

Conference Summary  
**Report**

**INTERNATIONAL CONFERENCE ON  
SUSTAINABLE FINANCE & INVESTMENT**



Organized by **Bangladesh Institute of Capital Market** | 6-7 April 2021 | ONLINE | <https://icsfi2021.bicm.ac.bd>

*road to  
a sustainable future  
for Bangladesh*



*In Celebration of*

**The Golden Jubilee of  
the Independence of Bangladesh**

**&**

**the Birth Centenary of  
the Father of the Nation**

**Bangabandhu**

**Sheikh Mujibur Rahman**



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## PRINTERS' LINE

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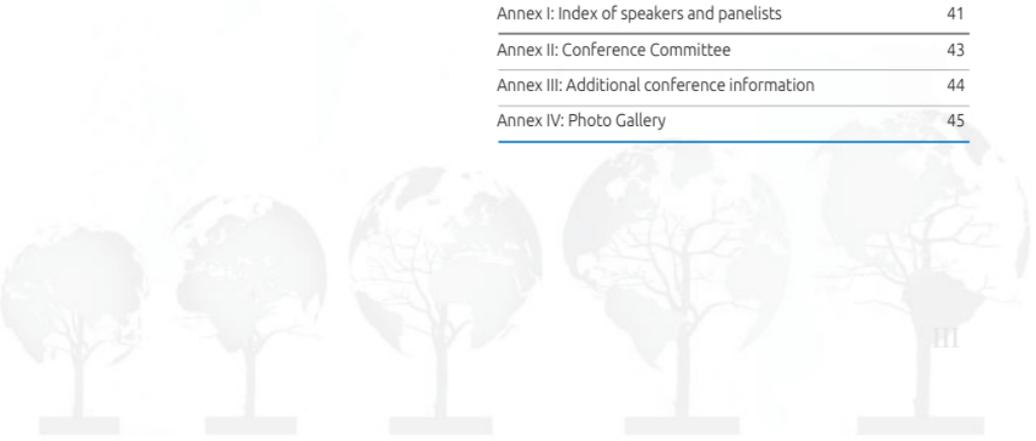
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## Acronyms

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SDGs	:	Sustainable Development Goals
ECOSOC	:	United Nations Economic and Social Council
LEED	:	Leadership in Energy and Environmental Design
IDLC	:	Infrastructure Development Company Ltd.
BSEC	:	Bangladesh Securities and Exchange Commission
SFDR	:	Sustainable Finance Disclosure Regulation
CVAR	:	Climate Value at Risk
COP	:	Conference of the Parties
IPCC	:	Intergovernmental Panel on Climate Change
GGGI	:	Global Green Growth Institute
GoB	:	Government of Bangladesh

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## 1 Introduction

Global warming and environmental degradation is considered one of the most significant barriers to sustainable development. An estimate by the London School of Economics suggests about USD 2.5 trillion of value at risk (VaR) for financial assets at the global level due to the widespread adverse impacts of climate change (Dietz et al., 2016). On the other hand, The Economist estimates that a total of around USD 4.2 trillion of global financial assets could be at risk due to climate-related exposures (EIU, 2015). The risks for financial institutions related to finance and investment can be classified into six categories: physical, secondary, policy, liability, transitional, and reputational (Ernst and Young, 2016). Financial institutions (FIs) are particularly the best candidate to divert finances towards the SDGs because they hold immense power over economic agents' financial and investment decision-making processes. If financial institutions in developing countries like Bangladesh can be appropriately linked to the national sustainable development frameworks and progresses, the expanding funding gap could be substantially narrowed. However, it requires major innovation in the current financial architecture, products and services, business models, and regulatory frameworks.

Across the world, Bangladesh is considered a key and natural victim of climate change and environmental degradation, where lives and economic activities are under substantial threat. The threat to lives and businesses could generate substantial adverse impacts for the financial markets and institutions if they do not consider sustainability into their operation.

**An estimate by the London School of Economics suggests about USD 2.5 trillion of value at risk (VaR) for financial assets at the global level due to the widespread adverse impacts of climate change (Dietz et al., 2016). On the other hand, The Economist estimates that a total of around USD 4.2 trillion of global financial assets could be at risk due to climate-related exposures (EIU, 2015).**

Furthermore, the financial markets and institutions have another vital role to play, i.e., fulfilling the huge funding gap faced by developing countries like Bangladesh in achieving the sustainability goals (Corfee-Morlo et al., 2009; ECOSOC Chamber, 2018; Barua, 2020). As the core agent for mobilizing funds in the economy, financial institutions and markets need to play a pro-active role to ensure a sustainable future for Bangladesh. Also, financial regulations need to incorporate sustainability considerations to facilitate the role of financial markets and institutions.

Through the International Conference on Sustainable Finance and Investment (ICSFI) 2021, the Bangladesh Institute of Capital Market (BICM) aims to raise the concepts and significance of making financial products, services, processes, and institutions sustainability-oriented with particular relevance to Bangladesh. The conference brings together academics, market stakeholders, and regulators to develop ideas and an action plan to gradually introduce new sustainable financing and investment solutions and transform the traditional ones.

The two days' conference on 6-7 April 2021 was divided into seven sessions, five core panel sessions. This report summarizes the discussions made in each of the sessions and identifies the key issues to address by the policymakers to align the financial sector in Bangladesh with sustainability goals and principles.

## 2 Conference Program

In the two-day conference, five core panel sessions were held in addition to the inaugural and closing ceremony as per the following schedule. All times mentioned are Bangladesh Standard Time (UTC/GMT +6 hours).

### Day 1: 6 April 2021

Session	Agenda	Keynote speaker	Panelists	Time
<b>Opening</b>	Inauguration	Chief Guest _____ <b>Professor Shibli Rubayat-Ul Islam</b> Chairman, Bangladesh Securities and Exchange Commission Guest of Honor _____ <b>Dr. Atiur Rahman</b> Bangabandhu Chair Professor, University of Dhaka; Honorary Professor, Department of Development Studies, University of Dhaka; Former Governor, Bangladesh Bank Special Guests _____ <b>Frank Rijsberman PhD</b> Director General, Global Green Growth Institute <b>Mr. Mafiz Uddin Ahmed</b> Additional Secretary, Ministry of Finance, Government of Bangladesh <b>Professor Dr. Muhammad Abdul Moyeen</b> Dean (Acting), Faculty of Business Studies, University of Dhaka Session Chair _____ <b>Professor Dr. Mahmuda Akter</b> Executive President, BICM		10.00 AM – 11.00 AM
<b>1</b>	Sustainable and Climate Finance: An overview	<b>Mr. Sifullah Khaled</b> Doctoral Candidate Glasgow Caledonian University; UK Assistant Professor, BICM	<b>Dr. Nahid Hossain</b> Financial Institutions Division Ministry of Finance; Government of the People's Republic of Bangladesh <b>Professor Dr. Mizan R. Khan</b> Deputy Director International Center for Climate Change and Development Session Chair _____ <b>Professor Dr. Sadiqul Islam</b> Department of Finance, University of Dhaka	11.15 AM – 12.45 PM

**Day 1(Continued): 6 April 2021**

Session	Agenda	Keynote speaker	Panelists	Time
<b>2</b>	Sustainable finance and investment: The problem and the solution	<b>Dr. Christophe Faugere</b> Professor SEEFAR (Shift for Ecology, Economics, Finance and Accounting Research) Center Kedge Business School	<b>Dr. Atiur Rahman</b> Bangabandhu Chair Professor University of Dhaka; Honorary Professor Department of Development Studies University of Dhaka; Former Governor, Bangladesh Bank <b>Dr. Galina Alova</b> Former Economist, OECD; DPhil Candidate, University of Oxford <b>Dr. Lasse Ringius</b> Director and Head of Green Investment Services Global Green Growth Institute Session Chair _____ <b>Professor Dr. Toufiq Ahmed Chowdhury</b> Director General Bangladesh Academy for Securities Markets	2.30 PM – 4.00 PM
<b>3</b>	Sustainable finance and investment: Global cases	<b>Mr. Ben McEwen</b> Climate Change Investment Analyst Sarasin & Partners LLP UK	<b>Professor Dr. Saleemul Huq</b> Director International Center for Climate Change and Development <b>Dr. Micol Alexandria Chiesa</b> ESG Consultant, Bain & Co. Italy; Lecturer in Circular Economy University of Oxford <b>Ms. Fenella Aouane</b> Deputy Director and Head of Carbon Pricing Global Practice Global Green Growth Institute Session Chair _____ <b>Dr. Melita Mehjabeen</b> Associate Professor Institute of Business Administration University of Dhaka	04.15 AM – 05.45 PM

Day 2: 7 April 2021

Session	Agenda	Keynote speaker	Panelists	Time
4	Finance for sustainability in Bangladesh: Current state and the future	<b>Ms. Sagira Sultana Provaty</b> Lecturer, BICM	<b>Dr. Madurika Nanayakkara</b> Senior Lecturer in Finance University of Kelaniya <b>Mr. Khondkar Morshed Millat</b> General Manager Sustainable Finance Department Bangladesh Bank <b>Mr. A.K.M. Mamunur Rashid</b> Climate Change Specialist United Nations Development Programme - Bangladesh Session Chair _____ <b>Professor Dr. Mahfuzul Hoque</b> Department of Accounting & Information Systems University of Dhaka	10.00 AM – 11.30 AM
5	Sustainability consideration and financial institutions' risk-return trade-off: Lessons for Bangladesh	<b>Dr. Suborna Barua</b> Associate Professor University of Dhaka; Research Fellow (part-time) BICM  <b>Dr. Afifa Raihana</b> Senior Environmental Specialist International Finance Corporation	<b>Professor Dr. Moorad Choudhry</b> Independent Non-Executive Director Recognise Bank, UK <b>Mr. Sergio Henrique Collaco de Carvalho</b> Head of Sustainability Planet First Partners, UK <b>Mr. Ashik Chowdhury, CFA</b> Country Lead, Sustainable Finance HSBC Bangladesh Session Chair _____ <b>Professor Dr. Firdousi Naher</b> Department of Economics University of Dhaka	11.45 AM – 01.30 PM

## Day 2: 7 April 2021

Session	Agenda	Keynote speaker	Panelists	Time
<b>Closing</b>	Redesigning the financial architecture of Bangladesh: An action plan	<b>Professor Dr. Mahmuda Akter</b> Executive President, BICM	Chief Guest _____ <b>Professor Dr. Shaikh Shamsuddin Ahmed</b> Commissioner Bangladesh Securities and Exchange Commission Special Guests _____ <b>H.E. Robert Chatterton Dickson</b> (Video Speech, as the host of COP26) Honorable UK High Commissioner to Bangladesh <b>Mr. Sean Kidney</b> Co-founder and CEO, Climate Bonds Initiative	3.00 PM – 4.30 PM
		<b>Mr. Wajid Hasan Shah</b> Director (Studies), BICM	<b>Mr. Ricco Zhang</b> Senior Director, Asia Pacific International Capital Market Association <b>Mr. Shirajun Noor Chowdhury</b> Joint Secretary, Finance Division Ministry of Finance Government of the People's Republic of Bangladesh Session Chair _____ <b>Dr. Suborna Barua</b> Associate Professor, University of Dhaka; Research Fellow (part-time), BICM	
<b>Closing (contd.)</b>	Closing remarks	<b>Professor Dr. Mahmuda Akter</b> Executive President, BICM		4.30 PM – 5.00 PM

### 3 Key Messages from the Inaugural Session

Day	1	Session	Opening	Date	06.04.2021	Agenda	Conference inauguration
		<b>Professor Shibli Rubayat Ul Islam</b> Chairman Bangladesh Securities & Exchange Commission (BSEC)					<b>Dr. Atiur Rahman</b> Bangabandhu Chair Professor University of Dhaka; Honorary Professor Department of Development Studies University of Dhaka; Former Governor, Bangladesh Bank
		<b>Mr. Mafiz Uddin Ahmed</b> Additional Secretary Financial Institutions Division Ministry of Finance, Government of the People's Republic of Bangladesh					<b>Professor Dr. Mahmuda Akter</b> Executive President, BICM
		<b>Mr. Frank Rijsberman PhD</b> Director General Global Green Growth Institute					<b>Mr. Wajid Hasan Shah</b> Director (Studies), BICM
		<b>Professor Dr. Muhammad Abdul Moyeen</b> Dean (Acting) Faculty of Business Studies University of Dhaka					

- Photographs of the session are available in Annex IV of this report

The session moderator, Mr. Wajid Hasan Shah, welcomed Professor Dr. Mahmuda Akter to announce the inauguration of the program, and Dr. Akter opened the inaugural session of the International Conference on Sustainable Finance & Investment (ICSFI) 2021 organized by welcoming all guests and participants. Dr. Akter highlighted that the ICSFI 2021 is organized in celebration of glorious twin occasions - the Golden Jubilee of the Independence of Bangladesh and the Birth Centenary of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman. After the opening speech, honorable guests of the inaugural ceremony were invited to deliver their valuable speech. The discussion started with the honorable Chief Guest's speech upon his request.

## Key messages from the Chief Guest Professor Shibli Rubayat-Ul Islam

Professor Shibli Rubayat-Ul Islam, Chairman, Bangladesh Securities & Exchange Commission (BSEC), started by thanking the BICM for organizing the conference. He cited that in all indicators, Bangladesh's economy is doing remarkably well than before. He particularly mentioned that, from being a production-gap country in basic sectors like food, accommodation, and clothing to export, Bangladesh has become a self-sufficient and exporting nation in a diversified sector under the dynamic leadership of Honorable Prime Minister Sheikh Hasina. Professor Islam stressed for Bangladesh to develop a greater network of friendly countries as the country's GSP facilities will be over soon. According to Professor Islam, the cheaper funding source is a key concern for Bangladesh's economic development and progress.

