance

The data on target attainment by finance companies in sustainable finance shows a range of performance levels. Infrastructure Development Company Limited (IDCOL) stands out with a perfect attainment rate of 100%, indicating complete success in meeting its sustainability targets. Following IDCOL, Alliance Finance Ltd has achieved 85% of its target, and CVC Finance Ltd has attained 77%. National Finance Ltd has met 72% of its target, while IPDC Finance Ltd has achieved 63%.

In the mid-range, Saudi-Bangladesh Industrial & Agricultural Investment Company Ltd (SABINCO) has attained 61%. Agrani SME Financing Company Ltd and IDLC Finance Ltd are both at 38%, indicating moderate progress. Lastly, Bangladesh Finance Limited has the lowest attainment rate at 25%. This data highlights that while some finance companies have achieved significant success in their sustainable finance targets, others are still working towards improving their performance.

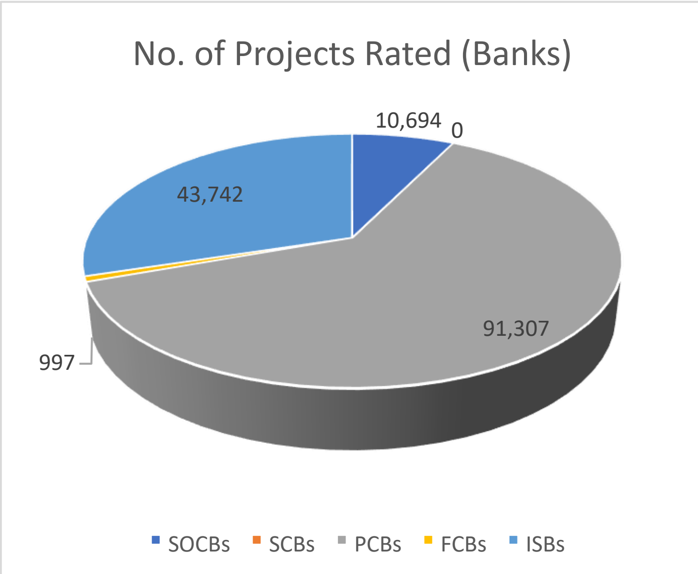


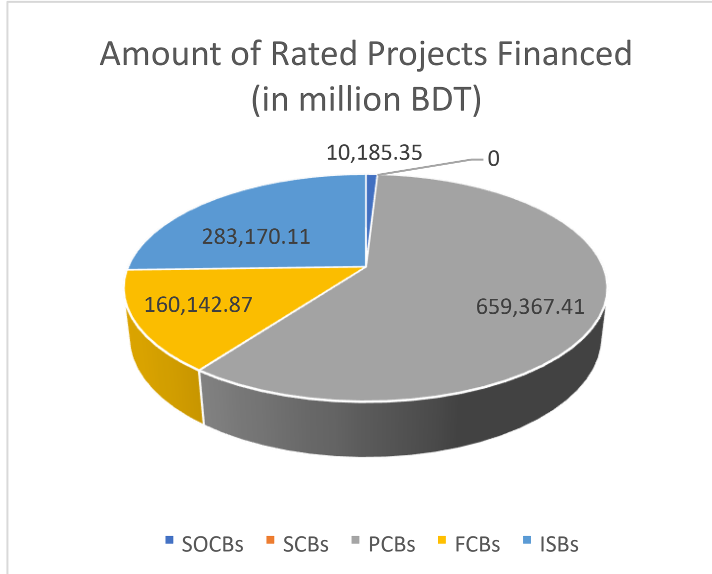
Source: Bangladesh Bank

4.10 Compliance Overview of ESRM Framework

4.10.1 Environmental & Social Risk Rating

Sustainable finance has become a critical area of focus for financial institutions, reflecting their commitment to funding projects that promote environmental, social, and governance (ESG) goals. This data provides insight into how different banks and financial institutions (FIs) contribute to sustainable finance through project ratings, financing, and overall monetary contributions. We can see here that Private Commercial Banks (PCBs) are the dominant contributors to sustainable finance, significantly outpacing other institutions in both project ratings and financing. Islamic Shariah Banks (ISBs) and Foreign Commercial Banks (FCBs) also play key roles, while State-owned Commercial Banks (SOCBs) and financial institutions contribute less. Overall, the strong focus on sustainable projects indicates that banks are prioritizing sustainability, with PCBs leading the way in financial support.

