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GREEN BANKING AND SUSTAINABILITY

Dr. R. Seetharaman, Doha Bank Group CEO

Green banking and sustainability

Doha Bank Group CEO **Dr. R Seetharaman**'s passion for and research into green banking and sustainability, subjects close to his heart, have won him a Ph.D from Sri Sri University, India. **Zoya Malik** draws out his philosophy and initiatives in mitigating climate change and promoting green economies

Over the past decade, you have promoted your philosophy on green banking and sustainable development. What are critical areas of development?

"Sustainable development meets the needs of the present without compromising the ability of future generations to meet their own needs. Climate change poses the most significant challenge to achieve sustainable development. Banks as responsible corporate citizens should adopt green banking as part of corporate social responsibility (CSR) and sustainable development. Green banking promotes environment-friendly practices and reduces carbon footprint from banking activities. Green banking will blend customers' financial interests with the interests of the environment. Green banking will also enable environmental sensibility to pay off for clients and for the planet. Green banking is an innovative solution for sustainable development. Green banking considers all the social and environmental factors with an aim to protect the environment and conserve natural resources. It is also called ethical banking or sustainable banking."



Green banking doctorate.



Compliments from HE Ban Ki Moon, Secretary General, United Nations.



Dr. R. Seetharaman, Doha Bank Group CEO, welcoming HE Abdullah Bin Hamad Al-Attiyah the President-elect of the COP18/CMP8 Conference and Chairman of the Higher Organising Committee.



Friends and family celebrating Dr. R. Seetharaman winning the *Banker Middle East Lifetime Achievement Award 2015*.

What are the key areas which should be encompassed as part of green banking?

“Green banking should be part of sustainable development and should cover a wide range of areas such as green economies, food security, corporate social responsibility, public-private partnership, climate change financing, small and medium enterprises, global and GCC sustainability and human resources. The green economy is mainly based on sectors such as renewable energy, green buildings, clean transportation, water management, waste management and land management. Hence, green economies are the solutions for global sustainability and green banking should be practiced to encourage green economies and thereby mitigate climate change.”

Which themes do you believe are part of green banking and sustainable development?

“The key ideas are that green economies are the solutions for global sustainability – green banking encourages green economies and mitigates climate change. One leads onto the other wherein effective policies are required to attract private sector investment in climate change, climate change mitigation is necessary to address food security challenges. SMEs are critical for the sustainable development of economies and global governance gives emphasis for such sustainable development.”

How has the global financial crisis impacted your thoughts on green banking?

“The global financial crisis has made me rethink green banking. Again I say, banks as socially responsible citizens should earmark capital for green banking apart from capital for regulatory requirements. The banking environment operates within the global standards of lending or investing and such standards have been revised after the global financial crisis both in terms of liquidity and capital adequacy. The ongoing concern is that capital has been redefined and suitable buffers have also been developed taking into consideration the liquidity and systematic issues. However in addition to this, banks as socially responsible citizens have a role to play in protecting the environment and contributing to sustainable development. Hence every bank should earmark minimum 10 per cent of Tier 1 capital subject to a cap of 10 per cent of risk weighted capital towards green banking or clean development mechanism (CDM) or any sustainable development projects, taking into consideration the carbon emissions prevailing in the economy in which the bank operates.”

Can you elaborate on the allocation model for green banking?

“As pertains to the model, the greenhouse gas (GHG) emissions need to be estimated for major economic sectors in areas of

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operation to determine the carbon footprint. Based on the carbon footprint in various economic sectors, initiatives should be proposed to promote green economies such as lending for green projects, CDM schemes and paperless banking. The allocation matrix should be such that the greater the carbon footprint in the relevant economic sector, the higher the allocation of capital for green banking and sustainable projects. The carbon footprint will be different across various geographies and economic sectors and hence country-wise and sector wise allocations should be explored. This forms the basis for green banking and brings prudence into the capital framework."

Give us insight on major renewable financing projects implemented by Doha Bank?

Doha Bank was involved in project financing for supporting the construction of Qatar General Electricity & Water Corporation's Water Security Mega Reservoirs Project. It has also provided a term loan for Emirates Central Cooling Systems, which provides efficient district cooling services (DCS) to developments in Dubai and the surrounding region.

What are the major initiatives of Doha Bank on green banking?

Doha Bank has promoted paperless banking, internet banking, SMS banking, phone banking and ATM banking as well as online channels such as Doha Souq, e-remittances and online bill payments. It has launched Green Credit Card and Green Account. It also has a dedicated green banking website which integrates the bank's initiatives in promoting environmental safety with the community by reaching out to both the public and private sectors. Doha Bank conducted Green Quiz with global warming and climatic changes as a central theme to spread awareness in various countries. Doha Bank has tracked the developments pertaining to various Conference of Parties (COP) meetings of United Nations Framework Convention on Climate Change (UNFCCC) and has also participated in various COP meetings such as COP 18.

- ➔ Green banking is an innovative solution for sustainable development.
- ➔ Green banking encourages green economies and thereby mitigates climate change.
- ➔ Banks should earmark capital for green banking, apart from regulatory requirements.



(L-R): Zoya Malik, Editor, *Banker Middle East*, Adam Price, MD, Middle East for Select Property, Dr. R. Seetharaman, Rashid Bin Ali Al Mansoori, CEO of Qatar Stock Exchange and Saleh Al Akrabi, CEO of CPI Financial at the *BME Industry Awards 2015*.



Doctor of Civil Laws by European University.



Doctorate of Law by Washington College.