Research Journal of Finance and Accounting www.iiste.org
ISSN 2222-1697 (Paper) ISSN 2222-2847 (Online)
Vol.4, No.7, 2013

Influence of Stakeholders in Developing Green Banking Products in Bangladesh

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Abstract
Environmental concern is trying to control the patterns of consumers' consumption and behavior of manufacturing industries and business enterprises worldwide since climate change issues has been considered as a global challenge. After so many argumentations in the developed countries, it has become an incessant public endearment in the developing countries like Bangladesh, as the level of environmental deterioration has picked up to the mountains. Many measures have been taken into account while adapting to climate changes, but the actions are inconsistent in many cases especially in the financial sector (most appropriately in the banking sector). This study aims to highlight the supreme benefits, encountering challenges, strategic aspects of Green Banking with two major objectives. First one is to caricature the existing scenario of green banking practice in Bangladesh and the other one is to accentuate how individual and also institutional stakeholder forces such as regulatory, managerial or environmental, that can affect the deliberate environmental behavior of banks performing in Bangladesh. The findings suggest that banks should go green and play a pro-active role to take environmental aspects for functional improvements and changing client habits in banking business. Use of appropriate environmental technologies and management systems will not only be useful for environment, but also provide benefits as greater operational efficiencies. After using both descriptive and inferential statistics analysis, this study also advocacy for the necessity of stakeholder's influences in green banking practice and recommend some indication for Government, the whole banking sector and for the business community.

Introduction
The beginning of the twenty-first century has started the green bandwagon by which environmental safety and sustainable ecological balance have appeared as significant issues and gain greater consideration from all over the groups, who want this world to be livable in near future. These groups are really working hard to take initiatives to rescue this world from the dirty industrialization process and pressurize all industries to move into the green era. As financial service industry is considered as the promoter or influencer for all types of industries, therefore the pressure is increasing heavily on this industry to take environmental concern as the prime subject for all of their business decisions and activities. *McDaniel and Rylander* (1993) have stated at their research "Strategic green marketing." *Journal of Consumer Marketing* that if any organization can substantially change its culture towards the environmental responsible activities, then it is possible to expand the green process according to the group's green interests related with that organization. These groups are generally known as stakeholders who may have the interests to involve with or influence the organizations green activities.
As banks are performing most financial activities in every country, the focus of environmental concerned individuals or groups as stakeholders also goes with that direction to aggregate environmental issues and financial activities in the same manner. A large number of green technologies have already been used to interpret bank as the environmentally responsible financial performer after inaugural of environmental safety issue in 1990s but each of these arrangements has failed to prove bank as the environmental concerned financial institution for its stakeholders. Now-a-days banks usually attach the term "Green Banking" with their prospectus of activities to attract customers and deal with them, that means customers green attitude and greater environmental awareness are influencing banks to go for environmentally responsible banking activities. However, the approach from the banks is not enough to convince stakeholders to relate with their business rather the stakeholder groups might have better ideas or concepts to design or construct new green banking strategies. It obvious that, move into a new structure causes huge expenditure for the whole banking industry but a larger investment in constructing green structure can give a chance to this industry to contribute with more environment friendly activities which could give them an considerable competitive advantages too (*Porter and van der Linde, 1995*). Green financing could be the most effective way that brings not only the banking industry under the umbrella of green emergence but also include the business organizations and individuals who have combined relationship with banking industry and the environment. Not only quantitative but taking qualitative procedure, banking sector can change or support the way of evolution of the nature of an economy. Financing in green commercial projects may result in building a green economy where banks have the accountability for

socially responsible investments to provide better services for sustainable environment. Corporate firms also motivated to work on such projects which will lead them to good business as well as maintaining the responsibility to the environment (*Menon and Menon, 1997, Porter and van der Linde, 1995*).

However, banks need to consider the interests or understand the motive for influence of their stakeholders, because it will help them to fulfill the ultimate demand towards environmental responsibility. If banks have failed to measure the expectation level of green activities that is required by its stakeholders (who are also the stakeholders for the environment), then the stakeholders might have lessen their interest on normal banking activities as well. So, therefore, banks should take initiatives to include stakeholder's interests, new ideas and perceptions about the linking between banks and friendly environment for the improvement of strategic procedure that implement both the profit making business and the environment responsibility. Banks must adopt such learning-organization approach where both internal and external stakeholders along with key environmental stakeholders will get the similar priority to share their intentions, knowledge and perceptions, about environmentally responsible green activities, with the banks.