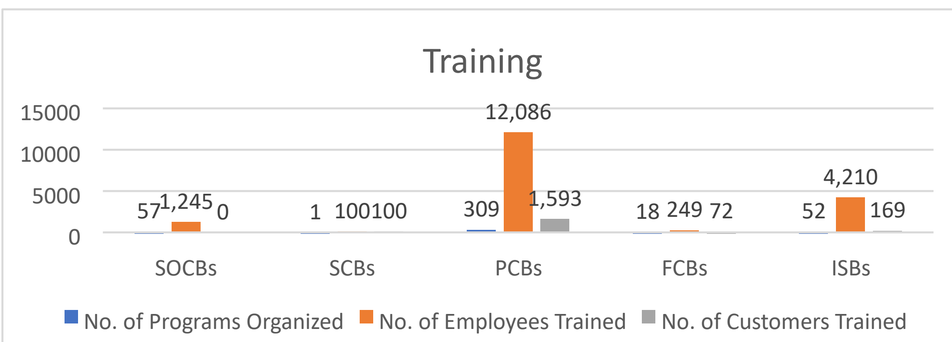




Source: Bangladesh Bank

4.10.2 Training, Awareness and Capacity Building

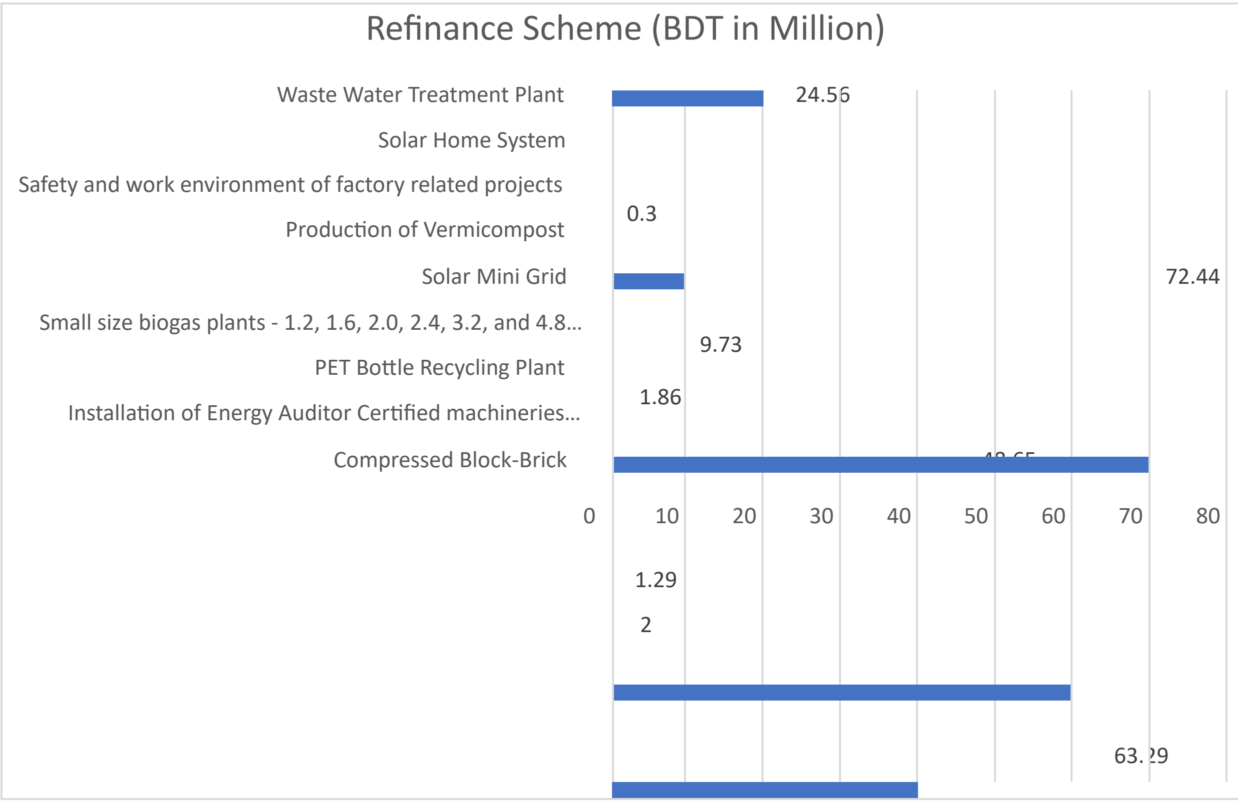
Here, we can see that Private Commercial Banks (PCBs) are leading in training efforts, organizing the most programs and training the highest number of employees and customers. Islamic Shariah Banks (ISBs) also contribute notably, while other institutions, including State-Owned Commercial Banks (SOCBs) and Foreign Commercial Banks (FCBs), are involved but at a lower scale. Financial institutions (FIs) have minimal engagement in comparison. Overall, there is a clear focus on capacity building within the banking sector, particularly among PCBs.