Professor Islam happily informed about the launching of the "Green bond" in Bangladesh's securities market, as the Commission is about to approve the country's first even green bond issuance. He concluded with the hope that the conference will bring useful action plan(s) for young researchers and other stakeholders with respect to greening the financial markets in Bangladesh. In his final words, the BSEC Chair announced the official inauguration of the ICSFI 2021.

## Key messages from Special Guest Mr. Mafiz Uddin Ahmed

Mr. Mafiz Uddin Ahmed, Additional Secretary of the Ministry of Finance, People's Republic of Bangladesh, started his remark by welcoming the BICM for arranging the conference on the Golden Jubilee of Independence, the birth centenary of Bangabandhu Sheikh Mujibur Rahman.

Mr. Ahmed highlighted that sustainability was not considered an important issue earlier, but in today's

reality, it is crucial for our survival, and particularly the post-COVID period will require it the most. Furthermore, he highlighted the upgradation of Bangladesh's status to a developing country. Pointing to the fact that Bangladesh has an abundance of both natural capital and human capital, Mr. Ahmed stressed properly utilizing them sustainably to yield the best outcome, and the right initiatives have to be sought at the right time. With much positivism, he concluded by quoting, "Do or die? - Die? No, we will survive."

## Key messages from Special Guest Dr. Frank Rijsberman

Frank Rijsberman, PhD, the Director General of the Global Green Growth Institute (GGGI), started his speech by welcoming the timely initiative of BICM. Dr. Rijsberman started his discussion following a brief overview of the GGGI. The GGGI is a treaty-based international intergovernmental organization founded in 2012 with 12 member countries, currently having 39 countries with another 20 partner countries. The GGGI oversees green transition, green projects, and climate finance in its member countries and closely works with the private sector to utilize the private sector financial resources properly. However, Bangladesh is not on the list yet, but the Director General is hopeful about the inclusion of Bangladesh very soon.

Dr. Rijsberman added that the topic of the ICSFI 2021 is rising rapidly on the agenda of many organizations and key areas of work of GGGI. He presented some positive sides of Bangladesh and also gave some policy suggestions for further advancement.

Dr. Rijsberman appreciated the issue of "Leadership in Energy and Environmental Design (LEED)"-certified buildings and welcomed the initiative to introducing green

bonds in Bangladesh. He further suggested that solar energy can be a commercially attractive proposition for Bangladesh, which can be patronized by the

government. Government assistance can facilitate the origination of project funding for green investment projects and project finance in solar energy. Dr. Rijsberman highlighted that solar energy facilities could be used on the rooftop of a large number of readymade garment factories in Bangladesh, which is energy-efficient and commercially attractive. He highlighted the fact of the high price of energy and that it should be bankable, which is a major challenge for many countries around the world. However, he hopes that it will not be a problem for Bangladesh to patronize renewable energy.

Furthermore, Dr. Rijsberman highlighted the potential of electric mobility for sustainable transports, although it needs significant infrastructural changes and high initial investment costs to start electric vehicles such as buses. Dr. Rijsberman believes this kind of sustainable project can capture the rapidly growing markets in the world.

Dr. Rijsberman expressed his concern about planned waste management, which is a major problem in many Asian countries. Having a large number of RMG factories in Bangladesh, the manufacturers should be proactive on waste management by not disposing of their waste randomly. Furthermore, he urges both the government and the private sector to prioritize the re-use and re-cycling of fuels and other energy.

Climate finance was particularly emphasized in his speech to maintain the balance of the ecosystem in Bangladesh. He cited the example of Mongolian green finance initiatives, where the country's bankers' association trained selected employees to facilitate green loans. He added that sometimes banks are interested but they are not facilitated by a green taxonomy. He stressed research and development (R&D) in green projects and expects the government to provide policy direction in this regard.

Finally, Dr. Rijsberman expressed happiness at Bangladesh's fast economic growth and concluded by thanking the Chair of the session and the BSEC Chairman.

## **Key messages from Special Guest** **Professor Dr. Muhammad Abdul Moyeen**

Professor Dr. Muhammad Abdul Moyeen, Dean (Acting) of the Business Studies Faculty at the University of Dhaka, started his speech by citing the significance of sustainability with an example of Rana Plaza. He particularly stressed that we need to discuss sustainability more because we need to ensure ecological balance, and we must not exploit the natural resources we need to reserve for the future generation.

Dr. Moyeen believes that the Rana Plaza incident raised awareness about sustainability needs manifold among different stakeholders. He further cited examples of sustainability initiatives, including green initiatives of brickfields in Bangladesh and the use of the LEED certification in the country. Dr. Moyeen stressed working in a public-private partnership for sustainability concerns, citing the success of the Infrastructure Development Company Ltd. (IDCOL). Furthermore, he highlighted the necessity of planned energy consumption for overall development and suggested focusing more on renewable energy. Besides, he highlighted the necessity of funding priority for these renewable energy projects.

During his speech, Dr. Moyeen also pointed out the difficulties for SMEs to invest in green initiatives due to lack of sufficient capital, and he urged the financial market regulators, policymakers, and institutions to address this issue proactively.

## **Key messages from the Guest of Honor** **Professor Dr. Atiur Rahman**

Dr. Atiur Rahman, Bangabandhu Chair Professor, University of Dhaka; Honorary Professor, Department of Development Studies, University of Dhaka; Former Governor, Bangladesh Bank— the central bank of Bangladesh started his deliberation, pointing out the necessity of green recovery from the ongoing

pandemic. He urged that the financial architecture of the country be aligned in a cohesive manner to ensure the long-run efficiency of sustainable practices. He added that Bangladesh Bank has gained recognition as an early mover by formulating policies and facilitating innovative schemes for promoting green taxonomy. Dr. Rahman stressed funding needs for renewable energy and expressed that preference for providing facilities for green finance for such projects can be helpful in reducing the amount of non-performing loan in our banking system.

Furthermore, he raised the fact that banks are the providers of short-term financing, while the capital market should be the key source of long-term financing, even for sustainable projects. He added that bonds or shares can serve as the sources of long-term investment and that liquidity is not a problem due to the presence of the secondary market. However, he suggested working on some problems existing with the capital market, such as IPO underpricing. According to Dr. Rahman, although it is not the job of the regulator to set the price or fix the volume in the market, the regulator can facilitate correct pricing with appropriate regulatory measures, considering the diverse nature and background of general investors.

During his speech, Dr. Rahman also mentioned that green securities in the capital market classified or tagged as “green bond” or “green Sukuk” would encourage others, citing the example of an upcoming corporate Sukuk of a renowned company to be launched in the market.

Dr. Rahman outlined some important policy suggestions for the capital market, such as ensuring quality financial reporting and corporate governance and hard actions like delisting of companies in the absence of good governance. He also emphasized that coordination among all regulators is a must since the policies of one regulator could affect others. He further highlighted that the underutilization of Insurance and

Pension funds as the two major sources of long-term investments need to be addressed.

### **Key message of the Session Chair** **Professor Dr. Mahmuda Akter**

Professor Dr. Mahmuda Akter, Executive President, Bangladesh Institute of Capital Market, chaired this inaugural session. Dr. Akter thanked all invited guests for giving their valuable time to this conference. She eagerly hope that there would be directions on how we should move forward towards problems and solutions of sustainable finance and investment with the participation and contribution of all the resource persons and speakers. The Executive President of the Institute declared the ending of the session by congratulating all the delegates and the participants and wished success of the conference.

**Professor Shibli  
Rubayat-Ul Islam happily  
informed about the  
launching of the "Green  
bond" in Bangladesh's  
securities market, as the  
Commission is about to  
approve the country's first  
even green bond issuance.**

## 4 Key Messages from the Panel Sessions

This section presents summaries of the five panel sessions held over the two days of the conference. The keynote presentations of the panel sessions are available at <http://bicm.bd/icsfi-2021>. Photographs of the sessions are available in Annex IV of this report.

### 4.1 Key messages from Panel Session 1

Day	1	Panel Session	1	Date	06.04.2021	Agenda	Sustainable and Climate Finance: An overview
<b>Keynote speaker</b>	<b>Mr. Sifullah Khaled</b> Doctoral Candidate Glasgow Caledonian University and Assistant Professor Bangladesh Institute of Capital Market			<b>Chair</b>	<b>Dr. M. Sadiqul Islam</b> Professor Department of Finance University of Dhaka		
<b>Panelists</b>	<b>Prof. Dr. Mizan R. Khan</b> Deputy Director, ICCCAD and Programme Director, LUCC				<b>Dr. Nahid Hossain</b> Joint Secretary Financial Institutions Division Ministry of Finance Government of Bangladesh		

#### Key messages from the keynote presentation **Mr. Sifullah Khaled**

Mr. Sifullah Khaled presented a keynote describing the current contexts of climate change and sustainable financing. In the keynote, Mr. Khaled pointed out that we are residing in such a time when catastrophe and disaster are not one off events; rather they have become very frequent.

He reiterated that Bangladesh is considered ground zero in terms of climate vulnerability, as the country is highly exposed to both rapid and slow onset climatic events. However, Mr. Khaled believes that Bangladesh's pragmatic policy lead and demonstrated efforts in climate adaptation and resilience are well footed around the world, citing the adoption of the Bangladesh

Climate Change Strategies Action Plan (BCCSAP), Mujib Climate Prosperity Plan 2030, Delta Plan 2100, and the Bangladesh Government's dedicated Climate Budget and Climate Change Trust Fund (BCCTF) to fight climate change. Mr. Khaled highlighted Bangladesh's leadership in the Climate Vulnerable Forum (CVF) and hosting South Asian regional center of Global Center on Adaptation (GCA).

Mr. Khaled, in his keynote, elaborated that extreme weather events and gradual changes in climate affect the economy by creating business disruption, capital scrapping, reconstruction, and replacement, increase in commodity prices, and migration. In mitigating and adapting to the impacts, a large amount of financing is necessary globally and in Bangladesh.

Mr. Khaled suggests three ways to move forward in fostering sustainable finance: (i) capital market initiatives - Sustainability/ Green/Climate/Social Bond market, Sustainability indices, Investment practices, etc.; (ii) steering sustainability reporting and climate-related financial disclosure agenda with Financial Reporting Council, Bangladesh; and (iii) spearheading UN Sustainable Stock Exchanges Initiative's agenda. He also presents three-way forwards for climate finance: (i) climate finance framework with governance and performance matrix; (ii) sustainability and justice for climate finance; and (iii) financial and digital innovations- instruments/ approaches in climate risk financing.

Mr. Khaled concluded his keynote by categorically highlighting three main areas where BICM can contribute to the progress of sustainable finance practices: (i) capacity development of capital market intermediaries on sustainable finance and climate risk management; (ii) awareness building for investors to play active stewardship role; and (iii) knowledge management activities: BICM's Journal of Financial Market and Governance can work as research outlet for sustainable finance and governance.

### **Key messages from panelist** **Professor Dr. Mizan R. Khan**

Professor Dr. Mizan R. Khan started his presentation by raising the need to internalize the externalities. He highlighted that Bangladesh has several problems in adaptation financing, including information asymmetry. According to Dr. Khan, one challenge is finding an effective way to consider the long-run dynamic impacts of climate change in decision-making and policy formulation. While Dr. Khan stresses ways out to overcome the challenges and problems, he strongly advocates offering appropriate incentives to projects with positive externalities. Furthermore, Dr. Khan

stresses the urgent need for sensitizing people about climate change and its impacts. At the same time, there is an urgency to build awareness among the general people, decision-makers, and policy makers.

### **Key messages from panelist** **Dr. Nahid Hossain**

At the start of his deliberation, Dr. Nahid Hossain highlighted several critical challenges and a lack of preparation lying with Bangladesh to green the economy and the financial system. He particularly pointed out that Bangladesh does not yet have a set standard or benchmark for defining and categorizing green projects separately. Dr. Hossain elaborated that this categorization is very important because if we cannot separate green projects from non-green projects, then we cannot promote financing the green projects properly, and green financing will never take its right path. Further to green project categorization standards, Dr. Hossain strongly stressed developing the necessary human resources with proper understanding and education in green finance.

With respect to sustainability, Dr. Hossain cites waste management as a big challenge for Bangladesh. While financing is necessary, he stresses an adequate and effective regulatory framework that promotes sustainability and circularity principles.

### **Key messages from the Session Chair** **Professor Dr. Sadiqu Islam**

Following the deliberation of the panel discussants, the session chair Professor Dr. M. Sadiqu Islam, raised several critical questions concerning sustainable finance; for example, who will deliver green finance? How can one to build up capital for sustainable finance and development? How can provided be to provide

incentives to green projects?

Dr. Islam suggested that tax rebates or reduced interest rates on loans could be effective forms of incentives, among many others. According to Dr. Islam, green projects should be given in-principle priority over non-green projects while minimizing greenwashing problems where some projects may be presented as green. However, they, in reality, are not. He suggested formulating a robust set of standards to mitigate the green washing problem.

Dr. Islam cited few regions, including the European Union, Brazil, Columbia, China, Indonesia, and Mongolia, that have adopted green finance issues and can be considered a benchmark. He also acclaimed Bangladesh for developing Environmental Risk Management guidelines in 2011 and Environmental and Social Risk Management guidelines in 2017. However, Dr. Islam expressed his doubt about whether these guidelines are appropriately implemented. The guidelines are partially mandatory for banks to apply when lending and banks show reluctance to implement them effectively. He suggested learning from countries where such guidelines are fully mandatory. However, Dr. Islam advised facilitating green finance, keeping in mind the existing problems of huge non-performing loans in the banking sector.

Dr. Islam stressed introducing more green finance products in the capital market, including green bonds, that provide adequate returns to the investors. He considers Bangladesh's capital market has tremendous potential for making green finance. However, he urged the stock market regulators to develop adequate rules and principles for listing financing instruments that facilitate green projects and companies.