Developing new green products would be the first attempt for banks to move concerning green banking aspects. Now if banks show a favorable attention to their stakeholders to participate in the process of improvement for developing new green products it would be possible for banks to perform as learning-organization approach which will help them making profitable business along with maintaining the value of key environmental stakeholders (*Slater, 1997, pp. 164-165*). Banks have to ensure all types of stakeholder's participation in developing new green banking products to address and broaden their perspective to evaluate every environmental issue. Banks can ensure maximum benefits for their environmental stakeholders through bank-stakeholders interaction which will lead banks to become not only a profitable but also an environmentally responsible organization. At present, this interaction process could be the most prior asset for the banks to formally incorporate environment stakeholder's influences in developing new green banking products.

In Bangladesh, there are few examples where banks have only attempted some green banking initiatives, although they have not established themselves as learning-organization till today. However, now banks are realizing the importance of introducing new green banking products and the involvement of stakeholders in the development process. This article is trying to present the position of environmental responsible banking practices in Bangladesh and how and which stakeholders (Internal & External) can significantly influence the process of development new green banking products. The findings may optimistically influence the banks in Bangladesh and other green stakeholders to be motivated for taking green banking approaches seriously.

Literature Review

A green bank may not be exactly defined as an ethical bank, a socially responsible bank, or a sustainable bank but has similar kind of activities and perception and banks around the world have already exercised green banking for once at least (*Marzio 2007*). The coverage and benefits of green banking clearly have a positive impact on environment covering the security and cost (*Javelin Research 2009*). A study by *Gao (2009)* includes, green finance influences the alternation process of resource-inefficient and carbon-producing industries into green industry. However, credit and market risks cannot motivate many financial institutions to be environmentally responsible (*Mercier and Oliver 2002*). *IFC (2010)* accentuates that only the banks and other financial institutions can influence the corporate practices, by incorporating sustainability issues into their lending decisions, to build a cleaner or greener future. *Bank Track (2010)* notes, as banking sector is the superior provider of financial support, it can control the necessary transition for minimizing green house gas pollution and reducing the dependency of carbon energy sources. *Bank Track (2010)* also published some vital elements of bank's lending policies and created a project known as Forest Footprint Disclosure (FFD) for investors to identify the link between commercial bank's activities with tropical deforestation.

Environmental concern is growing significantly from every corner of this world in regard with unusual weather patterns, rising greenhouse gases, declining air quality etc. and pressure is created on businesses to take the environmental responsibility (*Zeitlberger 2007*). However, the European banking sector has taken this issue into account after 15 years of voluntary contribution from US. *Weber (2005)* concludes that green banks can also be financially successful or even have better position from typical competitors. In USA, banks along with a good number of corporate businesses are also finding "going green" with recently developed technologies, as more profitable with environmental sense (*Menon and Menon, 1997, Porter and van der Linde, 1995, Bhat 2008*). After enforcement of the Comprehensive Environmental Responses, Compensation, and Liability Act (CERCLA) in 1980, US banks were considered directly responsible for soil contamination caused by their clients (*Weber et. al. 2008*). In the 2009 Copenhagen Conference, the majority of world leaders gathered to seriously discuss about climate change (IISD 2009).

Havas Media (2007) stated that the consumers could be willing to pay extra for a well-managed green banking approach. According to *Javelin Research (2009),* consumers have the interest of thinking green but if the process appears confusing or inconvenient, they proceed with the typical banking activities as many financial institutions have not yet differentiate green banking as a major prospect for environmental responsibility. In this situation, there are difficulties among changing consumption habits towards green banking (*Vandana 2000*). The evidences over the years indicate that financial industry is responsible for a financed project cause environmental destruction and have a major influence on clients' perception, which may give the access to financing (*Raihan and Habib 2005*). Stakeholder theory suggests, an organization must include stakeholders' interest in the strategy and product development process (*Atkinson et al., 1997, Freeman, 1984; Harrison and St. John, 1996; Polonsky, 1996*). Developing strategic green alliances could be one of the most effective ways to develop less environmentally-harmful products (*Fineman and Clarke, 1996; Harrison and St. John, 1996; Hartman and Stafford, 1997; Mendleson and Polonsky, 1995*). Banks should address the sustainable development aspects that will ensure the process of stakeholder's involvement (*Coulson 2009*). IBT Market Pulse Survey (2008) on USA notes that around 86 percent executives from financial service institutions have agreed to the importance of being greener.