Source: Bangladesh Bank

4.10.3 Refinance Scheme for Environment Friendly Products/Initiatives

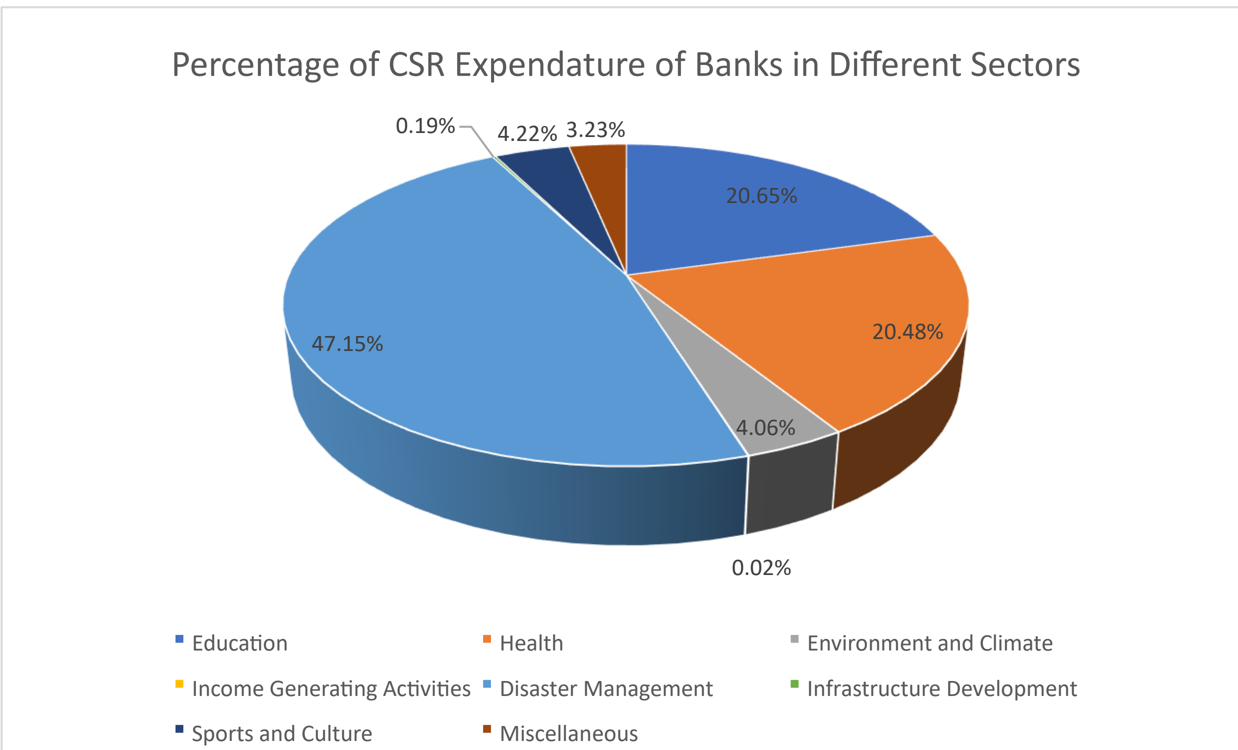
This focuses on the financial contributions towards various sustainable projects, highlighting investments aimed at enhancing energy efficiency, waste management, and renewable energy initiatives. The most significant investments are directed towards larger, more impactful projects like solar energy and industrial efficiency. Projects involving smaller-scale renewable energy systems and environmental safety have comparatively lower financial allocations, showing a balanced approach in supporting both large-scale infrastructure and smaller, eco-friendly initiatives. This reflects a concerted effort to address sustainability challenges through diverse financial commitments across sectors.



Source: Bangladesh Bank

4.11 CSR expendature of Banks & FIs (July-December 2023)

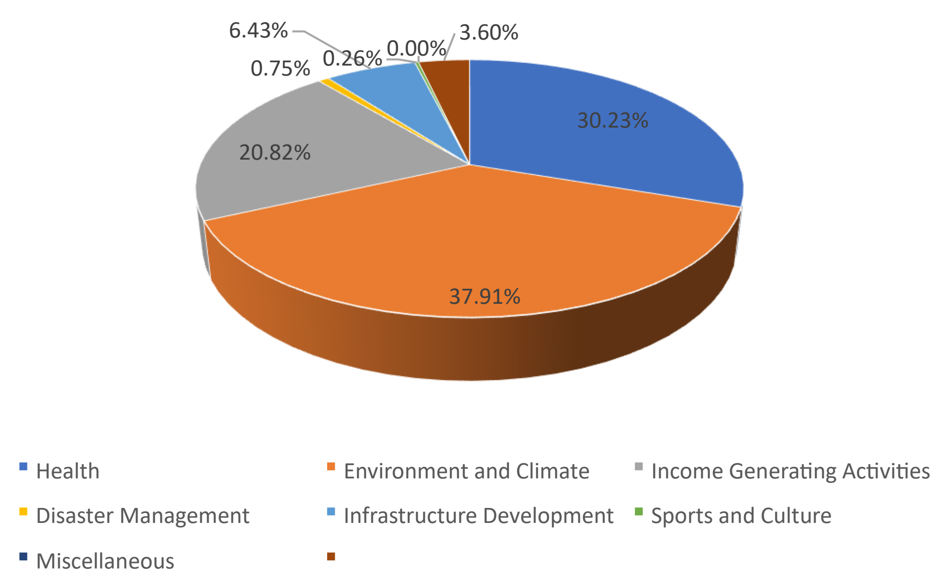
The allocation of resources across various sectors is critical for sustainable development, particularly in addressing complex challenges like poverty, health disparities, and environmental degradation. The data indicates a significant emphasis on Disaster Management, which comprises 47.15% of the total resource allocation, highlighting the pressing need for preparedness and response to climate-related risks. Education and Health are also prioritized, receiving 20.65% and 20.48%, respectively, reflecting a commitment to enhancing quality of life and human capital development. In contrast, Environmental and Climate initiatives receive only 4.06%, suggesting a need for increased investment in sustainability efforts. Income Generating Activities are almost negligible at 0.02%, indicating insufficient prioritization of economic empowerment initiatives. Infrastructure Development and Sports and Culture receive minimal attention as well, at 0.19% and 4.22%, respectively. Overall, the data underscores a strong focus on immediate disaster management needs while highlighting areas for potential investment, particularly in environmental sustainability and economic development.



