**Press Release**

BUILD/09/2021/344 Date: September 6, 2021

Attn: News Editor/ Chief Reporter/ Assignment Editor /Business Page-in-Charge:

BUILD’s proposal to relax GTF loan criteria has been implemented

Bangladesh Bank manages Green Transformation Fund (GTF) of USD 200 million and EUR 200 million. The GTF is intended to facilitate access to financing in foreign exchange by all manufacturer-exporters of all sectors to facilitate green or environment-friendly initiatives and harness green transformation.

Bangladesh Bank via FE Circular Letter No.23 has relaxed two conditions for state-owned commercial banks to participate in green transformation fund. Firstly, state-owned commercial banks (SCBs) with more than 10% Non-Performing Loans (NPL) will be able to borrow from GTF. Secondly, SCBs that have shortfalls in loan or investment provision, capital and liquidity will also be eligible to borrow from this fund.

Business Initiative Leading Development (BUILD) through 7th Financial Sector Development Working Committee (FSDWC) meeting in 2019 and 3rd Sustainability and Green Growth Working Committee (SGGWC) meeting in 2021 proposed Bangladesh Bank to relax the loan policy for the state owned commercial banks for GTF as a lot of textile and non-textile firms are the clients of these banks.

BUILD believes that the relaxation of loan policy for the SCBs will facilitate the private sector exporters to gain competitive advantages, ensure environmental compliance, and be sustainable. According to Bangladesh Bank, USD 89.69 million has been disbursed from GTF so far. BUILD hopes that the loan policy relaxation for SCBs will expedite more loan disbursement in near future.

Sincerely

**Ferdaus Ara Begum**∣ CEO ∣ BUILD ∣ Mob: 01714102994∣ Email: ceo@buildbd.org∣www.buildbd.org