For bank it is not easy to be truly green and requires a thorough appraisal in order to be truly green (*Harvey 2007*). Refusing to lend to 'dirty' industries and clean up one's own act is even harder (*Goth 2008*). However, now-a-days, all types of banks and other financial institutions have engaged themselves in the green movement. Around 60 percent of the banks worldwide, where 67 percent of them from the Europe, 50 percent of the banks in North America and 25 percent from Oceania, have an environmental policy statement (*Jeucken 2001*). *Welford (2004)* shows, cleaner or greener activities are also existed in many developing countries like Taiwan, Thailand and China. In Argentina, Chile, Mexico and the Philippines, a negative reaction was created influenced by people's protest against environmental degradation (*World Bank study 1998*).

Many banks in developed countries are illustrating their liability to the earth through undertaking initiatives on environmental risk, in-house environment management practice, energy efficiency, and carbon minimization and spreading environmental awareness with the help of legislative, fiscal and other regulatory bindings and incentives In comparison, climate change and other environmental issues perceived as undesirable by banks Bangladesh till date.

The financial sector of Bangladesh is comparatively awkward for the concept of green Banking and yet to get momentum. Nowadays, most of the banks in Bangladesh are advocated to practice green banking, because of competing with the globalization. Tk. 657.67 million have allocated to the banks for green banking practice in 2012 and Taka 838.4 million has been apportioned to finance in the green projects. The broad objective should be the reduction of the level of absurdity and giving priority to environment and society. Bangladesh Government has already made a Perspective Plan that clearly spell out the assurances of ensuring sustainable growth based on green finance initiatives. Only investment in green projects undertaking sustainability a prime development concern to reduce the country's vulnerable condition due to floods, cyclones and to the threat of inundation of large coastal areas. Bangladesh hardly participates in global greenhouse gas (GHG) emission in comparison with other developing and developed countries. The Bangladesh government has taken the procedure to promote power generation from renewable energy sources like solar energy, air & waste with the above Policy & Act. A guideline is formulated under this act to keep safe our environment and reduce industrial pollution by mandatory Effluent Treatment Plant in those Industries that emit liquid effluent. Government motivates all the financial institutions in Bangladesh to invest on renewable energy, especially solar energy and biogas, which only can reduce the demand-supply gap of energy in the country and facilitate around 75 percent people who are outside from electricity and natural gas network.

Bangladesh Bank has already advised banks to be cautious about the adverse impact of natural calamities, through a remarkable step on the way to develop environmental practices by publishing a comprehensive circular on 'Policy Guidelines for Green Banking'. Bangladesh Bank has also concentrated on Energy efficiency and has introduced Taka 2.0 billion refinance line in 2010 to support renewable energy financing.

Now commercial Banks have to ensure necessary steps against environmental pollution while financing a new project such as taking extreme care in opening Letter of Credit (L/C) or providing capital to the existing businesses on the basis of having Effluent Treatment Plant (ETP) in the industrial units. A comprehensive guideline on Corporate Social Responsibility (CSR) has been issued that suggests financing in Solar Energy, Bio-gas, ETP and Hybrid Hoffman Kiln (HHK) in brick field where banks have been asked to concentrate hard on engaging with stakeholders in scrutiny of the environmental and social impacts and by now 27 banks & 1 financial Institution have already agreed to this approach from Bangladesh Bank. Now-a-days, banks are providing E-commerce facilities through money transfer and transactions in local currency using internet as well as providing the customers with online-banking facilities covering payments of utility bills.

Recently Bangladesh Bank has made an investigation on commercial banks emphasizing the environmental issues for launching new green branches as well as considering the green banking information provided by those banks till first quarter of 2012, to disclose a green banking report for the first time. Top ten banks were selected on the basis of CAMEL'S rating and Risk Based Capital Adequacy (RBCA) measurement that are executing appropriate green banking practices in Bangladesh. The 40 out of 47 nationalized and non nationalized commercial banks have established green banking unit and 41 of them have formulated green banking policies. *Source: Kaler kantho (21th June, 2012)*

Few Examples of Green Banking Practices in Bangladesh

Bangladesh Bank is authorizing commercial banks to allocate an appreciable amount for green banking in their annual budgets, which must include, Budget for green Finance, Budget for Climate Risk Fund and Budget for marketing & capacity building for green banking. A total of Tk. 23,018.36 million has been apportioned by 35 Banks for green banking which means, on an average, every bank allocated Tk. 657.67 million in their annual budget for 2012 (See Table- 1).