Source: Bangladesh Bank, Semiannual CSR Report

On contrary, CSR Expenditure reflects a marked shift in priorities towards health and environmental initiatives in financial institutions, contrasting with the previous banking data's focus on disaster management, highlighting the need to adapt funding to current societal challenges

Percentage of CSR Expendature of FI in Different Sectors



Source: Bangladesh Bank, Semiannual CSR Report

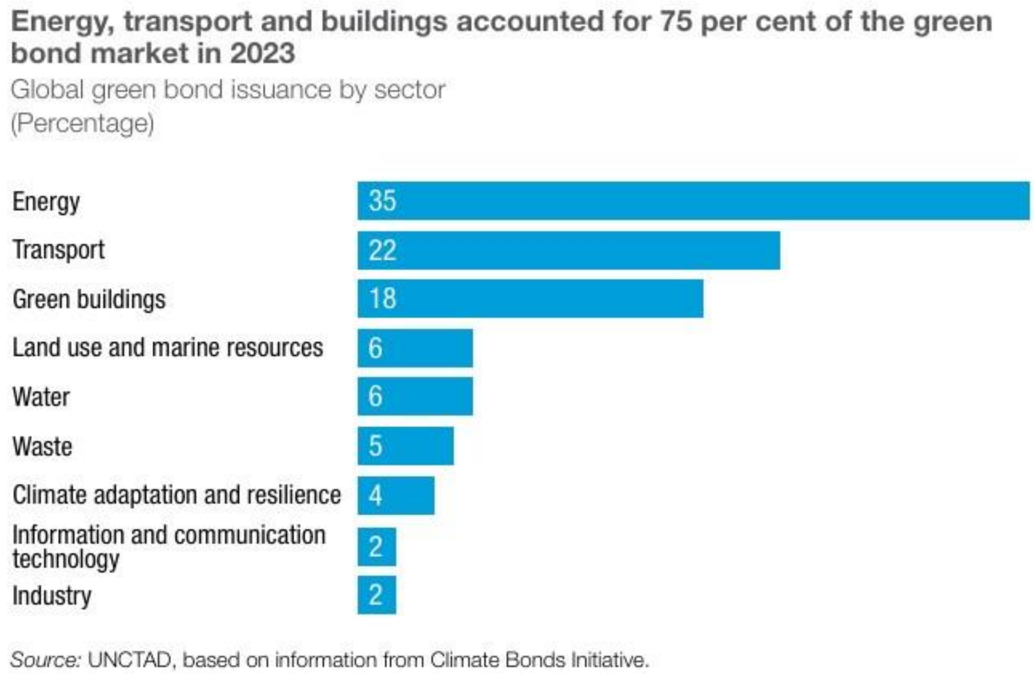
Chapter 5: Impact of Sustainable Finance on Economy

5.1 International Green Bond Market 2023: Contribution of Sustainable Finance Towards Energy, Transport, and Green Buildings.

To take a look at how sustainable finance actively participates in the distribution of green funds to support global sustainability, the green bond market's sectoral distribution demonstrates where the funds are being invested. Sustainable finance involves lending and investing responsibly by taking into account ESG factors to channel funds to finance projects that are financially profitable as well as socially beneficial.

Sustainable finance targets energy, transport, and buildings—three areas that are crucial for decarbonization according to the data. The somewhat more modest and still essential contributions in such areas as land use, water, and waste reveal how financial markets address the larger sustainability problems by making certain critical resources utilised sustainably as they should be. In this regard, the focus on climate adaptation investment also sheds light on the function of sustainable finance as not only the objective of avoiding climate change but also of mitigating its impacts.

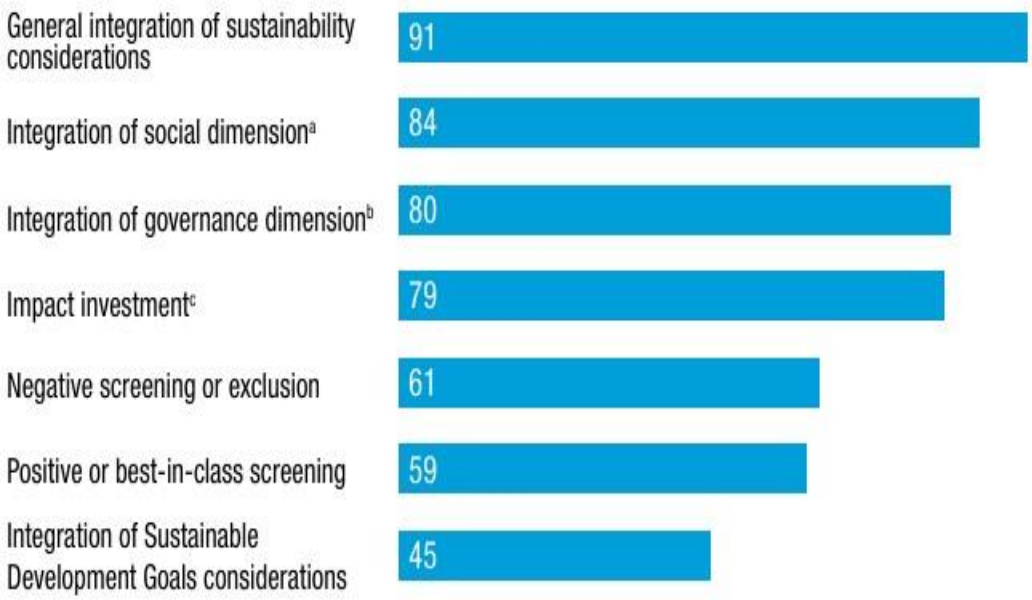
All in all, this shape of green bond issuance stems from the progressive trend in international sustainable finance where financial capital is channeled more explicitly toward sustainable endeavors to protect the environment and adapt to climate change



This data demonstrates how sustainable finance is revolutionizing the approach to finance. It pushes and directs funds to apply social and governance criteria into decision making and to apply impact investing. Sustainable finance recognizes negative and positive screening practices, avoiding funding for unsustainability and promoting companies with the best ESG standards. In aggregate, the increasing trends reveal the emerging idea of socially responsible finance management regimes in societies.

