



Eco-Friendly Banking An Overview

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Abstract

At present, many countries of the world are giving priority to green economy strategy. This green economy is standing as an influential alternative model of the conventional economy in the need of time. Because the green economy eliminates inequality, reduces poverty and sponsors waste management. This study based on secondary data but primary data also used for purposive objectives. The study showed customer's deposits to ensure equality and justice in all kinds of economic activities through investment in the priority sectors and self-developed areas of the country, achieve balanced development, and manage its diversified investment activities for the socio-economic development of low-income people especially rural people. Farther more, the study showed some suggestion and recommendation to overcome those problems.

Keywords: *Green Banking, Ecology, Green financing, Online Banking, Green marketing, Banking policy and Green Branch Decorations.*

1. Background of Green Banking:

Policy for supervision of projects. Consumers and businesses need to be encouraged to adhere to environmental policies. Introduce practical programs to train customers. We should not pay for Any country needs to have 25 percent forest cover for its natural balance. But the cruelty to green has led to global warming and rising sea levels, which are hurting the coastal lowlands. Greenhouse gases and chlorofluorocarbons, on the other hand, are helping the sun's harmful rays to reach the earth by cracking the ozone layer.

Green banking policies need to be implemented when investing in environmentally sensitive sectors. Such as- Agricultural Products, Poultry and Dairy, Farm, Leather, Fisheries, Textiles and Apparels, Renewable Energy, Pulp and Paper, Construction and Housing, Chemical, Plastic Industry, Hospital, Brickyard, Shipwreck etc. Green Financing must be published in the annual report and on the website. Development of Environmental Risk Management Manual or any speculation,

unhealthy products. Socio-economic development must ensure disadvantaged people, poverty alleviation and job creation.

The main objective of the bank is to ensure efficient use of resources responsibly to accelerate business, trade, services, industry, employment and income growth and other economic activities. A bank that is socially responsible, environmentally conscious, committed to formulating and implementing eco-friendly projects and delivering the required banking services to the people with the best use and efficiency of information technology is called green banking and its activities are called green banking. . Bangladesh Bank on February 26 to protect the world from potential environmental disasters and limited natural resources for future generations by preventing the spread of global warming, carbon emissions, environmental pollution, climate change, etc. BRPD formulated a policy for conducting green banking activities through Circular No. 02 dated 2011. According to the central bank's policy, green banking activities are divided into 3 (three) steps for implementation, which will be implemented by the banks in phases by 2013.

2. Conceptual framework:

Ecology:

Ecology refers to the relationship between plants and animals and the conditions around them. Earth is the only green planet in the solar system created by Allah. But day by day human disrespect, neglect and greed are harming the civilized society as well as many animals and plants are becoming extinct. Climate change, as a result of recent disasters, has also been heavily involved.

Green Banking:

The term green banking is being considered as a very important issue in the world today. Today it is widely admired in the developed world as well as in developing countries. Green banking generally refers to the efforts of the banking sector to keep the environment green and provides banking services in the day-to-day activities of banking services, business and human life in a way that minimizes the greenhouse effects by reducing environmental pollution.

3. Research method:

The present study has been mainly involved in the collection of data from secondary sources. It has been based on mostly theoretical in nature. To complete the study in the light of research objectives, primary data also collected through personal interview of selected Banker and customer. The secondary data have been obtained from Bank Annual Report, Bank Dairy, journal, published report, various books and internal article.

4. Research Objectives

The prime objective of the present study is to explore the eco-friendly Banking scenario in Bangladesh. Another research following objectives are:

- (1) To know the ecology and eco-friendly Banking;
- (2) A statement of the need for environmental Banking;
- (3) To draw some suggestion and recommendations;

5. Discussion and Analysis:

Green Banking Policy:

Banks should invest in customer's deposits to ensure equality and justice in all kinds of economic activities through investment in the priority sectors and self-developed areas of the country, achieve balanced development, manage its diversified investment activities for the socio-economic development of low-income people especially rural people. Therefore, commercial banks are responsible for establishing eco-friendly banking in the greater interest of the society, the country and above all the people of the world. One or two banks have been working for the welfare of the people in that light since its inception. After the formulation of green banking policy by the central bank, these activities of these banks have become more dynamic and well-organized. The green banking functions of banks are mainly internal activities, CSR activities, Focused on product and market ecology. Banks have a huge opportunity to make people aware of and engage in environmentally friendly activities, so they need to make the best use of this opportunity to make the world livable for future generations.

Recently, Bangladesh Bank has included new environmental risk management along with 6 core risks. That is why in the light of Bangladesh Bank's green banking policy, most of the banks have set up a separate office called "Green Banking Department" under the supervision of Risk Management Unit. In addition, many banks have appointed a committee of senior officials to review green banking policies, regulations and strategy for its implementation. Banks are working to formulate and develop their own policies for conducting green banking activities. Environmental risk management has been included in the investment risk management policies of the banks and various departments of the investment wing of the branch, regional office and head office conducting the investment activities are ensuring proper implementation of the said environmental risk management policy.

Green Financing:

Environmental awareness is the key to green banking strategy. Banks need to formulate policies on green energy i.e. renewable energy i.e. solar energy, ETP, bio-gas, SME, agricultural investment finance policy and the target group of these investment facilities will be micro, small and medium entrepreneurs, farmers and those living below the poverty line. Banks need to take the following steps for customers:

The bank will always keep a watchful eye on the invested projects so that they do not have any adverse effect on the environment. The bank will have to formulate an environmental policy in line with the government guidelines. According to this policy, its environmental impact will be taken into consideration while evaluating a new investment project.