Table- 1: Allocation of fund for Green Banking

Area of allocation	**Amount (in million Tk.)**
Green Finance	20,034.59
Climate Risk Fund	2,141.74
Marketing& capacity building for green banking	842.73

Source: Bangladesh Bank

After analyzing Table- 2 we can get some ideas about the budgeted amount (Tk. 20,034.59) for green banking and also the differences between private commercial banks state - owned commercial bank in terms of efforts. The information also emphasized that the utilization of funds in private commercial banks is far more than other state owned commercial banks.

Table- 2: Allocation of Green Finance on the basis of Bank category

Bank Category	**Allocation for year 2012**	**Utilization(January-September 2012)**	**Percentage of utilization**
SCBs	6,160.00	25.53	0.41%
PCBs	11,506.79	2,828.73	24.58%
FCBs	1,017.80	76.80	7.55%
SDBs	1,350.00	342.63	25.38%
Total	**20,034.59**	**3,273.69**	**16.34%**

Source: Bangladesh Bank

The position of Bangladesh Bank's Refinance Scheme:

Only 838.4 million out of Tk. 2 billion available fund has been utilized to the following green projects till now after October 2012:

Table- 3: Bangladesh Bank refinance scheme for promotion of green projects

Category	**Amount (in million Taka)**
Solar irrigation pump	23.9
Solar home system	87.8
Biogas plant)	262.7
Effluent Treatment Plant (ETP)	90.4
Hybrid Hoffman Kiln (HHK)	124.8
Solar PV module assembling plant	248.8

Source: Bangladesh Bank

Most of the commercial banks have introduced Online Banking services in approximately 3,226 branches (39.35%) with increase in the number of branches (8,199 branches) through online coverage for facilitating rapidly expanding customers along with internet banking services. However, online banking coverage for private commercial bank's (PCBs) total branches has reached 90.73% where 4.84% of the total branches of state commercial banks (SCBs) are able to provide this benefit.

Table- 4: Status of online Banking

Types of banks	State owned commercial banks **(SCBs)**	Private commercial banks **(PCBs)**	Foreign commercial banks **(FCBs)**	Specialized development banks **(SDBs)**	**Total**
Total number of Branches	3,469	3224	73	1433	8199
Number of branches with online facility	168	2925	73	60	3226
% of branches with online banking facility	4.84	90.73	100.00	4.19	39.35

Source: Bangladesh Bank

Commercial banks are now offering financial services through mobile phone so that customers can comfortably continue their banking operations and transactions from anywhere using fast expanding cellular telecommunication network in Bangladesh. For this reason, Bangladesh Bank issued a guidelines on Mobile financial services (MFS) in 2011 under which 14 banks have already started their operation out of 23 banks have been given license. Around 1.5 million customers are the beneficiary of this service presently with a growth rate of 15% per month and around Tk. 330 million are transacted per day. Beside MFS, customers are also allowed to enjoy 24 hours banking services through countrywide ATM booths using ATM card provided by the banks against customers' accounts. Dutch-Bangla Bank is the leader of having the highest number of ATM Booths (2,170) where 4,332 ATM boots are operating in Bangladesh.

Banks are now using paper on both sides for internal consumption and also associating customers with the e-statement and online communication such as video or audio conferencing in lieu of physical travel. They are getting habituated in using more daylight or energy saving bulbs instead of electric lights and have made proper ventilation system to reduce the use of air conditioners. Vehicles are converted into CNG and employees are trying to use of office stationary (printer cartridges, photocopy toner, etc.) efficiently even using common table equipments.

From the overall discussion, it is found out that green banking practices in Bangladesh are not satisfactory in line with global awareness about green banking (*Islam and Das, 2013*). To improvise this situation Bangladesh Bank in accordance with every commercial bank in Bangladesh should enforce the procedure of green banking practices such as developing new green banking products, new green branches or launching new green Bank. However, to increase the level of development banks should consider the greater involvement of stakeholders in the strategy process, who might have valuable information outside the area of bank's expertise. The findings of this paper would suggest some directories that how the stakeholder's involvement will beneficial to the bank's green practices.