Sustainability shapes investment strategies used by funds in 2023

(Percentage of reporting funds)



Source: UNCTAD, based on latest fund reporting (2023); some latest reports from 2021 and 2022.

Note: Funds can report more than one strategy.

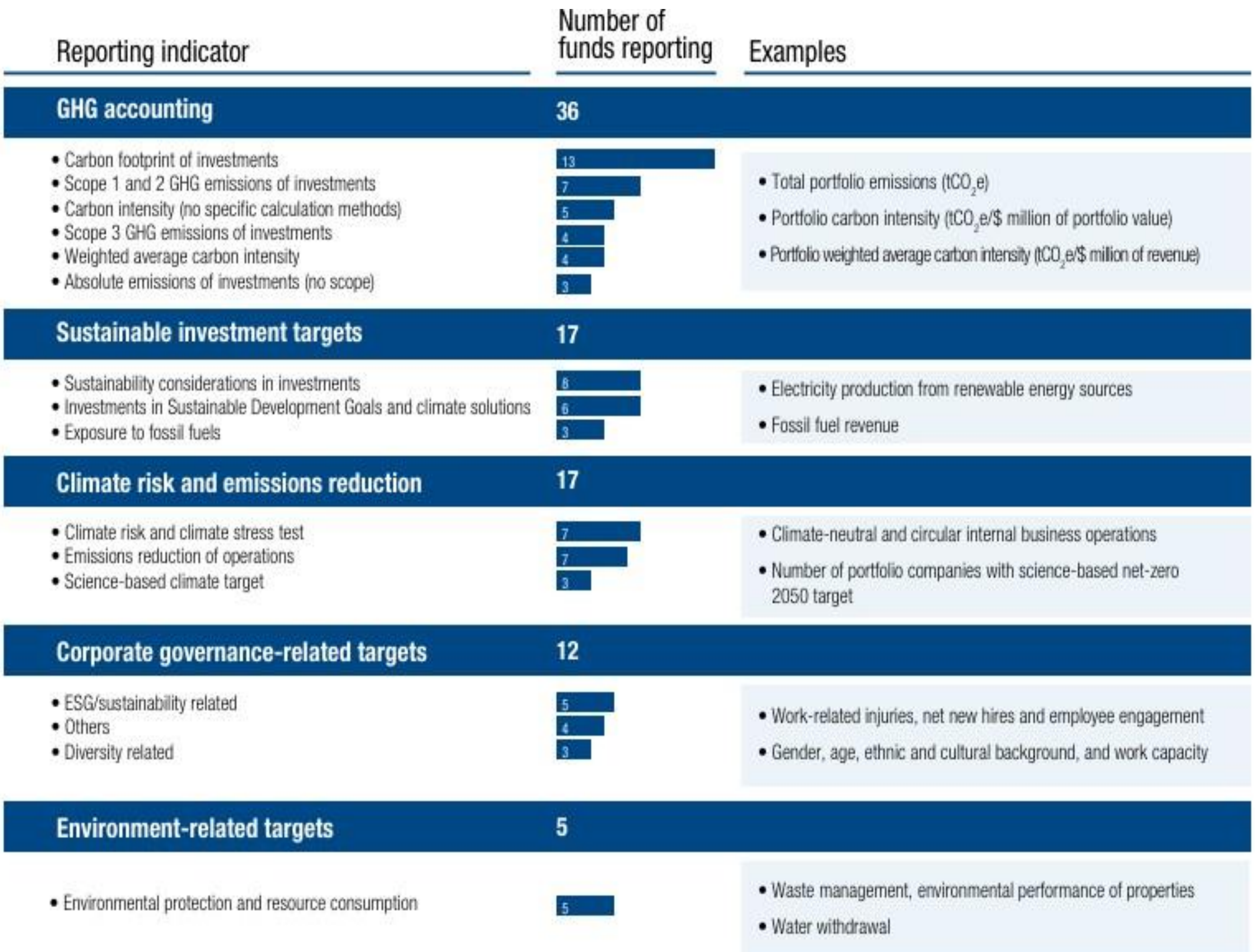
Abbreviation: ESG = environmental, social and governance.

[a] Includes issues related to child labour, diversity and others.

[b] Includes issues related to to executive pay, board diversity, tax and others.

[c] Includes ESG-oriented sectors (e.g. renewable energy, green housing) or capital market instruments (e.g. green bonds, ESG funds) or markets (emerging and developing economies) in ESG investment.

SWFs and PPFs disclosed sustainability data in five sustainable dimensions in 2023.



Source: UNCTAD, based on latest fund reporting.

Abbreviations: ESG = environmental, social and governance, GHG = greenhouse gas, PPF = public pension fund, SWF = sovereign wealth fund, tCO2e = tons of carbon dioxide equivalent.