Dr. Islam concluded the session thanking the presenter and all panelists and hoped for a green future for Bangladesh's financial system.

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## 4.2 Key messages from Panel Session 2

Day	1	Panel Session	2	Agenda	Sustainable Finance and Investment: The problem and the solution
Date	06.04.2021		Presentation Title	Sustainable Finance V3.0: Conscious Finance	

<b>Keynote speaker</b>	<b>Dr. Christophe Faugere</b> Professor KEDGE Business School	<b>Chair</b>	<b>Professor Dr. Toufiq Ahmed Chowdhury</b> Director General Bangladesh Academy for Securities Markets
<b>Panelists</b>	<b>Dr. Atiur Rahman</b> Bangabandhu Chair Professor University of Dhaka; Honorary Professor Department of Development Studies University of Dhaka; Former Governor, Bangladesh Bank	<b>Dr. Lasse Ringius</b> Director and Head of Green Investment Services Global Green Growth Institute	<b>Ms. Galina Alova</b> Former Economist OECD; DPhil Candidate University of Oxford

### Key messages from the keynote presentation Professor Dr. Christophe Faugere

In his presentation, Dr. Christophe Faugere provided valuable insights through a holistic overview of sustainable finance's conceptual and practical foundations. After a brief review of the history of sustainable finance, he delineated the role of ethical practices in ensuring safe conduct in relevant arenas of the notion. Projecting the concepts of sustainable finance into the domains of green finance and climate finance, he commented on the fundamentals of various financial products to cope with the diverse demands of an emerging market. Dr. Faugere also remarked on the size and scope of this pertinent market culminating in the form of 'total assets' valuation in sustainable investing with significant rise both in terms of growth and potential, viz. from US\$13.3 trillion in 2012 to \$30.7 trillion in 2020. He discussed the applicable policy types needed to deal with novel procedural issues, which may arise due to accommodating and infusing green financing methods in areas such as CleanTech projects and efforts to limit CO2 emission in the context of global economies.

Furthermore, Dr. Faugere reported that the yield for green bonds on average 15–20 basis points lower than that of conventional bonds, both on primary and secondary

markets, thus signaling significant returns for potential investors. Nevertheless, he also commented on the phenomenon of "greenwashing" and specific gaps between the "promises" of marketing tactics and real practices. Henceforth, the importance of ESG rating and aligning the efforts of practitioners and intermediaries need to be duly stressed. Dr. Faugere considers the most important issues to consider in this respect are due diligence, measuring impact, and integration of multi-objecting performance metrics, etc. Befitting to his overarching perspectives, Dr. Faugere further commented on how Bangladesh could utilize sustainable finance principles via products such as Sukuk bonds and Islamic green financial products in conjunction with the needs of the RMG and SME sectors of Bangladesh. Dr. Faugere also provided a brief yet juxtaposed outlook on a nascent concept of 'conscious finance,' the basis of which rests on values, cultural traditions, and religious-ethical morals of traditional societies. Tapping into approaches rested on interdependent dualities such as religious/spiritual, ecumenical/interfaith, he noted that 'values investing' has much to offer to mitigate poverty alleviation and promotion of human capabilities. Dr. Faugere concluded his presentation with a description of the dimensions of conscious investing and their impacts on producing value in both economic and sustainability dimensions.

## Key messages from panelist

### Ms. Galina Alova

Dr. Galina Alova discussed how the application of advanced quantitative techniques could provide lessons regarding the power sector's transition to renewable forms of energy. Referring to prevailing empirical evidence, she commented that the portion of the global generation capacity of renewables is growing, but the potentialities are still limited due to structural factors.

Ms. Alova also underscored the detailed patterns of risks of capital locking in carbon-intensive assets. Drawing on her recent studies concerning machine learning applications to plant-level data, Dr. Alova admitted that the transition to renewable energy is slow. In contrast, the configuration of transition is discernible mostly in the gas sector. She concluded that the attempt towards the reduction of fossil-fuel usage is not noticeably evident in reality.

## Key messages from panelist

### Dr. Lasse Ringius

Dr. Lasse Ringius presented his views on innovative climate finance and carbon-linked structures and products in general. He noted the key issues of cities, electric mobility, and waste management, mostly being served with green financing projects in the context of the OECD economies. As a mode of building pipelines for bankable projects, he discussed several shortcomings on the part of the green investment companies being unable to package seemingly profitable projects while meeting investors' criteria for ESG guidelines.

As a result, he mentioned, a significant financing gap exists for implementing such projects in developing countries. Dr. Ringius mentions the problems of banking caps, banking capacities, meeting due diligence, and reporting challenges that such green financing schemes typically have to encounter. Finally, he presented a vision of creating a series of relevant taxonomies, methodologies, and verification procedures so that efficiency can be ensured to deliver commercial and viable green financing projects.

## Key messages from panelist

### Dr. Atiur Rahman

Professor Dr. Atiur Rahman stressed the aligning of finance with the real sectors of the economy. He noted that to ensure the durability of the sustainable financing schemes, the stakeholders should undertake long-term prospects coupled with a perspective of common-good view over markets and projects. He also opined that the pandemic problem furthers the problem of ensuring sustainable finance. While noting the political economy of private-sector prevalence in some sustainable finance ventures, Dr. Rahman appreciated the advancements of the Government of Bangladesh in terms of proper allocation and efficient budgetary approvals to encounter the challenges of climate change.

Dr. Rahman also commented on the role that technical competence and automation could play to ensure sustainable finance, including digitization and green financing, during his tenure as the Central Bank Governor. Lastly, he underscored the management of risk and reputational incentives to build products and partnerships across the providers and practitioners spectra of the sustainable finance domain.

## Key messages from the Session Chair

### Dr. Toufiq Ahmed Chowdhury

Professor Dr. Toufiq Ahmed Chowdhury provided a synopsis of the discussion while noting that long-term recovery from the current pandemic is also likely to present its challenges in implementing sustainable finance projects. He also welcomed the progress of the Government of Bangladesh in fighting the pandemic. At the same time, he also pointed out the strong potential of designing and disbursing a green stimulus package with greater accuracy and caution.

Dr. Chowdhury emphasized that to ensure sustainable financing schemes, particularly in the capital market, lessons from the money market institutions, such as banks, should be taken. Finally, he concluded by underlining the prime importance of securing the regulatory environment, transparency, and anti-greenwashing policies to achieve real 'green goals' in the capital market.

### 4.3 Key messages from Panel Session 3

Day	1	Panel Session	3	Agenda	Sustainable Finance & Investment: Global Cases	
Date	06.04.2021		Presentation Title	Sustainable Finance & Investment: Global Cases		
<b>Keynote speaker</b>	<b>Mr. Ben McEwen</b> Climate Change Investment Analyst Sarasin & Partners LLP, UK			<b>Chair</b>	<b>Dr. Melita Mehjabeen</b> Associate Professor Institute of Business Administration University of Dhaka	
<b>Panelists</b>	<b>Dr. Micol Alexandria Chiesa</b> ESG Consultant Bain & Company, Italy; Lecturer in Circular Economy University of Oxford		<b>Professor Dr. Saleemul Huq</b> Director International Centre for Climate Change and Development	<b>Ms. Fenella Aouane</b> Deputy Director and Head of Carbon Pricing Global Practice, Global Green Growth Institute		

#### Key messages from the keynote presentation

##### Mr. Ben McEwen

Mr. Ben McEwen presented a keynote describing the global landscape of sustainable finance, Sarasin & Partners' approach to Sustainable Finance, and Sarasin & Partners' strategy to climate change. Mr. McEwen defined the key problem that there is an imbalance between people and the planet. As the population increases and the resources are being consumed highly, increasing ecological footprints increasingly become unsustainable to the environment (Figure-1).

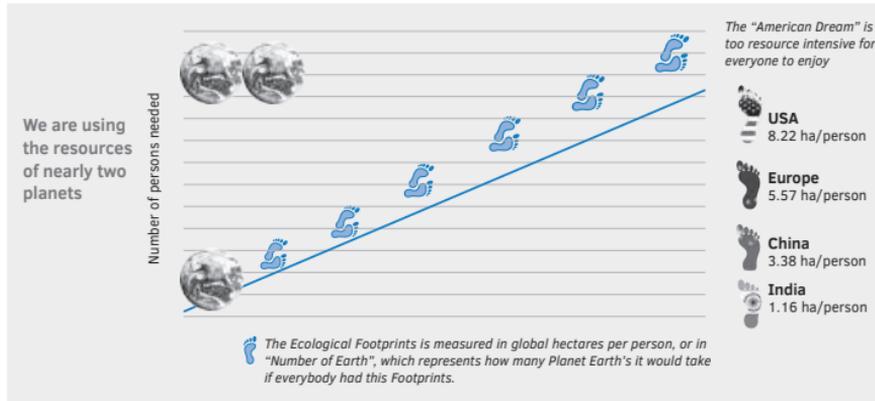
According to him, the purpose of finance is to allocate capital to activities that deliver the most significant societal benefits. Mr. McEwen thinks the role of asset managers should be to act on behalf of the savers and investors and press companies to deploy capital to maximize their welfare. He added that delivering short-term cash returns that harm our environment or society is neither sustainable nor desirable.

Mr. McEwen mentioned that sustainable finance is waking up globally. He described three positive events. Firstly, regulatory frameworks are shifting and getting stronger to enhance sustainable finance. While Europe

leads the shift by developing the SFDR & EU Taxonomy, the US is also dynamically changing as the US Security & Exchange Commission has started to consider climate & ESG risks and opportunities in their regulatory framework. Second, reporting patterns are changing, and regulators inspire corporations to report environment-related financial disclosures. This helps in redirecting finance flows, focusing more on biodiversity and broader natural capital issues. Third, global investors are moving. Mr. McEwen provided two examples – the Paris Aligned Investor Initiative and the Net Zero Asset Owner Alliance. In these initiatives, investors commit to decarbonizing the clients' portfolio according to the Paris Agreement over the next 3 years. He added the Net Zero Investment Framework not only works for decarbonizing but also allocating funds for sustainable finance.

Mr. McEwen talked described how Sarasin & Partners, one of the biggest asset management companies in the UK, manages £17 billion of assets with a diversified and global client-base focusing on sustainability. They have mainly three types of clients, i.e., Private, Institutional & Professional, and Charities. As he elaborates, Sarasin & Partners' invests responsibly depending on three

**A growing population and increasing ecological footprints are unsustainable (Figure-3.1)**



Source: Keynote presentation by Ben McEwen at the ICSFI 2021

pillars: Pillar 1- Active long-term thematic investment; Pillar 2 - Active ownership; and Pillar 3 - Thought leadership and policy outreach. Sarasin identifies potential threats, opportunities, and convictions of integrated stewardship depending on three departments, i.e., environmental, social, and governance (ESG), to measure sustainable finance. They define potential threats to shareholder capital considering 15 factors based on primary research and secondary sources. McEwen referred to Sarasin's consideration of climate change, secular economy, land, air, and water for Environmental issues. For social issues, they consider suppliers, employees, customers, bribery, and a cohesive society. Finally, they consider board structure, ownership rights, reporting & controls, executive remuneration, and business ethics for Governance issues. The presented framework in

Figure-3.2 helps Sarasin drive sustainability, emphasizing the ESG frameworks among its companies.

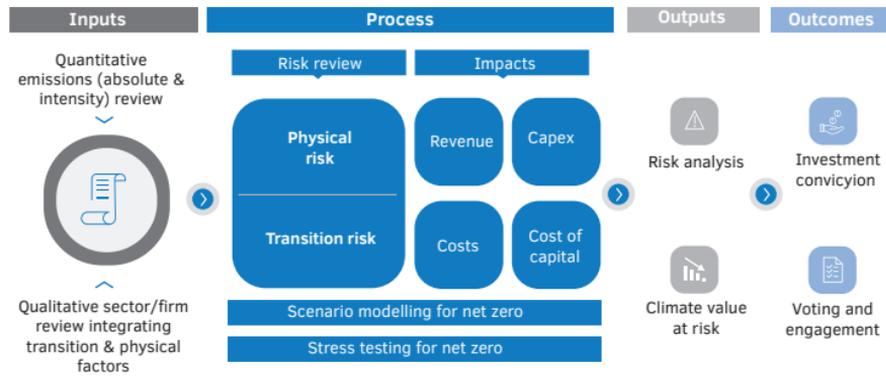
In the final section of the keynote, Mr. Ben highlighted how Sarasin & Partners approaches climate change. He mentioned that 2020 had record-breaking temperature across the world, especially Siberia suffered a lot of weather and climate discrepancies. As an investor, he suggests thinking more about what can happen in the future. The temperature has already increased 1.1-degree centigrade and heading to 2 degrees centigrade plus. The impacts of this increase are non-linear. He mentioned the IPCC forecasts where RPC 2.6 represents a low climate change scenario, and 8.5 represents a high climate scenario. As Mr. McEwen explains, Sarasin takes a three-pronged approach to climate change, i.e., Climate change mega theme,

Climate impact analysis, and Sarasin climate pledge. The first two parts form the investment category, and the third one goes to the press category. He urges that climate outcomes depend on emissions actions; the sooner the emissions are decreased, the better the climate stays.

Mr. McEwen pointed out that investment requirements for climate change are unparalleled and increasing, as climate-related finance is around 500 to 600 billion

dollars per annum that could increase up to 2.5 trillion dollars per annum. Leading economies like the EU, USA, China, South Korea, Japan, etc., are aligning for significant developments in Net Zero target setting, while more than three-fifths of global CO2 emissions are now under net-zero targets. Finally, Mr. McEwen suggested ways to weigh up investment risk versus investment opportunities. Climate impact analysis and

### Sarasin's ESG consideration framework (Figure-3.2)



Source: Keynote presentation by Ben McEwen at the ICSFI 2021

stress testing often help identify risks and opportunities in the transition to Net-Zero. McEwen presented Sarasin's framework for measuring and weighing up risks and opportunities associated with a firm, as shown in Figure-3.2.