Methodology

Previous researchers, on this topic, depend heavily on theoretical study with survey, interview and archival methods. The questionnaires were developed to extensively examine the power to influence of stakeholder introducing green banking products in Bangladesh. From the previous studies it was already established that the stakeholder has an increased interest on the green banking sector because of the need of the time. Thus we modified the sample base to include not only the consumers but also the managements and possible stakeholders in the green banking process. Rather than the finding the impact of consumers over the green banking, we targeted the broader financial stakeholders to interpret and established a form of influence indicators.

To meet our objectives we used a sample of 520 possible stakeholders to examine the stakeholder's perception about influencing green banking process. At first, we create a hypothetical scenario where the respondents were asked to evaluate a set of stakeholders to calculate their ability to influence introducing a green banking product in a hypothetical bank. Namely,

- Competitors
- Corporate Consumer
- Non-Corporate Consumer
- Employee
- Employee Union
- Government Regulatory Organization
- Stockholders
- Top Management
- Middle Management
- Bottom Management
- Research Community
- Media
- Special Interest Groups

Respondents were asked to indicate the stakeholder's direct and indirect ability on the threatening, cooperating, influencing, and importance factors using a 5 points scale. At the end we average them to get the final result. Anything above 3 was denoted as high and rest of them as low. The stakeholder groups and the research methodology were highly influenced by Polonsky and Ottman's (Stakeholders contribution to the Green new Product development Process, Journal of Marketing Management, 1998).

Sample

For the sample, we took 40 random members from each of the stakeholder groups. Sample distribution, in terms of banking industry was not statistically different from any other studies currently going on Bangladeshi financial sector. A statistical examination of differences between early and late respondents that there were no non-respondents biases. The sample was obtained from 21 government and private banks. Out of our preliminary interest groups only less than 20% was interested to participate in the study. After including the non-disclosure paragraph in the contract, finally a sample of 520 respondents was finalized. This might suggests, there is a possibility of non-disclosure interest in the target stakeholder groups. It also suggests that there is lack of data and evidence in the green banking sector of Bangladesh. It can also be described as non-respondents bias which is different from our preliminary statistical findings. However, due to small sample size, a quantitative non-response analysis was not undertaken which is identical scenario from Polonsky, Rosenberger and Ottman's model of 1998.

Result

This study anticipated that the respondents would appreciate higher stakeholder's influence in developing green banking products in Bangladesh and some key stakeholders would perform more effectively than others. By evaluating the samples based on all three influencing criteria from and the importance of these stakeholders' influences, this study has found that there were significant differences between these stakeholder groups. 40 persons from each stakeholder group were asked to evaluate and rate their importance and ability to influence (both direct and indirect) the green banking products development process.

Table- 5: Perception Regarding Stakeholder's Importance and Influencing Ability

Stakeholder Group	Threatening Ability		Influencing Ability		Cooperating Ability		Importance	
	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect
Competitors	High	High	High	High	High	High	High	High
Corporate Consumer	High	High	High	High	High	High	High	High
Non-Corporate Consumer	Low	High	Low	Low	Low	Low	Low	Low
Employee	Low	Low	High	High	High	High	Low	Low
Employee Union	Low	Low	Low	Low	Low	Low	Low	Low
Government Regulatory Organization	Low	High	Low	High	High	Low	High	Low
Stockholders	High	High	High	High	High	High	High	High
Top Management	High	High	High	High	High	High	High	High
Middle Management	Low	High	Low	High	Low	High	Low	High
Bottom Management	Low	Low	Low	Low	Low	Low	Low	Low
Research Community	Low	Low	Low	Low	Low	Low	Low	Low
Media	High	Low	High	Low	High	Low	High	Low
Special Interest Groups	High	Low	Low	Low	Low	Low	Low	Low

Assessing the results this study has found out that only 4 stakeholder groups (Competitors, Corporate Consumers, Stockholders and Top Management) had all direct and indirect influence and importance to accelerate the development process. However, a large number of respondents believed that these internal groups' interests were extensively important for the development activities, which is inconsistent with the stakeholders' influencing perspective. The results even showed that three stakeholder groups (Employee Union, Bottom Management and Research Community) had no or a little importance or influencing ability according to all criteria where Non-Corporate Consumer group had only the indirect threatening ability and the Special Interest Groups had the direct threatening ability only. The most interesting part was that the media had all the direct abilities and importance where Employee group had only direct and indirect influencing and cooperating ability without having any importance. In terms of Middle Management, they were trying to indirectly influence and had an indirect importance in the development process. Rest of all, the Government Regulatory Organization had a direct importance according to the result with indirect threatening and influencing ability and direct cooperating ability.