Sustainable finance helps economy through the application of the IFRS S1 and S2 standards across different systems which economically benefits in the short run. These standards enhance the investor confidence towards sustainable investments because they compel companies to report sustainability information more transparently. Such standards work beneficial for those companies which follow them, as clients and partners willing to engage only with responsible businesses turn to them. Organizations are also good to get better compliance with the law and thereby avoid punitive measures that normally follow the infringement of set laws; there is also better utilization of resources and at the same time avoid wastage. In addition, sustainability as a new sector presents the possibility for new employment in its sector and advances the role of innovating towards new products and services. Altogether these can improve the positions of main local stakeholders and advance the overall scenarios of economic development; this again underlines the significance of the concept of sustainable development for business.

Jurisdiction	Status as of April 2024	Implementation date
Australia	Consulting on standards until 1 March (currently adopting only IFRS S2)	Staggered implementation from January 2025
Bangladesh	Introduced mandatory requirements for banks and finance companies	January 2024
Brazil	Adopting in full (IFRS S1 and S2)	January 2026
Canada	Consulting on draft standards from March to June 2024	January 2025 for listed companies, January 2027 for unlisted companies with assets of more than $1 billion
Costa Rica	Adopted in full (IFRS S1 and S2) in 2024	Phased mandatory adoption for public companies (January 2025) and companies classed as large taxpayers (January 2026)
Japan	Issued standards for consultation	March 2025
Kenya	Developing a road map	-
Malaysia	Consulted on standards	Phased mandatory adoption for listed and unlisted companies December 2025–December 2027
Morocco	Reviewing disclosure and target-setting requirements	Early 2025 (currently only for banks)
Nigeria	Consulted on adoption road map	Phased mandatory adoption for listed companies and SMEs between January 2027 and January 2030
Pakistan	Consulting on adopting IFRS S1 and S2	Phased mandatory reporting between January 2025 and January 2027
Philippines	Revising sustainability reporting guidelines for listed companies to incorporate IFRS S1 and S2	January 2025 for listed companies, January 2027 for unlisted companies with assets of more than $1 billion
Republic of Korea	Finalizing standards for June 2024	January 2026 or later
Singapore	Introduced mandatory climate-related disclosures (currently adopting only IFRS S1 for climate reporting)	January 2025 for listed companies, January 2027 for unlisted companies with assets of more than $1 billion
Türkiye	Adopted in full (IFRS S1 and S2)	January 2024
United Kingdom	Consulting on standards until July 2024	-
Hong Kong, China	Developing adoption road map	-

Source: UNCTAD.

5.2 Sustainable Finance Objectives for Banks & FIs in Bangladesh

Rational behind Sustainable finance policies of Bangladesh

The goal of sustainable finance policy is to mobilize capital for sustainable growth while taking sustainability into account. Bangladesh Bank's Monetary Policy places a high focus on green finance as a subset of sustainable finance. To help banks and financial institutions (FIs) participate and contribute to the execution of the INDCs in order to achieve their individual

SDGs, the Sustainable Finance Policy was developed. Bangladesh has pledged in the INDC to cut its greenhouse gas emissions by either a conditional 15% or an unconditional 5% from Business as Usual (BaU) levels by 2030. The Sustainable Finance Policy includes targets for green and sustainable finance for banks and financial institutions, which are associated with lower greenhouse gas emissions and increased climate resilience.

Sustainable Finance is a workstream that directs private investment toward the shift to a lowcarbon, climate-resilient, competitive, inclusive, green, and sustainable economy. Its goal is to support the implementation of the goals of Green Products, Projects, and Initiatives. A crucial role for sustainable finance is to mobilize the required capital to fulfill the policy goals as well as international and national climate commitments and goals for sustainability. It must align with the SDGs, the Paris Agreement, and the UN 2030 agenda. Climate Accord. The eighth five-year plan and other prospective plans must be followed. The Paris Agreement and the Kyoto Protocol both require financial support. from those with wealthier financial resources to those with poorer resources and weaker.

Six environmental objectives-

1) Climate change mitigation
2) Climate change adaptation
3) Sustainable protection of water and marine resources
4) Transition to a circular economy, waste prevention and recycling
5) Pollution prevention and control
6) Protection and restoration of biodiversity and healthy ecosystems

Performance thresholds-

1) Make a substantive contribution to one of six environmental objectives
2) Do No Significant Harm (DNSH) to the other five, where relevant;
3) Meet minimum social and governance safeguards

Source: Sustainable Finance Policy, Bangladesh Bank

Chapter 6: Recommendations & Conclusion

6.1 Recommendations

Develop a Policy Framework:

To sum up, a strong policy of sustainable finance should correspond with global standards as the SDGs and the Paris Agreement. This simply means having ESG standards at the core of decisionmaking when it comes to finance to make sure that investment leads to the sustainable development only. United Nations. (2023), OECD. (2024)

Create a Sustainable Finance Taxonomy:

Develop a precise structure that sorts and classifies the present offerings according to their influence on sustainability. This will assist investors to fund projects of sustainable status, based on similar frameworks used in developed countries. European Commission. (2021)

Utilize Green Bonds and Blended Finance:

Promote the use of Green, Social, and Sustainability Bonds to mobilize Private Capital for Sustainable Investment. The innovation in structure of funding is applicable to use public resources in concert with private investment so that risks for investors are minimized, and project sustainability is increased. International Finance Corporation (IFC). (2023).

Capacity Building for Financial Institutions:

It will be useful to educate and enhance local banks and financial institutions in identification and assessment of sustainable investment to create their capability. This involves risk and opportunities search in relation to ESG factors within National, International and Supranational policies, get them to match up with the Sustainable Development Goals.