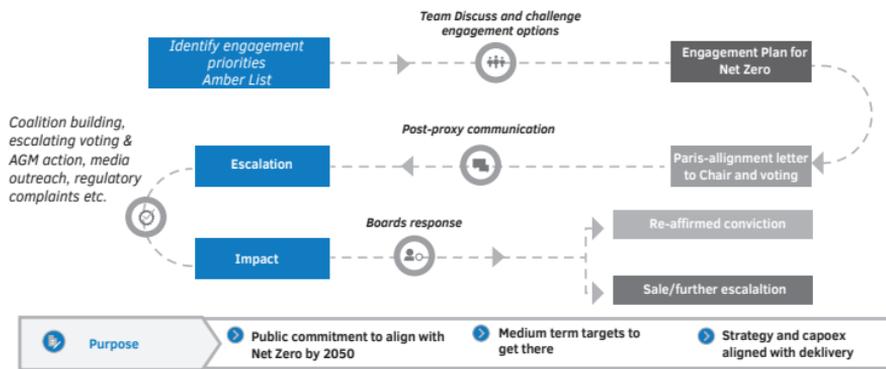
As explained by Mr. McEwen, Sarasin's model requires both qualitative and quantitative data inputs, which leads to the measurement of risks and opportunities

and scenario modeling for Net-Zero. They review both physical and transition risks and watch the likely impacts on Revenue, Capex, Costs, and Capital. Two outputs from the process are pivotal, i.e., risk analysis and climate value at risk. Understanding company-specific net-zero implications and climate value at risk (CVAR) help to incorporate risks and opportunity into investment decision-making. As Mr. McEwen explained, where climate value stays at risk,

the potential opportunities decline due to climate risks. When climate value creates opportunity, potential turns upside due to Net Zero pathways. He described plans on how the engagement of the financial industry can affect climate change strategies for going Net-Zero. Sarasin & Partners provide letters of engagement plan to the board of directors and remuneration committees of companies they consider investing in and monitor what steps have been taken by the companies towards the Net-Zero targets and pathways.

Mr. McEwen concluded that reporting patterns are changing globally, and regulators inspire corporations to report all nature-related financial disclosures. The institutional investors are moving and commit to decarbonize the clients' portfolio. And all these signal a green future for the world.

### Corporate engagement approach with Net Zero targets (Figurer-3.3)



Source: Keynote presentation by Ben McEwen at the ICSFI 2021

### Key messages from panelist Dr. Micol Alexandria Chiesa

Dr. Micol Alexandria Chiesa focused on the risk factors and the factors that drive sustainability and climate change. Dr. Chiesa raised three important points in this regard. First, she stressed thinking more about risk-returns of financial institutions, the need for

sustainability, and the strong force of climate change in an interrelated manner. Technology, big data, artificial intelligence, machine learning, etc., are significantly affecting the interfaces between the three forces. Second, referring to the global patterns, she highlights that customers and investors are increasingly looking for sustainability and green products. Third, she sees financial transparency as

#### 4.4 Key messages from Panel Session 4

Day	2	Panel Session	4	Agenda	Finance for Sustainability Finance in Bangladesh: Current State and the Future
Date	07.04.2021		Presentation Title	Finance for Sustainability in Bangladesh: Current State and the Future	
Keynote speaker	<b>Ms. Sagira Sultana Provaty</b> Lecturer Bangladesh Institute of Capital Market			Chair	<b>Professor Dr. Mahfuzul Hoque</b> Department of Accounting & Information Systems University of Dhaka
Panelists	<b>Mr. Khondkar Morshed Millat</b> General Manager Sustainable Finance Department Bangladesh Bank	<b>Mr. A.K.M. Mamunur Rashid</b> Climate Change Specialist United Nations Development Programme (UNDP) Bangladesh	<b>Dr. Madurika Nanayakkara</b> Senior Lecturer in Finance University of Kelaniya		

#### Key messages from the keynote presentation

##### Ms. Sagira Sultana Provaty

Sagira Sultana Provaty made a keynote presentation highlighting the current state and potential of sustainable financing in Bangladesh. In her presentation, Ms. Provaty highlighted that Bangladesh is one of the fast-growing economies in South Asia, aspiring to gain the status of a middle-income country soon, and has been making great strides in terms of social, economic, and technological transformation. She also reiterated that the country is one of the worst sufferers of environmental pollution and climate change. Climate vulnerability and potential threats of economic slowdown make sustainability a prime concern, resulting in strong calls for adopting and implementing ambitious mitigating policies for the country, she adds.

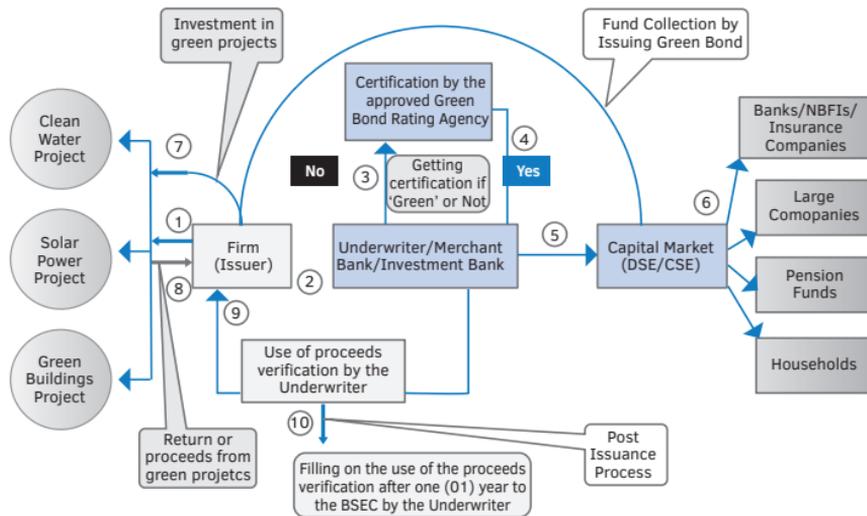
Ms. Provaty appreciated Bangladesh Bank for being an early mover in formulating policies and facilitating green banking guidelines for promoting sustainable finance. She cited one of the landmark initiatives taken by the Bangladesh Bank in 2016 to enforce the establishment of an Effluent Treatment Plant (ETP) for addressing liquid waste management during financing to all

possible clients. Ms. Provaty highlights a window of opportunity for Bangladesh to minimize environmental damage and use its natural resources efficiently by adopting a newer approach to sustainable financings such as green bond, Climate Disaster management bonds, and Resilience bonds.

Given the alternatives, Ms. Provaty specifically cites green bonds to be the most prominent innovations in the area of sustainable finance over the past decade. According to her evaluation, Green Bonds have a strong potential in Bangladesh as the BSEC is keenly working to issue innovative sustainable debt securities in the market. Green bonds tend to be structured in the same way as conventional investment-grade bonds, with the exception that the green bond has a 'use of proceeds' clause, which states that the financing will be used for green investments, explained Ms. Provaty.

Ms. Provaty suggested following the four Green Bond principles published by the International Capital Market Association (ICMA) as the best practice guidelines. Analyzing the available data of South Asian countries,

Figure 4.1: A proposed 10-step green bond issuance process



Source: Keynote presentation by Sagira Sultana Protavy at the ICSFI 2021

she cites India as the forefront of green bond market development, where cumulative green bond issuance accounted for USD 10.897 billion from 2012 to 2019. Ms. Protavy highly suggests Bangladesh's financial market regulators introduce a national framework for green bond issuance to provide clarity for investors and issuers. Based on her own research, Ms. Protavy proposed a 10-step green bond issuance model for Bangladesh that can be considered by the regulators and policymakers (Figure 4.1). While green bonds can finance different types of projects in Bangladesh, she cited two examples: sustainable energy green bond for

renewable energy generation such as solar energy, water desalination green bond for the treatment of wastewater, and securing alternative water sources rainwater. Ms. Protavy, in her keynote, presented four segments of the green bond issuance process and relevant stakeholder involvement for Bangladesh: pre-issuance stakeholder roles, pre-issuance certification roles, marketplace actors for issuance and trading facilitation, and post-issuance monitoring and reporting roles (Figure 4.2).

In conclusion, Ms. Protavy highlighted that it is vital to embrace sustainable financial development through

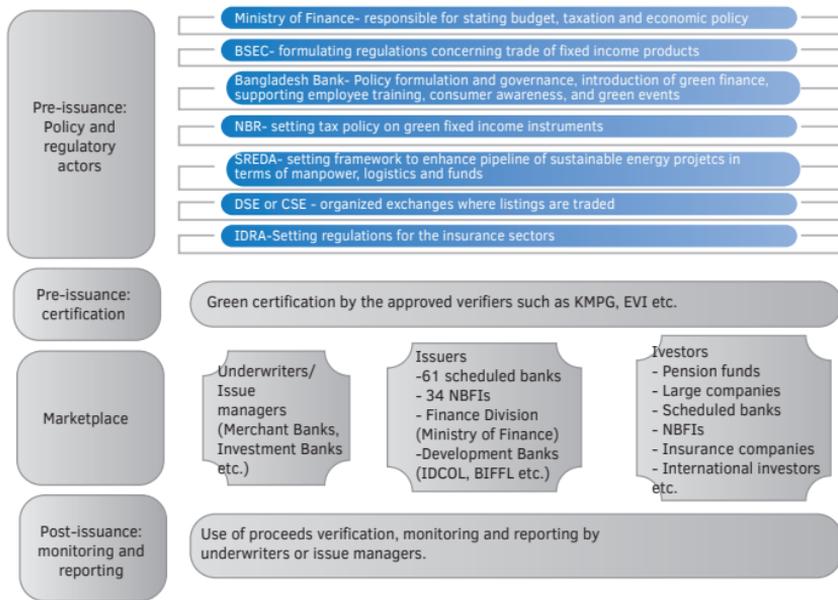
green financing to build resilience to climate change. Bangladesh currently stands at the crossroads of accelerated economic growth and green transformation, and the government wants to transform Bangladesh into a developed nation by 2041. She expressed hope that if Bangladesh can develop a vibrant green bond market, it will reap the long-term benefits of going green within 2041 through increased employment driven by innovation, increased energy security and industrial efficiency, and reduced vulnerability poor people to climate change.

### Key messages from panelist Mr. Khondker Morshed Millat

Mr. Khondker Morshed Millat, the General Manager for the Sustainable Finance Department at Bangladesh Bank, shared from the vast experience he gained from his leadership role in introducing green and sustainable banking frameworks at the central of Bangladesh.

Given his passion and long-standing experience, Mr. Millat holistically believes that today's bankers should not remain traditional bankers and emerge as green

#### Segmenting green bond issuance process and stakeholder roles (Figure 4.2)



Source: Keynote presentation by Sagira Sultana Provaty at the ICSFI 2021

bankers or sustainable bankers. In addition to the Green Banking Guidelines enacted by Bangladesh Bank, Mr. Millat, in his speech, informed that the Sustainable Finance Department has recently issued a sustainable finance policy for all banks and financial institutions in Bangladesh. He added, the sustainable finance policy incorporated three aspects - green banking, sustainable finance, and green investment.

Mr. Millat highlighted the necessity of introducing a Sustainability Rating for banks and financial institutions to enhance investors' credibility toward green finance. He stressed both economic and ESG (Environmental, Social, and Governance) sustainability to ensure the financial stability of banks and financial institutions. Mr. Millat expresses a high hope for Bangladesh to achieve at least 50% green finance in the banking sector's lending portfolio by 2050. He further informed that recently Bangladesh Bank, in consultation with IFC, has formed an advisory committee to contribute to preparing the national green bond policy chaired by a Deputy Governor with member representations from the Bangladesh Securities and Exchange Commission, all the concerned ministries, the business chambers, the climate trust fund, and other relevant organizations.

In conclusion, Mr. Millat considers the 'Green Credit Guarantee Scheme' launching to flourish the green bond market in Bangladesh. Moreover, he thinks asset quality and strict monitoring are necessary to develop an effective green bond market in Bangladesh.

### **Key messages from panelist** **Mr. A.K.M. Mamunur Rashid**

Mr. A.K.M. Mamunur Rashid started his deliberation with the necessity of clearly differentiating between green and climate finance. He explained that Green is a much more significant concept, including climate change mitigation, climate change adaptation,

biodiversity, and environmental protection, including social and environmental safeguarding. Mr. Rashid points out that many issues are part of the broader term green (such as gender equity, human rights to the ethnic minority, and disability issues) but are not perceived as a part of sustainability in Bangladesh. While Green is still costly in general, he cites the possibility of renewable energy becoming cheaper than fossil fuel-based energy in 2028 globally.

Mr. Rashid stressed on confirming immediate investment of the proceeds in a good and green venture about green bonds. In doing so, he thinks improved governance in the financial sector through more transparency and accountability concerning the uses of the funds and the investment outcomes. He strongly advocates the presence of a robust and highly trusted certification authority to determine whether a particular product is a 'green' or just 'climate' product.

Mr. Rashid warns that although Bangladesh often claims to be a less polluting country, it is not the case in reality as the country has a high annual carbon dioxide (CO<sub>2</sub>) emissions level growth rate (4.5%), most of which originates from the power, industrial combustion, building, and transport sectors.

In conclusion, Mr. Rashid thinks the banking sector in Bangladesh is not ready to make the economy and financial system greener. They still prioritize profit only and that renewables are not profitable. Furthermore, he thinks the banking sector needs to scale up its skills and capabilities to implement green financial solutions.

### **Key messages from panelist** **Dr. Madurika Nanayakkara**

Dr. Madurika Nanayakkara, a Senior Lecturer of Finance at the University of Kelaniya, made a conceptual deliberation on green bonds issuance and certification. In her speech, she started spotting 'green washing' as the biggest problem in the global green bond market.