However, it could be said that, Banks in Bangladesh are in the initial (relatively costless and easy) stages of greening their products and thus, might not take extensive external assistance or learning organization techniques to make environmental improvements. The suggestion is plausible, for stakeholder theory suggest that the range of stakeholders and their individual stakes is extremely context specific and thus green issues should have more priority in the banking sector of Bangladesh than any others. Another alternative suggestion could be that the banks should establish the trend to include more external stakeholder's perceptions and influence as well as emphasizing the existing internal stakeholder's influence in the new green banking products development process to gain lots of ideas of what approaches will faster the movement to be truly greener.

Implication to the Government

In line with global development and response to the environmental degradation, the government of Bangladesh should focus on the financial sector as one of the key stake holders of the environment and the country itself. However, Bangladesh has made notable contribution towards establishing 'Green Climate Fund' alongside documenting the Renewable Energy Policy in 2008 & Environmental preservation Act in 1997. During studied this article we have found that only government can take as much as initiatives to actuate the country's financial sector towards green activities. It is important to imply such legislation by any kind of act or to control all financial institutions over central bank's policy & regulation, which only can enforce the standard of green mechanism amongst all commercial and non-commercial financial organizations. Government should force all banking and non-banking organization to make such policy statement for green activities or supervise the central bank to construct a primitive guideline to take green approaches as prime concern regarding all business decisions for all the banks performing in Bangladesh. Although, the central bank of Bangladesh has issued guidelines for environmental risk management but the control over all the banks is limited in terms of forcing them to take green banking as the primary objective. Government should direct to create a separate green banking cell or open new green branch where banks will exercise the process of designing and administrating green banking related aspects. Though *Schmidheiny and Zorraquin (1996)* conclude from their primary study that commercial banks are generally acted as profit oriented-organization which leads them to prefer short-terms payback periods but to implement the significance of appropriate green banking approach, they need to have longer period investment which may not possible at every case for the banks. Thus, government must design proper legislation of environmental rules for banks and ensure enforcement. At first, government should enforce banks to continue in-house green initiatives which will interpret a green office guide. Secondly government should strongly influence these banks to finance for green commercial projects and loan programs for promoting environmental practices among clients and other important stakeholders. Most importantly, government should focus on awareness development among general stakeholders and clients make their relationship with green banking. The Bangladesh bank should motivate these banks to include banking stakeholders as well as environmental stakeholders with the strategy process to improve the ways of developing green banking mechanism or induce them into formulate new green banking products. BB should monitor that if banks are applying their stakeholder's perceptions in developing new green banking products which will terminate the process of greening the whole financial system in Bangladesh. Government should consider the top management's priorities during the construction and operation of the green project that will help to provide regular reports, prepared by in house staff and third party experts. There should be a direct communication between the managements, competitors, monitoring and other stakeholder group.

Implication to the Banking Sector

While the whole banking sector needs to be green the first approach should be the process to encourage projects which take care of environmental safety such as sustainable development and use of natural renewable natural resources; protection of human health, bio-diversity, occupational health and safety, efficient production, delivery and use of energy; pollution prevention and waste minimization, pollution controls (liquid effluents and air emissions) and solid and chemical waste management and there should be a third party expert to draw a plan for the environment management plan. Banks should keep following aspects in mind while financing any projects like analyzing the project in terms of scale, nature and the magnitude of environmental impact. The project should be evaluated on the basis of potential negative and positive environmental effects analyzed by the managements and third party experts and then compared with the 'without project situation'. There should be an Environmental Impact Assessment of each project recommending the measures needed to prevent, minimize and mitigate the environmental negative impact before financing the projects. While investing or funding the projects, the financial institutions should assess the sensitive issues like vulnerable groups; involuntary displacement etc and projects should be evaluated in terms of environmentally important areas including wetlands, forests, grasslands and other natural habitats. Banking institutions need to evaluate the value of real property and the potential environmental liability associated with the real property.