Integrate SDG Financing into National Development Plans:

Make it customary for national development strategies to indicate financing requirements necessary for the realization of SDGs. This has potential of leading to proper utilization of resources as well as pulling international support. Mishra, A., & Dash, S. (2023)

6.2 Conclusion

This paper captures an understanding of the sustainable finance market overview in Bangladesh identifying that Bangladesh has experiences a steep rise in both Green Finance and Sustainable Finance but on different trends. Green Finance, related to the sustainable activities like renewable energy and waste management, has also increased progressively and the maximum values are maintained at the end of the year 2023 due to growing consciousness level regarding environment. conversely, Sustainable Finance, which imply a set of ESG objectives slightly more versatile owing to the limitations in reaching a market, shifts in politics and policy, and scope of pursuing various projects. Although, it is especially the second sector based on our key investments more and more sustainability driven business are mentioned which point to a rising awareness for ecological and social issues.

Out of all the industries involved, banks are most actively engaged in promoting sustainable finance, and their share exceeds the results of financial companies. MSMEs range from funding sustainable projects from financing to supporting general sustainability-project connected to financing to managing environmental/social risks. Green Finance and Sustainable Finance as a percentage of the total loan disbursement confirms that the financial institutions in Bangladesh are becoming more sustainable over time. Yet at the same time, there are differences in how some financial institutions perform in the industry. Among the following banks, BRAC Bank, Eastern Bank, City Bank etc., have shown significant progress in sourcing its sustainable finance while some other banks especially the finance companies are way behind showing the importance of more engagement and capacity development. In conclusion, the continuous rise in sustainable financing, a sound participation of the banking industry, and the more effective application of Climate Risk Fund are observation that reflects Bangladesh's gradual journey to the sustainable and resilient economy. At the same time, the data indicates that there is certainly potential for the development of best practices wherein there is better representation from finance companies and equal apportionment of services/supplies between the urban and rural settings. The way forward will thus entail ongoing policy processes that will strengthen the institutional and financial frameworks supporting sustainable finance to influence the sectors more intensely.

An analysis of the fund management data of sustainable finance of the financial institutions of Bangladesh depicts a progress but has highlighted the gaps in performance. Out of the all-finance companies, IDCOL has achieved the highest level of target free 100% target attainment ratio and next to it, AFLO and CVC finance Ltd have also better position. Yet, some organizations such as Agrani SME Financing and Bangladesh Finance Limited are still a little low in their achievement and striving to enhance them. In relation to the second research question, Private Commercial Banks (PCBs) are still the most active players in evaluating and acting on environmental and social risks, in terms of both project funding and staff development. This focus shows the obvious commitment to the newer requirement of sustainability in the banking business. However, the relatively low level of response received from finance companies could be indicative of the finance companies being called upon to improve their capacity building strategies.

Trends are also discernible from the allocation of resources in CSR activities. Banks highlight the aspect of disaster management and pay slight heed to environmental and climate management. This suggests that though short-term issues such as disaster preparedness are of great importance the time has come to notch up investments towards sustainable future basically rooted in environmental conservation and economic upliftment.

The situation represents a general progression of the financial sector of Bangladesh in terms of sustainability with most key banking and financial institutions contributing to these improvements. At the same time, the data highlights the necessity to expand the involvement of all types of organizations, but mostly the types of financial companies, in order to diversify and intensify the approach to sustainable finance.

In the Structure of the International Green Bond Market in 2023, the outstanding share of sustainable finance in financing energy, transport, and green buildings, which are strategic for the decoupling of the global economy from fossil fuels, is illustrated. Being a sub-system of sustainable finance, sustainable lending and investing ensure that funds flow to projects that yield both economic and social benefits. Sustainable finance deals with climate change adaptation and optimization of limited resources including land, water and waste with an overall goal of meeting global sustainability needs. The patterns of issuance of green bonds tell of the gradual integration of financial industries with sustainable policies. Financial institutions are gradually integrating ESG (Environmental, Social and Governance) factors into their operational strategies as well as encouraging the good performers and avoiding those that act as pollutants of the environment. They are opening up new prospects for new managerial regimes in finance that are oriented toward sustainability on the environmental and social levels together with making profit. Sustainability information disclosures about Specific Economic Benefits (SWFs) and Public Pension Funds (PPFs) are now reporting sustainability data in important areas, thereby underlining the need for high levels of sustainable reporting. The adoption of the IFRS S1 and S2 standards is facilitating the enhancement of investor confidence through enhancing disclosure of sustainability practices. This results in, law compliance, effectiveness in resource use, decreased wastage, and above all, an increase in corporate responsibility. Moreover, sustainability as a developing industry also opens up jobs for the people as well as introduces inventions in faculties that help both the economy and development milestones throughout the world.

In Bangladesh, sustainable finance policies aimed to implement these objectives are being developed from the Bangladesh Bank to address the targets under the SDG's and the international climate agreements of Bangladesh. The Sustainable Finance Policy essentially makes it the ambition of the banks and other FIs to finance green products and projects to impact the reduction of greenhouse gases, climate vulnerability and other global pacts such as Paris Agreement and the UN 2030 Sustainable Development Goals. It also assists in sourcing of the right capital to fund the transition to a low carbon economy that will support both national and international environment and development goals.

Reference

Eriksen, R., Engel, D., Haugen, U., Hodne, T., Hovem, L., Alvik, S., & Rinaldo, M. (2021). Energy transition outlook 2021: Technology progress report.