To eradicate or minimize green washing, she suggests a robust government mechanism to offer green certification at a reasonable cost. While investors expect more intervention from the government in a green bond market, Dr. Nanayakkara suggests Bangladesh introduce regulations conforming to international benchmarks, particularly in harmony with countries like India or China, to develop a functional green bond market.

In addition to the credibility-related problem, Dr. Nanayakkara mentions the lack of awareness about green bonds as another significant problem globally, particularly in emerging markets. She stressed that in the global green bond market, the participation of emerging Asian economies, except China and India, is meager, for which a lack of education and awareness is perhaps the most responsible factor. Therefore, Dr. Nanayakkara suggests Bangladesh should consider raising education and awareness levels in the market as a starting point for introducing a green bond market.

As other challenges, Dr. Nanayakkara identifies appropriately assessing the potential issuers' business profiles as a challenge before allowing a green bond to be issued in the market, and Bangladesh should take lessons from it. Furthermore, she advocates that large issuers with strong credit ratings should be particularly encouraged to ensure the participation of good quality companies.

Further to the global challenges, Dr. Nanayakkara suggested carefully considering the country-specific contexts; for example, clarification about the eligibility of green projects based on national standards could facilitate the issuers better to avail of tax exemptions, subsidies, or other relevant benefits from the Government of Bangladesh. Furthermore, the national Climate Action Plan should also be considered when developing the regulatory framework for issuing green bonds in Bangladesh. In conclusion, she hoped to see a vibrant green bond market in Bangladesh very soon.

## Key messages from the Session Chair

### Professor Dr. Mahfuzul Hoque

Following the panel discussants deliberation, Professor Dr. Mahfuzul Hoque raised some critical issues for Bangladesh's journey towards sustainable development. One of them is the consideration of the ESG factors decision-making process of financial market stakeholders. Dr. Hoque strongly recommended introducing an ESG related index, which can inform all stakeholders, including the regulators, policy-makers, financial institutions, market intermediaries, issuers, and investors.

While it is appreciable that Bangladesh is eyeing to introduce green bonds very soon, Dr. Hoque stressed considering the country's local context carefully and thoroughly. Dr. Hoque appreciated the green bond issuance model presented in the keynote by Ms. Provaty. However, he advised three important issues: first, the proposed model needs to be verified by the regulatory body in Bangladesh; second, good governance is necessary for not only green financing but also any other forms of financing; and third, the mindset of companies, businesses and consumers regarding green finance must be made positive.

In conclusion, Dr. Hoque thanked the keynote presenter and all the panelists for a very interactive and practical session.

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#### 4.5 Key messages from Panel Session 5

Day	2	Panel Session	5	Agenda	Sustainability consideration and financial institutions' risk-return Trade-off: Lessons for Bangladesh
Date	07.04.2021	Presentation Title	(I) A primer on the sustainability implications for risk and return of financial institutions <i>by Dr. Suborna Barua</i> (II) Sustainability consideration and financial institutions' risk-return trade-off: Lessons for Bangladesh <i>by Dr. Afifa Raihana</i>		
Keynote speakers	<b>Dr. Suborna Barua</b> Associate Professor University of Dhaka; Research Fellow (part-time) BICM		<b>Dr. Afifa Raihana</b> Senior Environmental Specialist International Finance Corporation		<b>Chair</b> <b>Professor Dr. Firdousi Naher</b> Department of Economics University of Dhaka
Panelists	<b>Professor Dr. Moorad Choudhry</b> Independent Non-Executive Director Recognise Bank, UK		<b>Mr. Sergio Henrique Colloco de Carvalho</b> Head of Sustainability Planet First Partners, UK		<b>Mr. Ashik Chowdhury, CFA</b> Country Lead Sustainable Finance HSBC Bangladesh

#### Key messages from keynote presentation - I Dr. Suborna Barua

Dr. Suborna Barua made a keynote presentation on the conceptual perspective of risk and return implications when financial institutions consider sustainability into their business models. Dr. Barua, in his keynote, urged that financial institutions need to consider the long-term approach seriously, i.e., that benefits them financially and helps society achieve sustainability. His presentation highlighted that financial institutions normally face a wide range of risks, unlike other businesses, and ignoring sustainability concerns adds to their risk portfolio. Dr. Barua elaborated that environmental risk ultimately intensifies the financial institution's traditional risks, including credit risk, market risk, liquidity risk, reputational risk, asset risk, liability risk, and legal risk. He explained with examples that banks fail to consider environmental risks during lending and investments could increase the likelihood

of credit default, lower valuation and liquidity of collaterals, a lower market value of marketable assets, reputational damage, and higher regulatory fines, penalties, and third-party liabilities. Dr. Barua cited some examples, such as regulatory fines, severe violation or production shocks due to environmental and climate shocks may lead borrowers to default; climate-induced damages might reduce the value of collateralized properties; media publicity about providing support to borrowers who continuously damage the environment could damage the reputation of banks, and often banks could be subject to hefty regulatory fines or penalties for self-damage to the environment through its activities or assets or in the form of third party liabilities when their borrowers harm the environment.

For reducing environmental risk, Dr. Barua strongly advocated banks reward environmentally sustainable projects and ensure strict environmental compliance. Referring to the increasing global awareness, Dr. Barua

highlights many investors tend to divest from publicly listed companies that damage the environment and/or remain reluctant to mitigate their impacts, reducing their market liquidity and value, which eventually reduces firm valuation. Citing some recent empirical evidence, Dr. Barua highlighted that there is a positive association between ESG compliance and long-term returns in the market. He added that referring to global awareness and initiatives, more financial institutions realize their responsibility and the need to protect the planet and people alongside profit. Dr. Barua concluded his presentation by stressing the need for Bangladeshi financial institutions to learn from the global developments and strive for a wholesome transformation.

## Key messages from keynote presentation - II

### Dr. Afifa Raihana

Following the conceptual deliberation of Dr. Barua, Dr. Afifa Raihana elaborated on the practical aspects based on her long-standing experience of working with governments and financial institutions concerning ESG issues. Based on her experience, Dr. Raihana warned that businesses do not care for the environment, which perhaps is not the right mindset as there is a pure business case for banks to care about sustainability. Dr. Raihana thinks Bangladesh has many strict laws and regulations but substantially lacks in implementation and enforcement of them in making businesses more responsible.

Dr. Raihana elaborated that climate change can weaken the financial performance of loans and/or equity due to disruptions in demand and supply in the output market, lower productivity and safety of human capital, increases in capital expenditure, operational cost, depreciation, and insurance costs, and deterioration of country risk. As Dr. Raihana suggests, while financing, banks should consider a lack in environmental and social risk management, considering all social risk

issues like minimum wage, labor rights, human rights, child labor, and workplace safety, etc. Strict enforcement of relevant laws can ensure the compliance of businesses and financial institutions to relevant environmental and social due diligence. A major barrier for banks in checking for environmental and social compliance, according to Dr. Raihana, is the lack of human resources with the right knowledge and skills. She particularly commented that most of the relationship managers at banks who primarily deal with managing the lending process at banks lack enough skill and understanding of environmental and social issues.

Dr. Raihana argued that stronger ESG performance is likely to prevent or lead to a slower decline in firm values during market downturns due to lower incidence of controversies, greater customer loyalty, higher employee satisfaction and retention, and more conservative financial planning. Considering this, she advocates banks to strengthen ESG Risk Management policies and procedures to protect their clients' values from market adversities.

In conclusion, Dr. Raihana urges financial institutions to understand the business case of greater sustainability considerations, including environmental and social, and transform their business models for a sustainable future.

## Key messages from panelist

### Professor Dr. Moorad Choudhry

Dr. Choudhry, an esteemed scholar and professional in banking, shed light on his real-life experience of leading several global banks. Dr. Choudhry pointed out that not every country has a regulatory requirement for banks to monitor and assess environmental risks but hoped in due course; every country would start to do so with a common ground like the Basel type guidelines. In many developed countries, he highlighted, banks need to demonstrate compliance with laws and policies on

climate risk and environmental risk.

While there are so many calls for stopping financing to environmentally damaging industries or projects, Dr. Choudhry questioned – should a bank stop financing a customer who is in the business of petroleum refining or in coal mine business because fossil fuels are bad for the environment while indeed the company creating jobs to the society? Or should the bank ask the customer to prove that its climate risk and environmental sustainability considerations in its business practices align with the bank's policies to access the financing?

As a result, while criticizing too much, Dr. Choudhry advocated that the world needs to be mindful during the implementation of sustainable finance guidelines that corporate customers are part of the communities too. They employ people, produce value to their shareholders, and deliver output demanded by the society. Customers in society also need a space to decide, according to Dr. Choudhry.

### Key messages from panelist

#### Mr. Sergio Henrique Collaco de Carvalho

Mr. Sergio Henrique Collaco de Carvalho stressed having a noble regulatory environment for sustainable financing based on his experience of working with the Brazilian government's Ministry of Environment.

According to Sergio, a noble regulatory environment should be put in place that clarifies the financial marketplace that there are natural or social capital risks and that we have much more contribution to deliver for achieving sustainability in a true sense. Sergio pointed out that the global green financing market currently suffers from a serious risk of stakeholders not delivering to the society as originally promised to be a part of the green space. He further explained that there is a new risk factor in green finance that often a company labeled as 'green' cannot deliver their promise to society. Sergio thinks the bigger

problem is not that they are noncompliant but that they are not doing enough in terms of their responsibility to society.

### Key messages from panelist

#### Mr. Ashik Chowdhury CFA

Mr. Ashik Chowdhury offered some practical insights being a representative one of the world's largest banks. Mr. Chowdhury believes financial institutions need to think about stakeholders, shareholders, customers, and communities rather than only thinking about their shareholders' value maximization. He explained further that there needs to be a demand-drive for sustainability from the society and customer end and financial institutions, which will force financial institutions to align towards sustainable practices.

Mr. Chowdhury gave an example; if the customers want the bank to invest in environmentally friendly projects, they will automatically follow it. Mr. Chowdhury stresses two particular aspects of sustainability in the context of the Bangladesh financial market: first, awareness among the stakeholders, and second, fostering a culture among the financial institutions of integrity, transparency, and compassion about everything around them. Mr. Chowdhury finishes his deliberation by urging to create awareness among all levels of society so that a robust market drive emerges prioritizing sustainability concerns, forcing financial institutions to transform their business models.

### Key messages from the Session Chair

#### Professor Dr. Firdousi Naher

Following the deliberation of all panelists, Dr. Firdousi Naher, a Professor of Economics at the University of Dhaka, identified some of the critical issues raised in the panel discussion and added some more from the view of an economics expert. Dr. Naher referred to the fact that investors are now

increasingly giving importance to real-world sustainability solutions and that the pandemic situation has validated the fact that sustainability does not come at cost instead, it is costly if you are not sustainable.

Dr. Naher highlighted that although Bangladesh Bank has been a global pioneer in introducing frameworks for sustainable banking, there are certain hurdles that the country needs to overcome to develop a robust and resilient financial system that will form a backbone of a healthy and dynamic economy. Referring to the discussion about green bonds, Dr. Naher considers green bonds as typically high-risk bonds financing projects that are predominantly driven by innovation and new technology that often carry greater uncertainty. According to Dr. Naher, financing these projects is unlikely or difficult for banks as they tend to be risk-averse, resulting in underutilized funds available with banks.

Dr. Naher considers that Bangladesh's environment is not conducive enough for risk-taking. There is a

need for diversification of the financing portfolio of green projects in the country. She explained that one way to do that is equity financing at the formative stage of green projects and then engaging banks and other financial institutions at an advanced stage when a project can prove its business sustainability. Dr. Naher also suggested relying primarily on green bonds and blue bonds for financing the growing number of large government projects as Bangladesh sails to become a middle-income country. She highlighted that investors who will fund risky projects need to be appropriately incentivized and protected to develop a successful market for green or blue bonds. Overall, with respect to developing a sustainability-printed financial market, Dr. Naher stressed that regulators play a pro-active role in this regard with a participatory approach.

In conclusion, Dr. Naher thanked the keynote speakers and all the panelists for an engaging session and hoped that the discussion would put forward lessons for Bangladesh to achieve a sustainable future.

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**Dr. Naher highlighted that although Bangladesh Bank has been a global pioneer in introducing frameworks for sustainable banking, there are certain hurdles that the country needs to overcome to develop a robust and resilient financial system that will form a backbone of a healthy and dynamic economy.**

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## 5 Key messages from the Closing Session

Day	2	Session	Closing	Date	07-04-2021
Agenda	Redesigning the financial architecture of Bangladesh: An action plan				
Presentation titles	(I) Greening the financial markets in Bangladesh: Ways forward by <b>Professor Dr. Mahmuda Akter</b> (II) Redesigning the financial architecture of Bangladesh: Some random thoughts. Ways forward by <b>Mr. Wajid Hasan Shah</b>				
Keynote speaker	<b>Professor Dr. Mahmuda Akter</b> Executive President, BICM				
	<b>Mr. Wajid Hasan Shah</b> Director (Studies), BICM				
Chief Guest	<b>Professor Dr. Shaikh Shamsuddin Ahmed</b> Commissioner, Bangladesh Securities and Exchange Commission				
Special Guests	<b>H.E. Robert Chatterton Dickson</b> (Video Speech, as the host of COP26) Honorable UK High Commissioner to Bangladesh				
	<b>Mr. Sean Kidney</b> Co-founder and CEO, Climate Bonds Initiative				
	<b>Mr. Ricco Zhang</b> Senior Director, Asia Pacific, International Capital Market Association				
	<b>Mr. Shirajun Noor Chowdhury</b> Joint Secretary, Ministry of Finance, Government of Bangladesh				
Chair	<b>Dr. Suborna Barua</b> Associate Professor, University of Dhaka; Research Fellow (part-time), BICM				

The conference's closing session started with a keynote presentation by Professor Dr. Mahmuda Akter and Mr. Wajid Hasan Shah, followed by deliberation from the special guests and the chief guest. The keynote presentations of the closing session are available at <http://bicm.bd/icsfi-2021>. Photographs of the session are available in Annex IV of this report.