At another point where banks need to include stakeholder's perceptions, they first need to consult with stakeholder groups that will create some clear benefits for them. Firstly, decision making about greening should be more informed and in tune with those stakeholders to whom the actions will affect. Secondly, there should be greater satisfaction from stakeholders with the new green banking products. This in turn will lead to a greater chance of a successful implementation of the green initiatives. Top managements need to introduce such strategic plan where stakeholders will feel ownership of the green venture, and are therefore more likely to want the venture to succeed. Finally, considering the influence from people who will be affected by the development process of green banking is an example of best practice. It represents good governance and transparency, demonstrates a desire to engage in meaningful two-way communication, and recognizes the important contribution stakeholders at all levels can make to future changes which will directly or indirectly affect the whole financial sector. Banks should take such awareness and training programs to spread the importance of green mechanism among the employees, clients and other important stakeholders to include them into the green strategy process.

Implication to the Business Community

On a global basis, while getting adapted with changed environmental strategy is still seen as more of a public sector focus than mitigation, some increased focus has been evident. The private sector should also be seen as a supplier of innovative green products and services. There is a clear need to meet the adaptation priorities of developing countries with expertise in technology and service delivery. The private sector has particular competencies which can make a unique contribution to the green infrastructure, through innovative technology, design of resilient framework, development and implementation of improved information systems and the management of major green projects. One important constraint in private sector engagement in climate change projects, for both mitigation and adaptation, is the lack of capacity of financial institutions in both public and private sectors to evaluate projects. Most of the commercial banks rely on short term deposits and an asset-liability mismatch also limits their ability and willingness to structure financial products with the longer tenure that is typically needed for climate change investments (*Jeucken and Bouma, 1999*). Here, the private sector can make a significance role in terms of determining environmental targeted projects that should be attained through strategic planning with the consideration of being an important stakeholder of the environment. The whole business community is very much affiliated with the exception and there is still a significant amount of work to be done before private sector involvement becomes meaningful. More effective communication of climate change issues; opportunities to key decision makers in Bangladeshi corporate and the effort from financial institutions will help to overcome the information gaps between the banks and the business communities. Managements should focus on in-house green activities to imply the first level importance of creating green infrastructure. Broad based information dissemination needs to be supplemented by a more targeted approach. One on-on-one consulting and Technical assistance can be far more effective. There is another important potential tool to motivate the private sector is be more aware of successful and commercially viable investments and initiatives by other corporate in the region and indeed globally.

Conclusion

To the context of developing new green products, certain determinants could be examined. The banks in Bangladesh may compare some specific measures to improve their green banking practices whether those could be meaningful for developing new green product or construct new green branches. Consideration of stakeholder's influences or perceptions is one of the major criteria that might be useful for banks to accelerate the development process. However, banks need to work hard for creating awareness about the importance of green mechanism among the stakeholder groups at first and bring them into formal planning process as these stakeholders are also important for the development of environmental crisis. Banks really need to reduce the continuous distrust between the banks and its internal and external environmental stakeholders. It is necessary to have open dialogues and direct communications between stakeholders to develop cooperative environmental relationships which may help banks to develop new green products.

So, every bank has to participate in the new green product development process with greater involvement from stakeholders and contribute to green banking practices in today's extreme national and global banking competition. Bangladesh bank, which is working as the advisor of all commercial banks in Bangladesh, has to emphasize the importance of involving stakeholders with significance of green banking activities/practices of a bank while according permission for developing new green banking product and should set up a strong monitoring unit to identify which banks are giving efforts toward green banking practice. Government should also encourage the general stakeholders to engage in green banking practice so that every bank can accommodate the result from being a green bank.

Recent researches advocate about an existing positive relationship between environmental and financial performance, which may drive all stakeholder groups to deeply think about green banking performance and may help them to establish a green culture. According to this paper, only 4 out of 13 stakeholder groups have the highest influence in developing new green product which will surely motivate the strategic process of including other stakeholder group's influences with an increase. So, therefore, the involvement of stakeholder's influences must help a bank to establish long-term competitive advantages for their banking operation in Bangladesh. Every bank should note that the stakeholder's influences will control each of their banking operations and activities in a near future. To get better efficiency in the new green banking development process, every bank must convey stakeholder's influences in line with the bank's profit oriented attitude.

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