Friede, G., Busch, T., & Bassen, A. (2015). ESG and financial performance: aggregated evidence from more than 2000 empirical studies. *Journal of sustainable finance & investment, 5*(4), 210-233.

Kashi, A., & Shah, M. E. (2023). Bibliometric Review on Sustainable Finance. *Sustainability, 15*(9). Retrieved from doi:10.3390/su15097119

Schoenmaker, D., & Schramade, W. (2019). *Principles of Sustainable Finance*.

Simonyan, A. S., & Solntsev, A. M. (2010). The International renewable energy agency (IRENA). *Международное право, 43*(3), 61a-61a.

Zairis, G., Liargovas, P., & Apostolopoulos, N. (2024). Sustainable Finance and ESG Importance: A Systematic Literature Review and Research Agenda. *Sustainability, 16*(7). Retrieved from doi:10.3390/su16072878

Hossain, M. (2020, July 22). Green Finance in Bangladesh: policies, institutions, and challenges. Asian Development Bank. https://www.adb.org/publications/green-finance-bangladesh-policiesinstitutions-challenges

Bangladesh Accelerates Progress in Sustainable Finance Reforms, Report Finds. (n.d.). https://pressroom.ifc.org/all/pages/PressDetail.aspx?ID=18512

Halder, S. (2023, September 17). Pioneering sustainability: Bangladesh Bank's initiatives. The Daily Star. https://www.thedailystar.net/supplements/sustainable-finance-bangladesh/news/pioneeringsustainability-bangladesh-banks-initiatives-3420811

Bangladesh accelerates progress in sustainable finance reforms, report finds. (n.d.). https://pressroom.ifc.org/all/pages/PressDetail.aspx?ID=18512

The Financial Express. (n.d.). Bangladesh's green finance revolution: pioneering environmental responsibility. https://today.thefinancialexpress.com.bd/30th-anniversary-issue-2/bangladeshsgreen-finance-revolution-pioneering-environmental-responsibility-1700898185

Habib, A. (2023, September 17). The path to green projects: Borrowers' experiences and insights. The Daily Star. https://www.thedailystar.net/supplements/sustainable-finance-bangladesh/news/the-pathgreen-projects-borrowers-experiences-and-insights-3420781

https://www.bb.org.bd//pub/halfyearly/csr_activities/csr%20report%20july-dec%202023.pdf

Chapter III - Sustainable Finance Trends, unctad.org/system/files/officialdocument/wir2024_ch03_en.pdf. Accessed 22 Sept. 2024.

Sustainable Finance explained: Concepts, advantages, and practical implementations | Heinrich-BöllStiftung | Tel Aviv - Israel. (2024, March 9). Heinrich-Böll-Stiftung | Tel Aviv - Israel. https://il.boell.org/en/2024/03/09/sustainable-finance-explained-concepts-advantages-and-practicalimplementations

United Nations. (2023). Financing for Sustainable Development Report 2023. Retrieved from https://desapublications.un.org/publications/financing-sustainable-development-report-2023. This report discusses the growing financing needs for sustainable development and emphasizes the importance of aligning financing with the SDGs.

OECD. (2024). Financing Sustainable Development. Retrieved from https://www.oecdilibrary.org/docserver/881a5598-en.pdf?accname=guest&checksum=ED2EDBAB8498B7D7A888BF848A306204&expires=1722378399&id= id. This document outlines actions to close the SDG financing gap and highlights innovative financial instruments like green bonds.

European Commission. (2021). Scaling Up Sustainable Finance in Low and Middle-Income Countries. Retrieved from https://international-partnerships.ec.europa.eu/scaling-sustainable-finance-low-andmiddle-income-countries-high-level-expert-group_en. This report focuses on increasing resources from private capital to close the SDG financing gap in developing nations.

International Finance Corporation (IFC). (2023). Sustainable MSME Finance Reference Guide. Retrieved from https://www.ifc.org/en/insights-reports/2023/sustainable-msme-finance-reference-guide. This guide provides practical approaches for financial institutions in emerging markets to implement sustainable finance for micro, small, and medium enterprises.

Mishra, A., & Dash, S. (2023). Development Impact Bonds in Developing Countries: An Emerging Innovation for Achieving Social Outcomes. Journal of Social and Economic Development. DOI: 10.1007/s40847-023-00316-2. This paper examines innovative financial products like Development Impact Bonds that can be utilized in developing countries to achieve social outcomes. Microsoft Word - CSR Report July-Dec 2023 (bb.org.bd) qrrsf_jan_mar2024.pdf (bb.org.bd)

World Investment Report 2024: Chapter III - Sustainable finance trends (unctad.org)

https://www.thedailystar.net/supplements/sustainable-finance-bangladesh/news/pioneeringsustainability-bangladesh-banks-initiatives-3420811

https://www.thedailystar.net/supplements/sustainable-finance-bangladesh/news/the-path-greenprojects-borrowers-experiences-and-insights-3420781

https://today.thefinancialexpress.com.bd/30th-anniversary-issue-2/bangladeshs-green-financerevolution-pioneering-environmental-responsibility-1700898185
https://www.bb.org.bd/mediaroom/circulars/gbcrd/dec312020sfd05.pdf
. (https://www.bb.org.bd/mediaroom/circulars/gbcrd/dec312020sfd05.pdf)