### Key messages from keynote presentation - I **Professor Dr. Mahmuda Akter**

The BICM Executive President, Professor Dr. Mahmuda Akter, welcomed everyone in the last session of this conference and commenced her presentation. Dr. Akter started her talk referring to the sustainability threats for Bangladesh and cited global warming and environmental degradation as the two most significant

barriers to sustainable development.

Dr. Akter pointed out that the risk for financial institutions related to finance and investment can be classified into six categories - physical, secondary, policy, liability, traditional and reputational. She mentioned that several variables are acting as threats to the sustainability of Bangladesh, such as climate change, environmental degradation, natural resource

inefficiency, grey energy, irresponsible production and consumption, linear economy, public shortsightedness, and focus on profit over planet and people. Hence, the role of the private sector comes into question to deal with these issues.

Dr. Akter argued that the private sector is a key to any economy's development. Producers, intermediaries/traders, and consumers are the three components of the private sector. They are responsible for economic growth, accountable and sustainable production, consumption, and intermediation of goods and resources. With respect to sustainability, Dr. Akter considers that private sector finance is a key to mobilizing the necessary funds for sustainable development goals.

Dr. Akter highlighted that financial intermediaries are an inseparably critical part of the financial industry. They mobilize funds from surplus to deficit sectors and facilitate day-to-day financial transfers, payments, and transactions. She added that financial intermediaries can play a crucial role in sustainability since they can reach the mass, influence daily lives, capitalize on people's trust, and utilize economies of scale. Dr. Akter strongly urged engaging the formal financial sectors to mobilize sustainable finance necessary for Bangladesh. Referring to Bangladesh Bank data, the total volume of green financing by banks and NBFIs keeps rising from 2016 to 2020 in Bangladesh; however, it remains insignificant compared to the need for sustainable finance in Bangladesh. Dr. Akter referred to different estimates that USD 26.5 billion will be needed between 2011 and 2030 for Bangladesh to meet its conditional targets in several sectors. She also said that Green Banking practices heavily dominate Bangladesh's sustainable financing, and the capital market has been historically overlooked. Dr. Akter called for a wholehearted effort to utilize the capital effectively for mobilizing sustainable finance, including green and climate finance. She added that the capital market can be a source of massive financing since it can mobilize

much larger funds compared to banks or other financial institutions.

In elaborating on engaging the formal financial system more in sustainable financing and investment, Dr. Akter called for innovations at four levels, i.e., products, services, processes, and policies and regulations. She suggested that if financial institutions in developing countries like Bangladesh can be appropriately linked to the national sustainable development framework, the expanding funding gap could be substantially narrowed. She urged financial institutions and markets to play a proactive role to ensure a sustainable future for Bangladesh. At the same time, Dr. Akter called for regulators to upgrade the existing financial regulations by incorporating sustainability considerations to facilitate the transformation.

Referring to different projections, Dr. Akter highlighted that Bangladesh is marching to be a middle-income country by 2024 and is expected to be a global economic driver by 2050. Dr. Akter strongly urges considering green growth instead of grey growth, as our actions today would have a significant and long-term impact on our future generations.

At the final part of her presentation, she put forward some policy recommendations that Bangladesh Bank should address for greening the financial sector, including the following:

- i. Official Sustainable/Green Banking Index for monitoring and supervision
- ii. Lower reserve/provisioning requirements for sustainable banks so that they can offer more sustainable deposits and loans besides Bangladesh Bank's 's priority sectors
- iii. Sustainable Blended Finance for Private-Public Partnership projects (commercial and DFI tranches for sustainable projects)

Dr. Akter outlined some policy issues that can be considered explicitly by the Bangladesh Security Exchange and Commission to make the capital market

functional, which includes the following:

- i. Introducing Green, Climate and/or Sustainability bonds and offering relevant tax waiver for issuers and investors
- ii. Ecological bond to invest in the ecologically critical areas (ECAs) for income-generating opportunities for the locals while protecting the environment and the environmental resources
- iii. World Bank/MIGA guaranteed bonds/notes for green/blue/cleantech/sustainable production
- iv. Environmental, Social and Governance rating and ranking for all publicly listed companies and financial institutions and encouraging institutional impact investing
- v. Government infrastructure and development projects financed by sustainable/green bonds/debentures (e.g., Municipal Bond or Padma Bond)
- vi. Bangladesh can utilize sustainable finance principles via green bonds, investment Sukuk, and Islamic green financial products in conjunction with the RMG and SME sectors.
- vii. The capital market should develop its own rules and principles for listing, which will facilitate green projects and green companies

Dr. Akter presented some other policy issues that the other relevant stakeholders could address, for example:

- i. Waste management should be emphasized, and strict regulations should be enforced to ensure it
- ii. Planned energy consumption is a must for overall development, and we should focus more on renewable energy
- iii. Carbon emissions monitoring at an institutional level and B2B carbon trading platform, where a Carbon Trading Commission would grant Carbon limits to producers (e.g., the publicly listed companies), which then can be used for Fiscal incentives like Tax credit
- iv. Introducing heightened environmental regulations for the private sector and foreign investments (e.g., in Economic Zones)

Dr. Akter stressed the need to progress considering that we have our problems, including huge amounts of non-performing loans in our banking system that may challenge our preference for green finance. In the end, she said that our future is not grey; it is green, and the Bangladesh Institute of Capital Market wants to take the lead in helping our policy-makers and regulators in greening our financial market.

## Key messages from keynote presentation - II

### Mr. Wajid Hasan Shah

Mr. Wajid Hasan Shah, Director (Studies) of BICM and the conference's Co-chair, delivered a presentation on 'Redesigning the financial architecture of Bangladesh: Some random thoughts.' In the beginning, he shared the remarkable success stories of Bangladesh very briefly on the occasion of the Golden Jubilee of our Independence and Birth Centenary of the Father of the Nation, i.e., our outstanding achievement in the RMG sector, stable and high economic growth, women's education and empowerment, poverty reduction, industrialization and many more.

However, he said that due to issues like income inequality, unfair distribution in resources, increase in default loans, the COVID-19 pandemic, etc., we need to make sure that the progress we have achieved since independence is not reversed. Unless we keep these disputes in check, we risk compromising on the stated achievements. He emphasised on the issue that Bangladesh needs stability in the financial sector if we want long-term sustainability. He reported that bank's default loan (NPL) is increasing with the statistics of 16 banks having a defaulted loan of more than 10% in 2020, which is not desirable. This scenario is not limited to only public sector banks; private sector banks also have the same problem of partaking in high NPL.

To overcome this problem, we need improvement in the governance area in the financial sector, including the capital market. Mr. Shah mentioned that the regulator, the Bangladesh Security and Exchange Commission, is working on that and the Bangladesh Institute of Capital

market hopes to help the BSEC in more evidence-based policy-making, as mandated by the Government of Bangladesh.

### Key messages from Special Guest

#### H.E. Robert Chatterton Dickson

H.E. Mr. Robert Chatterton Dickson sent a video message to the conference since he could not join live due to his official visit outside Dhaka. In his video message, the Hon. High Commissioner Mr. Dickson described that sustainable development goals show the inseparability of economic and human development, environmental systems, and climate change. In his opinion, sustainable finance is a key to success, a tool to remove poverty. He urged that the alignment of ODA with the Paris Agreement will help people, businesses, and communities cope with the shocks and stresses of climate change. The High Commissioner highlighted their focus on integrating climate factors, mobilizing for finance, and working with green finance institutes.

H.E. Mr. Dickson referred to the UK's efforts and informed that the UK had pledged at least 11.6 billion pounds to the International Climate Finance over the five years from 2021 to 2025. The funding will focus on four different areas, i.e., nature, clean energy, cities, infrastructure, transportation, and resilience.

He praised Bangladesh for its remarkable progress in reducing vulnerability. However, he marked that the scale of challenges in Bangladesh needs additional resources. The energy trajectory needs to shift, avoiding high carbons. H.E. Mr. Dickson further mentioned that they would like to support Bangladesh in limiting carbon emissions and achieving sustainable development. He concluded by saying that the UK would also like to support the 'greening of debt finances.'

### Key messages from Special Guest

#### Mr. Sean Kidney

Mr. Sean Kidney, CEO of Climate Bonds Initiative, shared from his vast experience about what is required for Bangladesh to shift toward sustainable financing. Referring to the Government of Bangladesh's climate actions, Mr. Kidney mentioned that still the country has

much more to do. According to him, the US, Europe, and China have the most significant responsibilities to act on climate, renewable energy, and green issues.

Mr. Kidney highlighted the plummeting cost of solar and wind energy over the last 20 years, encouraging many countries (e.g., the UAE and Chile) to upgrade from coal-based energy to solar. Citing some examples, he referred to the German Government's decision in 2001 to go for massive procurement of renewable energy to run operations; the Chinese Government did the same in 2006 as the cost is significantly lower than their fossil-fuel-based energy system. Mr. Kidney believes that Bangladesh has great opportunities in the fields like renewable energy. The only challenge is the large primary CAPEX required renewable energy solutions, which can be addressed by green finance.

Mr. Kidney suggested moving towards green finance with the motto - 'I am saving the planet', while regulations need to be proactive and conducive. He highlighted that the global green bond market's size is around 1.1 trillion US Dollars, while the market for sustainable bonds, social bonds, pandemic bonds, and transition bonds together is about 1.6 trillion USD outstanding. He added that despite the rapidity of market growth, investors' demand exceeds market supply. He mentioned as an example that the Italian Green Sovereign bonds were ten times oversubscribed. He pointed out that as green issues got liquidity in certain currency markets (e.g., USD and Euro), green bonds reflect the enthusiasm in interesting ways.

Mr. Kidney suggested three things for Bangladesh - firstly, the 'green' qualifications need to be made easy for all. People also need to understand about resilience investments and the kind of investments; secondly, he said to revisit the agendas and the learning of past shifting issues globally and determine the right directions for priority setting and progress; and finally, he suggested that the green policies and instruments should balance with other 110 countries that are already adopting green securities. In conclusion, Mr. Kidney appreciated the Government of Bangladesh's steps on climate actions and hope for a green transformation soon in Bangladesh.

## Key messages from Special Guest

### Mr. Ricco Zhang

Mr. Ricco Zhang, in his speech, highlighted that due to the pandemic, the focus has currently shifted away from green finance. He expressed his high hopes about sustainability bonds, as they are an excellent instrument to consider transitions for NET ZERO issues. Alongside, Mr. Zhang stressed mobilizing green bonds and green finances in the capital market.

Mr. Zhang also highlighted that banks could play a vital role in popularizing green bonds among investors and SMEs. Financial intermediaries can create confidence among the investors that will help develop a good market for green finance. He also expressed caution that Asia is somewhat behind in sustainable products and struggles with concretely defining the 'sustainable' or 'green' qualifications of securities. Mr. Zhang also observed a lack of interest from the demand side in the developing countries. As a result, he urges the governments to put incentives towards sustainable product development and market creation. In doing so, he encouraged developing countries to follow international standards as the benchmark for sustainable products. He suggested in developing a market for green or sustainable bonds, the demand should be created from the bottom; once the demand is created and regulators are prepared, supply will automatically follow. This way, Mr. Zhang suggests, developing countries like Bangladesh should approach creating a market for sustainable or green financing products.

## Key messages from the Chief Guest

### Professor Dr. Sheikh Shamsuddin Ahmed

As the Chief Guest of the session, Professor Dr. Sheikh Shamsuddin Ahmed, a Commissioner of the Bangladesh Securities and Exchange Commission (BSEC) started with a conceptual deliberation that sustainable development addresses the competition between consumption and nature, and it is like consuming in a manner that helps the sustainability of nature so that the ecosystem remains balanced. He described that the world and the next generation will be in trouble unless, from now, countries follow and take measures towards sustainable growth and development. He prescribed to prioritize nature, not the consumption only, in every decision-making across all sectors.

Dr. Ahmed informed that the BSEC has facilitated an environment where sustainability can be achieved by keeping an eye on policy dimensions and other financial options like bonds, banks, insurance, etc. He stresses that the capital market in Bangladesh can play a vital role in mobilizing green and sustainable financing. He added that BRAC - the world's largest NGO - has already secured and got approval for a bond issuance of BDT 11.5 billion that addresses sustainable development issues. Dr. Ahmed urged everyone to encourage bonds but also asked to emphasize the other tools as well. For Bangladesh, he also expressed his high hope about green bonds, blue bonds, and especially Islamic Shariah-based bonds, such as Sukuk. He emphasized creating a regulatory environment that promotes sustainability. Also, he emphasized that tools for sustainable financing should be digitalized and user-friendly to the common.

Dr. Ahmed suggested BICM introduce short and long training programs on sustainability issues for all capital market stakeholders. He also urged the higher

education institutions to include the sustainable and green development issues in the curriculum at different levels of studies. Overall, Dr. Ahmed emphasized changing stakeholders' mindset towards sustainability, while we need strong social and political support for sustainable development. Finally, he concluded with thanks to the BICM and encouraged the Institute to work more on sustainability issues.

### **Key messages from the Session Chair Dr. Suborna Barua**

The session chair, Dr. Suborna Barua, mentioned that all the sessions were very lively and participatory. He gave thanks to all the speakers for their impactful speeches and hoped that in the next few years, the ideas and learning from this conference would be put into work. In developing a green financial architecture, Dr. Barua expected to get help from friends such as the Climate Bond Initiatives and the International Capital Market Association, which would be an invaluable resource for Bangladesh. He highlighted that the current government is a strong supporter of sustainable development and climate actions. The conference highlighted that Bangladesh has a lot more to do with respect to sustainability. In this regard, BICM is now actively working on sustainable finance and investment-related research, training and consulting services, which will start to create impact very soon. Finally, Dr. Barua closes the session formally with a high hope of having a very active time ahead for BICM.