In order to ensure green industrialization, clearance has to be obtained from the Ministry of Environment before approving any new project. It is necessary to take all possible initiatives so that the environment is not polluted through the projects invested by the bank. In dyeing, printing, etc. projects, customers should be encouraged to install 120 feet high chimneys in ETP and brick kilns. In case of setting up of gasoline or CNG filling station, no-objection certificate has to be obtained from Explosives Department, Fire Service Department, Converted Natural Gas Company etc.

Invest in an organization that has a waste treatment plant (ETP).

Continued efforts will be made to launch new eco-friendly financial products.

Green marketing:

Online banking, SMS banking, i-banking and marketing of different types of products and services through different types of cards has become a very easy way today. Following this, various banks have taken plans to use eco-friendly technology to provide complete electronic banking services such as: Credit Card, Point of Sale (POS), Travelers Card, Data Archive and complete internet banking, call center etc. If these are implemented, operating cost reduction, optimal customer service, day-to-day operations will be fast and accurate and above all, the efficiency of the bank will increase and it will be able to play a role in the welfare of the society. Yathan customers enjoy online banking, mobile banking, remittance, swift, ATM card, debit card, prepaid card, remittance card, BACH, BACPS, BEFTN, centralization of foreign trade operations, cardless transactions, SMS banking facilities. Its customers and above all the environment all enjoy its benefits. At present, most of the banks are offering paperless electronic banking facility to a significant number of customers through ATM booths. Some banks are already offering i-transfer i-recharge services under i-banking as part of internet banking.

Online Banking:

Banks have continued their concerted efforts to make eco-friendly banking more dynamic. Such as online banking, waste of paper and electricity, use of solar energy and solar power, use of energy saving lamps etc. Among the benefits of online banking are reduction in the use of paper, saving time, reduction of postage costs which play a helpful role in reducing environmental risks. Many banks all have online banking facilities.

Account statements, balance confirmation certificates and inter-branch and inter-bank correspondence etc. need to be executed online and by e-mail to save paper, time and cost. In this age of information technology, we can play a role in the development of the environment by making a good start of paperless banking to keep pace with the developed world.

Green Branch Decoration:

Banks need to take utmost care regarding the well-being, benefits, remuneration, customer satisfaction and internal environment of their officers and employees. A variety of internal

measures need to be taken to manage environmental risks. Such as- online communication, printing on both pages to prevent wastage of paper, use of scrap paper as notepad, abandonment of disposable cup / glass, use of CFL lamp, use of solar panel etc. Similarly we can set up offices in places where there will be adequate amount of light and air which can play a role in saving electricity and creating a healthy environment. Dirt, saliva, phlegm, paper, bottles and packing materials should not be left here and there but should be kept in a specific place which will protect the environment from pollution.

Bank employees should be encouraged to use electricity, gas and other powered appliances properly and efficiently and caution should be exercised not to waste light, fans, air conditioning etc. Customers need to be encouraged to view their accounts through internet, mobile or ATM machine instead of paper.

Public Involvement:

In addition, banks are working on various types of social responsibility for tree planting programs, sanitation, education, healthcare, skills development and self-employment. Banks need to work tirelessly to create environmental awareness among its employees and the public.

Due to rapid urbanization in the country, the amount of forest and agricultural land is shrinking, which is causing serious damage to the balance of the environment. To maintain the balance of the environment, banks need to undertake a 'one man one sapling' program among their own staff and customers. Banks are required to observe 'Tree Planting Week' every monsoon season. At this time free saplings can be provided in rural areas. Initiatives can be taken by the bank to plant saplings in various open spaces of the city including mosque premises and educational institutions.

In addition, banks need to sponsor various conferences and seminars on environmental issues. Awareness programs, afforestation and tree planting programs, beautification programs, cleaning campaigns can be conducted in schools, colleges and universities.

7. Suggestion and Recommendation:

As a professional group directly involved with the public, bankers can play an important role in this regard. Banks can play a role by financing green and eco-friendly projects and discouraging financing projects that destroy the environment.

The main premise of the responsibility towards the environment is not to do anything that has a detrimental effect on the environment in order to create a beautiful and healthy environment for future generations. Recently, the issue of climate change is being taken seriously all over the world. The southern part of Bangladesh has been identified as a threat to natural disasters. Therefore, large organizations are advised to pay attention to the following issues:

- i) Reducing the use of renewable energy and products (such as electricity, gas, fuel, paper, etc.) and increasing the use of renewable energy and products (such as solar energy, biogas, electronic media for communication, etc.).
- ii) Reducing carbon emissions in industries.
- iii) To thoroughly review the negative impact of the activities of large organizations on the environment and to take remedial action.
- iv) We should conduct green banking activities taking into account the policies of international organizations and the charter of the World Environment Conference and learning from green banking in developed countries.
- v) Banks should carry out green banking activities in the light of strategic plans on long term and short term basis.

7. Conclusion:

To date, environmental pollution has not been considered a priority in Bangladesh. Banks have to conduct activities according to the schedule of Bangladesh Bank for the development of the country's environment. Under this program, eco-friendly businesses and energy efficient companies should be considered on priority basis. Which will play a huge role in the

development of the country's environment. A large portion of the bank's annual investment needs to be invested in this sector. It is our expectation that the banks will continue to work hard for the development of the country's environment just as they will play a role in the economic development of the country. And in this way, if everyone takes care of green banking, eco-friendly industries will be established in the country and the country will be saved from environmental catastrophe along with the development of the country's economy.

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