### **Closing remarks by the BICM Executive President Professor Dr. Mahmuda Akter**

As this was the final session of the two-day conference, the chair invited the Executive President of BICM, Professor Dr. Mahmuda Akter, to deliver her closing speech. Dr. Akter especially thanked all the invited keynote presenters, guests and speakers, and session chairs who joined the conference from across the world in these difficult times of the COVID-19 pandemic. She further expressed her gratitude to the Ministry of Finance, the Government of Bangladesh, and the Bangladesh Securities and Exchange Commission for the relentless and continuous support in organizing this conference. Dr. Akter thanked all BICM staff and external stakeholders who directly and indirectly helped and supported the organization of the ICSFI 2021. She concluded her closing speech expressing her hope to organize the following versions of the conference more efficiently and effectively in the coming years. □

**Referring to different projections, Professor Dr. Mahmuda Akter highlighted that Bangladesh is marching to be a middle-income country by 2024 and is expected to be a global economic driver by 2050. Dr. Akter strongly urges considering green growth instead of grey growth, as our actions today would have a significant and long-term impact on our future generations.**

In line with the aim of the ICSFI 2021, BICM identified several key takeaways and policy recommendations that should be noted and addressed by the financial sector stakeholders to mobilize sustainable finance and investment in Bangladesh. In the following sections, main messages from the conference to note by the stakeholders are outlined first. Then a set of policy recommendations are presented for the financial sector regulators in Bangladesh.

### 5.1 Main messages to note from the conference

1

#### Climate change vulnerability necessitates sustainable finance to be incentivized

It is well-known that Bangladesh is highly exposed to climate change, which necessitates action on two fronts: (i) climate impact mitigation and adaptation and (ii) minimizing environmental degradation now to slow down adverse climate change.

Both actions require a huge amount of sustainable finance and investment. In addition to financing, incentives should be provided to projects with positive externalities to the environment, such as renewable energy generation, sustainable transports, and green technology. Such projects have to be provided with easy and low-cost access to sustainable and green financing with a common-goods perspective, which protects people, the planet, and profit. To start, Bangladesh should focus on creating such low-cost and

easily accessible sustainable finance for its expanding economic activities, such as the massive level of infrastructure it is mobilizing currently and the diversifying manufacturing base of the country.

2

#### The meaning of Green should be clear and specific

To promote sustainable and environment-friendly projects, the first task is to categorically define what we mean by the term 'Green' when we assign to a project's nature. Without being able to differentiate green and non-green projects based on set criteria and rules, we cannot effectively promote financing for the 'real' green projects, and thus, green financing will never take its right path. While green projects should get priority over non-green projects, 'green washing' is a key challenge globally, i.e., some projects may imitate to be green projects, which in reality are not

'truly' green. Only robust standards with measurable definitions and rules can minimize the problems of greenwashing. Bangladesh should have clarity about these issues from the very beginning to avoid any complexities in the future.

### 3 Change of mindset and capacity building is pivotal

The knowledge, awareness, and understanding about the concepts and operational meaning of the terms still remain 'sustainable' and 'green' limited among the mass (including customers, producers, and intermediaries in the real and financial sectors). The problem is acute, particularly in the financial sector as most financial sector stakeholders, particularly in developing countries like Bangladesh, lack understanding about what a 'sustainable' or 'green' project is. Massive capacity-building initiatives are needed for the financial sector stakeholders in countries like Bangladesh to improve awareness and knowledge about sustainability, particularly about sustainable finance and investment. Such capacity building should cover not only the conceptualization of the terms but also methodological issues thoroughly. While continued learning options such as training, workshops, and academic degree programs could be effective for capacity building, incorporating sustainability and sustainable finance and investment into the academic curriculum of degree programs could significantly help change the mindset of the current and future generations.

### 4 The world is changing, and Bangladesh should too

The mindset and priority of sustainability at the government, firm and individual levels has gained significant momentum across countries globally, mainly

due to the pressure of achieving the sustainable development goals (SDGs) and the increasingly visible climate change impacts. Faced with a significant funding gap to face the twin realities, both the private and public sectors across many countries, particularly in Europe, have significantly embraced sustainable and green finance and investment. A rapidly growing market for sustainable funds is already noticeable, such as through the global climate and green bonds markets. Furthermore, regulatory systems across many developed and developing countries are moving and getting more grounded to facilitate such funds and investments. To reduce carbon footprints, reporting patterns for firms are changing rapidly, and regulators encourage organizations to report the nature-related implications of their projects and activities. In the investment end, both large institutional investors are increasingly committing to decarbonize the client portfolios. In this new reality, Bangladesh cannot stand still and embrace grey growth. Bangladesh is one of the fastest-growing economies in the world, and green growth must be pursued to create a sustainable future for the country.

### 5 Economic, technological, and financial innovations should go hand in hand

Economic and technological innovation is necessary to produce sustainable solutions in the real economy. On the other hand, financial innovation is essential to fund the economic and technological innovations that drive sustainability. For example, renewable energy technologies require a heavy upfront investment, which can be financed by innovative financial instruments such as green bonds or renewables bonds. Given the state of economic development, this is the right moment for Bangladesh to focus more on generalizing renewable energy. Investments could be mobilized through innovative instruments like green bonds. Further innovation could significantly help Bangladesh

in overcoming environmental threats and public finance shortage. For example, sustainability bonds could finance the large-scale public sector infrastructure projects that support any of the SDGs. Sundarbans Green Bonds could be launched in the capital market to raise large funds that can be invested to protect the Sundarbans' ecology while creating income-generating opportunities for the locals. These innovative instruments can be modified to generate cash flow streams from which bondholders would be repaid. Yet, as another innovative sustainable finance mechanism, carbon finance could be an attractive option for Bangladesh like Nepal and Cambodia.

#### 6 Governance and transparency is vital

Transparency is paramount in facilitating sustainable finance and investment. Credible reporting by firms on the use of proceeds and expected environmental impacts of projects and activities is critical to maintaining the integrity of the sustainable or green bond markets. This is because the reporting ultimately reflects firms' sustainability and environmental performance using the proceeds from the green or sustainable bonds. Furthermore, such reporting reduces ambiguity, increases investor confidence, and stimulates the overall growth of the green finance sector. Bangladesh needs to ensure that firms raising green funds maintain the highest level of transparency and governance in using the funds. Not only should the users of funds, financial institutions also should fairly and adequately report their financing practices thoroughly, which is critical to building confidence among the public about the sustainable finance sector. Furthermore, green certification and evaluation processes should be fair and transparent at a reasonable cost in green financing and investment mechanisms. The government can create an example of

a high level of governance and transparency by utilizing the national-level funds such as the 'Climate Change Fund' properly and reporting to the public in due course.

#### 7 Monitoring and evaluation through regular rating and ranking

Green financing by financial institutions and investments by firms should be carefully monitored and evaluated regularly. To do so, nationally adopted ranking and ratings inconsistency with global benchmarks can be introduced. For example, at this stage, Bangladesh may launch a sustainability ranking to evaluate and rank banks and other financial intuitions based on their performance in promoting green finance and environmental protection. Similarly, an Environmental, Social, and Governance (ESG) ranking could be introduced to monitor and evaluate the firm-level sustainability performance of users of funds. While these rankings must be following global practices and benchmarks, they must be nationally adopted and considered while offering incentives and policy support to financial institutions and firms.

#### 8 Aligning with national plans and goals

Sustainable finance and investment initiatives and innovation must be aligned with national plans and goals to have the most impact. The global cases, particularly in Europe, suggest that developing a market for sustainable finance and investment has to be an integral part of the government's main economic plans and programs. While Bangladesh starts facilitating sustainable financial products, they must be connected and aligned with the economic projects and activities included in long-term economic plans, such as the Five-Year Plan, the Delta Plan, and the

Perspective Plan. In addition, the efforts in Bangladesh should be in line with the national climate action plan and the strategies and plans for the SDGs.

### 9 Supporting financial institutions and investments in trading-off risk and return

Since sustainable and green projects are often innovation-driven, they carry higher risks. As a result, financiers and investors supplying green or sustainable finance have to take greater risk for these projects. In many cases, returns are ambiguous and only visible over a longer period. These characteristics of sustainable investments often make them less attractive. Also, there is a new risk factor in green finance. Many companies accessing green funds cannot deliver their promise effectively, either intentionally or due to the usual uncertainties involved. Regulators need to play a pro-active role and develop innovative mechanisms, including fiscal and monetary policy incentives, which support and facilitate a better risk-return trade-off for sustainable investment opportunities. Being at the take-off point of the sustainable finance and investment regime, now is the right moment for Bangladesh to design and implement such mechanisms.

### 10 Adopting a wholesome approach

Launching sustainable or green financing instruments alone cannot change the future, as it is only one part of the story. A wholesome effort is necessary to set up a culture of sustainable finance and investment, including capacity building of banks and financial institutions, developing bond and equity markets, establishing a well-coordinated policy oversight body, mainstreaming green finance among the investors, and creating a mindset of valuing and prioritizing sustainability across

the board in the society. A wholesome approach can help Bangladesh promote green financing and achieve truly sustainable development. A cultural shift is necessary where we all realize our responsibility and the need to protect the planet and people alongside profit through a wholesome transformation of society.

## 5.2 Specific policy recommendations for the financial sector policymakers and regulators

### 1 Policy recommendations for Bangladesh Bank and the Ministry of Finance, GOB

- > Official Sustainable/Green Banking/Financing Index for monitoring and supervision of sustainable financing and environmental performance of banks financial institutions
- > Introducing heightened environmental and carbon regulations for private investments, including foreign direct investments (e.g., in Economic Zones)
- > Lower reserve/provisioning requirements for sustainable/responsible banks so that they are motivated to offer more sustainable financial products
- > Introducing Sustainable Blended Finance for Private-Public Partnership projects in cooperation with the relevant Ministries
- > Monitoring carbon emissions at the firm level and introducing a B2B carbon trading platform, where a Carbon Trading Commission would grant Carbon limits to producers (e.g., the publicly listed companies), can be used Fiscal incentives like Tax credit.

2

### **Policy recommendations for the Bangladesh Securities and Exchange Commission**

- Introducing Green, Climate or Sustainability bonds and offering relevant tax waivers and other fiscal incentives for both issuers and investors
- Introducing Environmental, Social and Governance rating and ranking for all publicly listed companies at the start and extending it for other non-listed firms
- Facilitating institutional impact investing through encouraging institutional investors and intermediaries such as commercial bank, merchant banks, asset management companies, hedge funds, and venture capitalists
- Introducing World Bank/MIGA guaranteed bonds/notes for green/blue/cleantech/sustainable technologies and production

- Financing government infrastructure and development projects that contribute or relate to any of the SDGs by sustainable/green bonds/debentures (e.g., Municipal Sustainable Bond for City Corporation utility projects or Padma Bond to finance Padma bridge and associated construction)
- Ecological bonds could be introduced to invest in the ecologically critical areas (ECAs) to create income-generating opportunities for the locals while protecting the quality of the environmental and ecological resources in those areas. □

**Monitoring carbon emissions at the firm level and introducing a B2B carbon trading platform, where a Carbon Trading Commission would grant Carbon limits to producers (e.g., the publicly listed companies), can be used Fiscal incentives like Tax credit.**

**Ecological bonds could be introduced to invest in the ecologically critical areas (ECAs) to create income-generating opportunities for the locals while protecting the quality of the environmental and ecological resources in those areas.**

## ANNEX I INDEX OF SPEAKERS AND PANELISTS

### Presenters, Speakers and Session Chairs

#### Keynote Presenters

**Dr. Christophe Faugere**

Professor of Finance and Economics, and Director, SEEFAR (Shift for Ecology, Economics, Finance and Accounting Research) Center, Kedge Business School

**Mr. Ben McEwen**

Climate Change Investment Analyst at Sarasin & Partners LLP, UK

**Dr. Mahmuda Akter**

Professor, Department of Accounting & Information Systems, University of Dhaka and Executive President Bangladesh Institute of Capital Market

**Dr. Afifa Raihana**

Senior Environmental Specialist, Environment, Social and Governance Department International Finance Corporation

**Mr. Wajid Hasan Shah**

Director (Studies) Bangladesh Institute of Capital Market

**Dr. Suborna Barua**

Associate Professor of Finance, University of Dhaka and Research Fellow (part-time) Bangladesh Institute of Capital Market

**Mr. Sifullah Khaled**

Doctoral Candidate, Glasgow Caledonian University and Assistant Professor Bangladesh Institute of Capital Market

**Ms. Sagira Sultana Provaty**

Lecturer, Bangladesh Institute of Capital Market

#### Invited Speakers

**H.E. Robert Chatterton Dickson**

Honorable British High Commissioner to Bangladesh

**Professor Shibli Rubayat-Ul Islam**

Chairman Bangladesh Securities and Exchange Commission

**Dr. Atiur Rahman**

Bangabandhu Chair Professor, University of Dhaka; Honorary Professor, Department of Development Studies, University of Dhaka Former Governor, Bangladesh Bank

**Mr. Mafiz Uddin Ahmed**

Additional Secretary, Financial Institutions Division, Ministry of Finance, Government of Bangladesh

**Mr. Shirajun Noor Chowdhury**

Joint Secretary, Finance Division Ministry of Finance, Government of Bangladesh

**Dr. Nahid Hossain**

Joint Secretary, Financial Institutions Division Ministry of Finance, Government of Bangladesh

**Mr. Sean Kidney**

Co-founder and CEO, Climate Bonds Initiative

**Mr. Frank Rijsberman PhD**

Director General, Global Green Growth Institute

**Mr. Ricco Zhang**

Senior Director, Asia Pacific, International Capital Market Association

**Professor Dr. Moorad Choudhry**

Independent Non-Executive Director Recognise Bank, the UK

**Professor Dr. Saleemul Huq**

Director, International Centre for Climate Change and Development (ICCCAD)  
and a Lead Author of IPCC Climate Report

**Mr. Lasse Ringius**

Director and Head of Green Investment Services,  
Global Green Growth Institute

**Dr. Galina Alova**

DPhil Candidate, University of Oxford  
and Former Economist, OECD

**Mr. Fenella Auane**

Deputy Director and Head of Carbon Pricing Global Practice, Global Green Growth Institute

**Dr. Sisira Colombage**

Associate Professor of Finance  
Federation University Australia

**Dr. Micol Alexandria Chiesa**

Consultant, Bain & Company, Italy and Lecturer in Circular Economy, University of Oxford

**Mr. Sergio Henrique Collaco de Carvalho**

Head of Sustainability, Planet First Partners

**Professor Dr. Muhammad Abdul Moyeen**

Dean, Faculty of Business Studies, University of Dhaka

**Professor Dr. Mahmuda Akter**

Executive President  
Bangladesh Institute of Capital Market

**Professor Dr. Mizan R. Khan**

Deputy Director, ICCCAD and Programme Director,  
LUCCC

**Mr. A.K.M. Mamunur Rashid**

Climate Change Specialist  
United Nations Development Programme, Bangladesh

**Mr. Khondkar Morshed Millat**

General Manager, Sustainable Finance Department  
Bangladesh Bank

**Dr. Madurika Nanayakkara**

Senior Lecturer  
Commerce and Management, University of Kelaniya

**Mr. Ashik Chowdhury CFA**

SVP, Structured Banking and Country Sustainable Finance Lead, HSBC Bangladesh.

### Session Chairs

**Dr. Sadiqul Islam**

Professor, Department of Finance  
University of Dhaka

**Dr. Mahfuzul Hoque**

Professor, Department of Accounting & Information Systems, University of Dhaka

**Dr. Firdousi Naher**

Professor, Department of Economics  
University of Dhaka

**Professor Dr. Toufiq Ahmed Chowdhury**

Director General  
Bangladesh Academy for Securities Markets

**Dr. Melita Mehjabeen**

Associate Professor  
Institute of Business Administration  
University of Dhaka

**Dr. Suborna Barua**

Associate Professor  
Department of International Business  
University of Dhaka

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## ANNEX II CONFERENCE COMMITTEE

### Core Committee

<b>Professor Dr. Mahmuda Akter</b> Executive President, BICM	<b>Chair</b>
<b>Mr. Wajid Hasan Shah</b> Director (Studies), BICM	<b>Co-Chair</b>
<b>Dr. Suborna Barua</b> Associate Professor, University of Dhaka and Research Fellow (part-time), BICM	<b>Secretary</b>
<b>Dr. Nitai Chandra Debnath</b> Professor, BICM	<b>Member</b>
<b>Mr. Asif Imran</b> Deputy Registrar, BICM	<b>Member</b>
<b>Ms. Liana Anwar</b> Assistant Professor, BICM	<b>Member</b>

### Sub Committee

<b>Mr. A S M Sayem</b> Company Secretary, BICM	<b>Member</b>
<b>Ms. Khaleda Jasmin</b> Public Relations Officer, BICM	<b>Member</b>
<b>Mr. Uday Shuvo Rahman</b> Assistant System Administrator, BICM	<b>Member</b>
<b>Mr. Mojibur Rahman</b> Personal Officer, BICM	<b>Member</b>
<b>Mr. Md. Ziaur Rahman</b> Office Assistant cum Computer Operator, BICM	<b>Member</b>

## ANNEX III ADDITIONAL CONFERENCE INFORMATION

### Conference Platform and Telecast

All sessions of ICSFI 2021 took place virtually on Zoom platform and were live telecast on social media through the BICM Facebook Page <https://www.facebook.com/bicm.ac.bd/>

### Journal Partner

Presenters in the conference have the opportunity to publish their papers in the Journal of Financial Markets and Governance published by BICM. The conference committee will communicate further with the presenters for submitting the final papers after the conference.

### Cited References

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### Conference resources

This report, the keynote presentations, and other conference details and resources are freely available at [www.bicm.ac.bd](http://www.bicm.ac.bd)

### Contact

If you have any queries, suggestions or concerns about this report, please contact at the following address:

#### Secretary

International Conference on Sustainable Finance and Investment 2021  
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## ANNEX IV PHOTO GALLERY

### Invited Speakers



**H. E. Robert Chatterton Dickson**  
Honorable  
British High Commissioner  
to Bangladesh



**Professor Shibli Rubayat-Ul Islam**  
Chairman  
Bangladesh Securities and  
Exchange Commission (BSEC)



**Dr. Atiur Rahman**  
Former Governor  
Bangladesh Bank



**Sean Kidney**  
Co-Founder and CEO  
Climate Bonds Initiative



**Frank Rijsberman PhD**  
Director General  
Global Green Growth Institute



**Mafiz Uddin Ahmed**  
Additional Secretary  
Financial Institutions Division  
Ministry of Finance  
Government of Bangladesh



**Dr. Muhammad Abdul Moyeen**  
Dean  
Faculty of Business Studies  
University of Dhaka



**Shirajun Noor Chowdhury**  
Joint Secretary  
Financial Institutions Division  
Ministry of Finance  
Government of Bangladesh



**Dr. Nahid Hossain**  
Joint Secretary  
Financial Institutions Division  
Ministry of Finance  
Government of Bangladesh



**Ricco Zhang**  
Senior Director  
Asia Pacific  
International Capita  
Market Association



**Lasse Ringius**  
Director and Head of  
Green Investment Services  
Global Green Growth Institute



**Professor Dr. Moorad Choudhry**  
Independent  
Non-Executive Director  
Recognise Bank, the UK



**Galina Alova**  
DPhil Candidate  
University of Oxford and  
Former Economist, OECD



**Khondkar Morshed Millat**  
General Manager  
Sustainable Finance Department  
Bangladesh Bank



**Dr. Saleemul Huq**  
Director  
International Centre for Climate Change  
and Development (ICCCAD)  
and a Lead Author of IPCC Climate Report



**Dr. Sisira Colombage**  
Associate Professor  
Finance and Discipline Head  
Accounting & Finance  
Federation University Australia



**Dr. Micol Alexandria Chiesa**  
Consultant  
Bain & Company  
Italy and Lecturer in Circular Economy  
University of Oxford



**Sergio Henrique Collaco  
de Carvalho**  
Head of Sustainability  
Planet First Partners



**Fenella Aouane**  
Deputy Director and Head of  
Carbon Pricing Global Practice  
Global Green Growth Institute



**Prof. Dr. Mizan R. Khan**  
Deputy Director  
ICCCAD and  
Programme Director  
LUCC



**A.K.M. Mamunur Rashid**  
Climate Change Specialist  
United Nations  
Development Programme  
Bangladesh



**Ashik Chowdhury, CFA**  
Country Sustainable  
Finance Lead  
Wholesale Banking  
HSBC



**Dr. Madurika Nanayakkara**  
Senior Lecturer  
Faculty of  
Commerce and Management Studies  
University of Kelaniya

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## Keynote Presenters

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**Dr. Mahmuda Akter**  
Executive President, BICM  
and Professor  
Department of Accounting &  
Information Systems  
University of Dhaka

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**Dr. Christophe Faugère**  
Professor of Finance and Economics  
and Director  
SeeFar (Shift for Ecology, Economics,  
Finance and Accounting Research) Center,  
Kedge Business School

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**Ben McEwen**  
Climate Change Investment Analyst  
at Sarasin & Partners LLP  
the UK

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**Dr. Afifa Raihana**  
Senior Environmental Specialist  
International Finance Corporation  
the World Bank Group

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**Wajid Hasan Shah**  
Director (Studies)  
Bangladesh Institute  
of Capital Market

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**Dr. Suborna Barua**  
Associate Professor of Finance  
University of Dhaka  
and Research Fellow (part-time)  
Bangladesh Institute of Capital Market

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**Sifullah Khaleed**  
Doctoral Candidate  
Glasgow Caledonian University  
and Assistant Professor  
Bangladesh Institute of Capital Market

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**Sagira Sultana Provaty**  
Lecturer  
Bangladesh Institut  
of Capital Market

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## Session Chairs

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**Dr. M Sadiqul Islam**  
Professor  
Department of Finance  
University of Dhaka



**Dr. Mahfuzul Huq**  
Professor,  
Department of Accounting &  
Information Systems  
University of Dhaka



**Dr. Firdouse Naher**  
Professor  
Department of Economics  
University of Dhaka



**Professor  
Dr. Toufiq Ahmed Chowdhury**  
Director General  
Bangladesh Academy for  
Securities Markets



**Dr. Melita Mehjabeen**  
Associate Professor  
Institute of Business Administration  
University of Dhaka



**Dr. Suborna Barua**  
Associate Professor of Finance  
University of Dhaka  
and Research Fellow (part-time)  
Bangladesh Institute of Capital Market

## Group Photos



Image of Opening Session, ICSFI 2021



Image of the Session: 2, Day: 1, ICSFI 2021



Image of the Session: 3, Day: 1, ICSFI 2021



Image of the Session: 4, Day: 1, ICSFI 2021



Image of the Session: 5, Day: 2, ICSFI 2021



Image of the Session: 6, Day: 2, ICSFI 2021



Image of Session: 7, Day: 2, ICSFI 2021



Image of Session: 7, Day: 2, ICSFI 2021

BICM was established in 2008 as a national institution for imparting practical capital market education to foster an environment of better capital market investment. Over the years, efforts are being made to grow this institute as a center of excellence for professional development of capital market intermediaries and full spectrum of capital market professionals through dissemination of most updated theoretical and practical knowledge. The expert pool of faculty members and resources persons are dedicated to the motto of 'Education Endeavor Excellence' and put their best efforts for dissemination of knowledge.

The signature program of BICM, the **Post-Graduate Diploma in Capital Market (PGDCM)** has been running successfully since 2015. Till date, 16 (Sixteen) batches have successfully completed their course of studies and another 3 (Three) batches are continuing their studies. The program is spread over 2 semesters, 8 courses and 24 credit hours. Four courses are offered at every Level (Semester). The course distribution for the PGDCM program is as follows:

Level 1	Level 2
Basic Statistics	Securities Analysis and
Managerial Finance	Portfolio Management
Financial Accounting	Investment Banking
Financial Markets and institutions	Capital Market Operations
	Securities Laws

The institute offers a wide array of training programs/certificate courses, relevant to the capital market, for professionals, market intermediaries, and other stakeholders, the topics include:

Securities Laws	Market Manipulation
Understanding Accounting Standards (IAS/IFRS)	Financial Journalism
Capital Raising & Investment in Primary Market (IPO)	Legislative Drafting
Financial Statement Analysis	Bond Issuance, Valuation, and Analysis
Investment Analysis and Securities Valuation	Reading and Understanding Financial Statements
Market Operation	Issue Management and Underwriting
Fixed Income Securities	Investment Sukuk
Operation of Mutual Fund	Research Methodology (with a focus on capital market issues)
Strategies of Portfolio Management	Islamic Finance
Alternative Investment	Advance Financial Analytics and Modeling using MS-Excel
Technical Analysis	FinTech and Financial Data Analytics
Corporate Governance	Basics of Mutual Fund
Understanding Revaluation of Assets	VAT Practices in Bangladesh
Insider Trading, Fraud, and	

In addition, the institute also offers tailor made training programs/certificate courses on demand of interested institutions/organizations related to the capital market. Initiatives are also being taken to launch training on new products of Capital Market like Derivatives, Commodities, Exchange Traded Funds (ETF) etc.

From July 2021 the **Master of Applied Finance and Capital Market (MAFCM)** program is going to start. The program is affiliated with the University of Dhaka and will be run under the supervision of the Faculty of Business Studies, University of Dhaka. This program will prepare the participants to become next generation finance professionals. It is a 51 credits program (16 courses of 3 credits each, and a project work of 3 credits) designed to be completed in two years. The program will offer the following courses:

Foundation courses (four courses)	Elective Courses (any four)
Introduction to Statistics	Risk Management in Capital Market
Economics for Investment Decisions	Financial Modeling
Financial Statement Analysis	Data Analytics for Finance
Financial Markets and Institutions	Empirical Methods in Finance
	FinTech
<b>Core courses (eight courses)</b>	Financial Derivatives
Corporate Finance	Alternative Investments
Equity Valuation	Mergers and Acquisitions
Investment Banking and Capital Market Operations	Trading and Technical Analysis
Corporate Governance and Ethics	Behavioral Finance
Fixed Income Securities	Islamic Finance and Capital Market
Capital Market Regulations	Sustainable Finance
Compliance and Supervision in Capital Market	Innovations in Financial Markets
Portfolio Management and Investment Planning	Capital Market Supervision
	Contemporary Issues in Finance
	Accounting for Financial Instruments

For queries on admission or training programs, please contact the Registrar's Office

Phone: 02-223358506, 02 223358836, or 02-223358830  
e-mail: info@bicom.ac.bd, imran@bicom.ac.bd, or zahid@bicom.ac.bd  
or visit the BICM website [www.bicom.ac.bd](http://www.bicom.ac.bd).

You may also visit the facebook page of Bangladesh Institute of Capital Market for updated information about courses and programs ([/bicom.ac.bd](https://www.facebook.com/bicom.ac.bd)).

Conference Summary  
**Report**

**INTERNATIONAL CONFERENCE ON  
SUSTAINABLE FINANCE & INVESTMENT**

6-7 April  
**ICSFI 2021**

Organized by **Bangladesh Institute of Capital Market** | 6-7 April 2021 | ONLINE | <https://icsfi2021.bicm.ac.bd>